

HOUSE OF REPRESENTATIVES—Tuesday, March 24, 1992

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

At this time in the history of the nations when new freedoms are touching the lives of those who have known travail and pain, we remember, O gracious and loving God, those whose sacrifice and tears and faithfulness has brought this new day of celebration into being. With praise we recall the names of those who are the martyrs of freedom and liberty, and also those whose names we do not readily know, but who carried hope in their hearts, whose prayers were joined with ours in a solidarity of concern for peace. Bless these new freedoms, O God, and may that beacon of hope and light grow through the years. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Wyoming [Mr. THOMAS] come forward and lead the House in the Pledge of Allegiance.

Mr. THOMAS of Wyoming 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

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 272. Joint resolution to proclaim March 20, 1992, as "National Agriculture Day".

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
March 20, 1992.

Hon. THOMAS S. FOLEY,
The Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the

Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on Friday, March 20, 1992 at 4:09 p.m.: That the Senate agreed to Conference Report on H.R. 4210.

With great respect, I am
Sincerely yours,

DONNALD K. ANDERSON,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill on Friday, March 20, 1992:

H.R. 4210. An act to amend the Internal Revenue Code of 1986 to provide incentives for increased economic growth and to provide tax relief for families.

DESPITE OBSTACLES CONGRESS MUST PASS CAMPAIGN FINANCE REFORM

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

Mr. MAZZOLI. Mr. Speaker, in 1976 in the Supreme Court case of Buckley versus Valeo, an immense obstacle was placed in the path of congressional efforts to reform campaign election finance laws. I cannot quarrel with the constitutionality of that decision, but it has made our job and your job Mr. Speaker, very much more difficult in moving a good, solid campaign reform bill to passage.

The Buckley-Valeo case said that while Congress could mandate limits on how much money could come into a campaign and the sources from which that money could come, Congress could not limit the amount of outgo. Congress could not limit campaign spending.

This has made our efforts to fashion campaign laws center around the issue of how to induce and to achieve voluntary spending limits. That has led generally to reduced campaign expenses in postage or television, and also led to experiments in partial public financing.

I realize how controversial partial public financing is. I do, however, hope, Mr. Speaker, that the conferees who will meet and soon adjudicate the differences between the two bodies on the two campaign bills will retain in the bill some form of partial public financing. I think it would be a step forward.

I certainly believe the Speaker's efforts to achieve campaign reform in this session of Congress are very salutary.

A LETTER FROM HOME

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

Mr. OXLEY. Mr. Speaker, we all get letters from home; that is the way the system works. It is the essence of representative democracy. Well, the other day I really got a letter from home. It was signed, "Dad."

My father's insurance company, American Family Life Assurance, wrote him a letter pointing out that last November, as a result of the Omnibus Budget Reconciliation Act of 1990, a new Medicaid law took effect which places onerous restrictions on my father's ability to select supplemental insurance. Having looked into the matter, I have learned that most of the key legislators involved believe that this was not the intent of Congress. Apparently the intent was laudable—to prevent duplication of Medicaid coverage—but that was not the result.

The mistake was not recognized until after enactment, and since then the key committees have been trying to correct it. Nonetheless, the bungling consequences of OBRA 1990 continue, and they are hitting home on our senior citizens. I understand Congress came close to fixing the problem last year in a technical corrections bill, but failed because the complex committee jurisdiction enabled one critical committee to block the effort.

Mr. Speaker, when will this body ever learn that tying substantive legislation and funding bills together not only violates our rules but often does more harm than good?

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
March 23, 1992.

Hon. THOMAS S. FOLEY,
The Speaker,
U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit four sealed envelopes received from the White House on Friday, March 20, 1992 as follows:

(1) Three sealed envelopes received at 6:15 P.M. and said to contain 67 special messages from the President whereby, in accordance with the Congressional Budget and Impoundment Control Act of 1974, he reports 68 rescission proposals; and

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

(2) One sealed envelope received at 8:28 P.M. and said to contain H.R. 4210, the Tax Fairness and Economic Growth Act of 1992, and a veto message thereon.

With great respect, I am
Sincerely yours,

DONNALD K. ANDERSON,
Clerk, House of Representatives.

TAX FAIRNESS AND ECONOMIC GROWTH ACCELERATION ACT OF 1992—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-206)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith without my approval H.R. 4210, the "Tax Fairness and Economic Growth Acceleration Act of 1992." In my State of the Union Message, I proposed a responsible, balanced economic growth program. I challenged the Congress to pass incentives for growth by March 20. The Congress failed to meet that challenge. The Congress' response, H.R. 4210, is a formula for economic stagnation, not economic expansion.

My Administration's economic growth program would create jobs, generate long-term economic growth, and promote health, education, savings, and home ownership. My plan would encourage investment and enhance real estate values—without tax increases.

Tax increases would undermine the emerging recovery and act as a barrier to long-term growth. I call on the Congress to pass the seven commonsense measures that I asked for by this date, without tax increases, and to join me in pursuing a long-term agenda for growth.

I am disappointed that after 52 days the Congress has produced partisan, flawed legislation. Rather than work in a constructive manner to strengthen the economy and to create jobs, congressional leaders chose the path of partisanship. H.R. 4210 would jeopardize the recovery. It would not create jobs. It would not create incentives for long-term investment and growth, it does not contain a tax credit for first-time homebuyers, and it contains wholly inappropriate special interest provisions.

H.R. 4210 would increase taxes by more than \$100 billion. More than two-thirds of all taxpayers facing tax increases as a result of this bill would be owners of small businesses and entrepreneurs. Small businesses are the primary source of new job creation.

H.R. 4210 would raise income tax rates substantially for some individuals, in some cases increasing marginal rates by more than 30 percent.

This is the wrong time to raise taxes, to increase the deficit, or to send a message of fiscal irresponsibility to financial markets.

I am therefore returning H.R. 4210, and I ask the Congress again to pass my economic growth program, without raising taxes.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

□ 1210

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the veto message and the bill will be printed as a House document.

Mr. BONIOR. Mr. Speaker, I ask unanimous consent that further consideration of the veto message on the bill, H.R. 4210, be postponed until Wednesday, March 25, 1992.

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

There was no objection.

MIDDLE-CLASS AMERICANS ABANDONED BY PRESIDENT

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, with last week's veto the President has abandoned America's middle class.

The veto said he does not care about families who cannot make ends meet.

The veto said he does not care about people who have to pay a mortgage—or help with a kid's schooling.

The Republican recession is now almost 2 years old.

The Republican recession has squeezed the middle class.

But the President's veto showed once again he just wants to take care of his rich friends—the country club crowd.

The President should forget the country club.

He should start thinking about the country.

FULL FINANCING FOR THE EXIMBANK

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

Mr. BEREUTER. Mr. Speaker, for my export 1 minute today I would like to address a serious problem concerning the underfinancing of the Export-Import Bank. Currently the United States is the world's No. 1 exporting Nation, and one of the institutions responsible for this success, the Export-Import Bank, may soon run out of money to pay its employees.

Mr. Speaker, this lack of funding for the Export-Import Bank could not happen at a worse time. Growth in U.S. exports is critical in leading this country out of recession. Yet, a continuing resolution freezes the Bank's operating budget at 1991 levels. While the House has approved an additional \$2 million for the Bank to cover new positions for

greater demand on its services, this initiative has been held up in the Senate. Unfortunately, if these additional funds are not included in the continuing resolution, the Eximbank will be forced to furlough employees for as long as a month, thus crippling the Bank's programs and hindering U.S. exports and jobs.

Mr. Speaker, the Export-Import Bank is one of this country's best tools for keeping the stream of exports flowing. Last year, the Bank provided \$11 billion in loans, guarantees and insurance for U.S. exports. This financing is critical because commercial banks have become increasingly reluctant to provide export financing for U.S. exporters.

Nevertheless, by freezing the Bank's administrative expenses and underfinancing it by \$2 million, we risk a much greater loss in U.S. exports and jobs. Therefore, this Member urges his colleagues in both Houses of Congress to invest in the future of this country by supporting the full financing of the Export-Import Bank.

PAUL TSONGAS: AN EXAMPLE OF COURAGE, INTEGRITY, AND COMMITMENT

(Mr. FRANK of Massachusetts asked and was given permission to address the House for 1 minute.)

Mr. FRANK of Massachusetts. Mr. Speaker, I wanted to talk for just 1 minute about Paul Tsongas. This has been a time when even more than usual the unpleasant aspects of politics and public service have been held out before the public. Given that, I think it is especially important to note the example of integrity, courage, and dignity that Paul Tsongas has provided the people in his candidacy for the Presidency of the United States.

Mr. Speaker, he started this because he thought it was important at a time when people were quite literally laughing at him. By the force of his intellect and his commitment, he turned that laughter into praise.

At a point in that campaign when it seemed like he would not be able to run on the terms on which he wanted to run, he did a very honorable thing; he said:

I will forego the intention, I will forego the glory, I won't try to change my basic approach, I will simply withdraw because I am not getting any further along the lines that I thought made most sense.

Mr. Speaker, this kind of example of courage, integrity and commitment reminds people that politics at its best is a very, very noble profession, and I am, as I think all of us are, indebted to Paul Tsongas for his performance and for his willingness to, among other things, emphasize that point.

SUPPORT URGED FOR COMPREHENSIVE PREVENTIVE HEALTH CARE ACT OF 1992

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

Mr. GILMAN. Mr. Speaker, both Newsweek and the Washington Post health section have recently published articles on the deadly return of tuberculosis. Just 8 years ago, the United States had the lowest TB rate in modern history. In 1985, TB incidence started rising and has continued to rise. By 1990, Americans were suffering 16 percent more TB than in 1984, and nearly 40 percent more than previous trends would have predicted. Currently, in my home State of New York, TB has risen by 30.4 percent.

According to the American Lung Association, a TB skin test is the only way to tell if you have a tuberculosis infection. Additionally, the Centers for Disease Control have stated that if it is diagnosed correctly, drug-resistant TB can be successfully treated about 50 percent of the time, and drug-responsive TB has a 98-percent cure rate.

Mr. Speaker, in the past we were able to combat this deadly disease through periodic health exams and screening, but most recent statistics show that we no longer have TB under control. TB, once ranked as the Nation's leading killer is back and poised to reestablish itself as a major cause of suffering and death.

It is time for Congress to take some significant steps in preventing diseases such as tuberculosis by educating the public on the importance of practicing preventive health care.

Mr. Speaker, it is obvious that periodic health exams, which include screening, immunizations, and counseling is essential to combat this new deadly epidemic. Accordingly, I invite my colleagues to examine and support my Comprehensive Preventive Health Care Act of 1992—H.R. 4094—which provides periodic health exams in order to prevent serious, costly illnesses.

REPEAL THE 5-PERCENT ORIGINATION FEE FOR STUDENT LOANS

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

Mrs. MINK. Mr. Speaker, I take this time to alert the House, my colleagues in particular who serve on the Committee on Education and Labor, that the rule which has been adopted and which will be brought before the House for consideration preliminary to debate on the higher education bill includes in it an amendment which was agreed to by the leadership which in fact imposes a 5-percent tax on students who take out loans because they are needy and because they need the money to go on to college.

Mr. Speaker, during the dark hours when we were debating the Omnibus Budget Reconciliation Act of 1990, unbeknownst to many of us there was a provision put into that law which imposed a 5-percent origination fee for student loans under the guaranteed student loan program.

This year the Committee on Education and Labor attempted to do away with that 5 percent. It is an unfair tax on students. Students are being asked to do something about the Nation's deficit at a time when they need every penny they can get in order to go on to college.

Well, the higher education bill that came before the Committee on Rules was in a deficit situation, it did not meet the budget authority requirements, and therefore additional funds had to be found. Unfortunately, the additional funds are a new tax on students. I am calling upon the House to vote down the rule tomorrow so that we can get rid of this onerous burden which is being put upon the students and find the additional funds in some other quarters.

CONCERN ABOUT OUR LEGISLATIVE RESPONSIBILITIES

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

Mr. THOMAS of Wyoming. Mr. Speaker I rise to express my total frustration with the management of this body. I came here to deal with issues and solutions that affect the Republic. That, I believe, is our job. I am extremely disappointed in the ability of the leadership to provide the Congress with an opportunity to address these issues—let alone resolve them.

Mr. Speaker, the current tide of concern is about the failure of the leadership to manage the administrative functions—bank, post office—that performance has been dismal. But Mr. Speaker, I am talking about the handling of our legislative responsibilities. Leadership has done little better in that arena. The Congress has been in session for 3 months—only three or four substantive issues have been addressed by the full House. Last week was a horrible example of the waste of time and resources. This Congress has done nothing all week—finally some action on Friday.

I am offended by the fact that there are not better plans for use of our collective time—no timetable for handling legislation—no apparent goals or priorities.

Committee chairmen and the House leadership must lead—Mr. Speaker—we need fundamental change.

AMENDMENT TO H.R. 3553 IS NEEDED TO PROTECT CAMPUS SEXUAL ASSAULT VICTIMS

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

Mr. RAMSTAD. Mr. Speaker, tomorrow the House is expected to begin consideration of H.R. 3553, the Higher Education Amendments of 1992. I am sure we will argue for hours about a number of amendments, but there is one amendment, Mr. Speaker, about which there should be no dispute, and that is an amendment that Ms. MOLINARI and I will offer to protect the rights of campus sexual assault victims.

Mr. Speaker, our amendment is based on H.R. 2362, which I introduced last May and which now has strong bipartisan support of 185 cosponsors.

□ 1220

Mr. Speaker, the facts about campus rape are absolutely startling. A campus rape is reported every 21 hours. Only 5 percent of campus rape victims ever report their attacks to police. And the most respected study estimates that one of four college women in America will be the victim of either attempted rape or rape during her 4-year college career.

Mr. Speaker, our amendment would simply require colleges and universities to adopt meaningful campus sexual assault policies. These policies would address rape education and prevention, as well as other procedures to be followed after a campus sexual offense occurs.

Say "no" to campus rape by voting "yes" on the Ramstad-Molinari amendment.

TRIBUTE TO FREDERICK HAYEK

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

Mr. ARMEY. Mr. Speaker, today my Wall Street Journal brought me sad news, news of the passing of the great economist and Nobel laureate, Frederick Hayek. I remember as a student reading Hayek's plaintive plea for sanity that he wrote in 1944 when he wrote, "The Road to Serfdom." The essential lesson of "The Road to Serfdom" is that freedom works.

Not only did Hayek demonstrate he had the superior mind as he wrote that book, but he demonstrated a superior compassion found only in conservatives, a compassion even for the misguided left where he argued that proponents of centralization of power, proponents of strong government planning, proponents of ideas that hurt people and diminished freedom will ultimately be the victims.

I say to my friends on the left, "Read Hayek, and read that the pain your

ideas inflict on others may be inevitable, but your own inevitable suffering at these ideas is optional, or, as Willie Nelson says, 'Be careful what you're dreaming. Soon your dreams will be dreaming you.'

IT IS TIME TO NAME NAMES

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

Mr. ROGERS. Mr. Speaker, Members of this body voted overwhelmingly 11 days ago for full disclosure of the names of those who wrote bad checks on their House bank accounts. We agreed then that the 24 worst offenders' names would be released within 10 days. Today is the 11th day, and we are told there will be a delay in releasing those names, that, despite months of work, the Committee on Standards of Official Conduct could not meet the deadline.

This makes me wonder, Mr. Speaker, if the leadership of this body cannot identify the worst 24 within the promised timeframe, why should the public put any faith in our pledge to disclose all the names in a timely fashion? This delay is inexcusable, Mr. Speaker.

I did not write any cold checks, and I am tired of being tarred with the same feather as those that did. Let us disclose all the names as quickly as possible. All of the rest of us would like to have our names cleared.

A Member of the other body, Mr. COATS of Indiana, said 90 percent of Congress is giving the rest of us a bad name, and I agree. The American people are waiting, Mr. Speaker. They are waiting for the leadership of this body to name names, and they are waiting for us to reform this institution.

The clock is ticking, and it is long past time the leadership of this House got the job done.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). The Chair advises the gentleman from Kentucky [Mr. ROGERS] that such a reference to Members of the other body is against the rules of the House.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, March 25, 1992.

JEFFERSON NATIONAL EXPANSION MEMORIAL

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2926) to amend the act of May 17, 1954, relating to the Jefferson National Expansion Memorial to authorize increased funding for the East St. Louis portion of the memorial, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EAST SAINT LOUIS PORTION OF JEFFERSON NATIONAL EXPANSION MEMORIAL.

The Act of May 17, 1954, entitled "An Act to provide for the construction of the Jefferson National Expansion Memorial at the site of old Saint Louis, Missouri, in general accordance with the plan approved by the United States Territorial Expansion Memorial Commission, and for other purposes" (68 Stat. 98; 16 U.S.C. 450j and following) is amended as follows:

(1) The first sentence of section 4(a) is amended—

(A) by striking out "The Secretary of the Interior is further authorized to designate" and inserting in lieu thereof "There is hereby designated";

(B) by striking out "not more than" and inserting in lieu thereof "approximately"; and

(C) by striking out "MWR-366/80.004, and dated February 9, 1984," and inserting in lieu thereof "366-80013, dated January 1992,".

(2) Section 9 is repealed.

(3) Section 11 is amended by striking out subsection (d) and by amending subsection (b), as added by section 201(b) of Public Law 98-398, to read as follows:

"(b)(1) For the purposes of the East Saint Louis portion of the Memorial, there are authorized to be appropriated \$2,000,000 for land acquisition and such sums as may be necessary for development. Such development shall be consistent with the level of development described in phase one of the draft Development and Management Plan and Environmental Assessment, East St. Louis Addition to Jefferson National Expansion Memorial—Illinois/Missouri, dated August 1987.

"(2) Funds expended under paragraph (1) for development may not exceed 75 percent of the annual cost of such development. The remaining share of such annual costs shall be provided from non-Federal funds, services, or materials, or a combination thereof, fairly valued as determined by the Secretary. For the purposes of this paragraph, the Secretary may accept and utilize for such purposes any non-Federal funds, services, and materials so contributed."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Wyoming [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD on the measure before us.

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

There was no objection.

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

Mr. Speaker, H.R. 2926 is legislation introduced by Representative JERRY COSTELLO to complete the designation of the East St. Louis portion of the Jefferson National Expansion Memorial. Congressman COSTELLO is unable to be present today because of a serious injury to a close family member. Similar legislation has been introduced in the Senate by the four Senators from Illinois and Missouri.

The Jefferson National Expansion Memorial is located on the west side of the Mississippi River in St. Louis, MO. It was designated by Presidential order in 1935 and authorized by Congress in 1954. The centerpiece of the existing memorial is the 630-foot stainless steel Gateway Arch, which is a monument to the period of westward expansion in U.S. history.

Legislation was enacted in 1984 which authorized the Secretary of the Interior to designate 100 additional acres across the river from the arch in the city of East St. Louis, IL. The original design and subsequent plans for the park called for an extension to the east side of the river to provide an open green area and a backdrop and viewing platform for the arch. The expansion to the east side is supported by the National Park Service and the Secretary of the Interior. However, as a result of overly restrictive language in the 1984 Act, the East St. Louis portion of the memorial has never been designated.

H.R. 2926, as amended, would designate a 100-acre site and make other modifications in the 1984 legislation providing for the extension of Jefferson National Expansion Memorial to East St. Louis. The Committee on Interior and Insular Affairs made several changes to the bill as introduced, including requiring a 3 to 1 match for development of the park. Although it is unusual to require a match for development of a national park unit, this requirement will continue the strong tradition of non-Federal participation in this park. In fact, the match is identical to that which was required for the construction of the arch and the development of the west side of the memorial.

H.R. 2926, as amended, provides for a basic level of development at the park consisting of clearing the site and basic improvements such as walkways, scenic overlooks and a small multipurpose building. The bill, as reported by the Interior Committee, deletes the authorization for a Museum of American Ethnic Culture that was contained in the bill as introduced. This deletion will substantially reduce overall costs and focus this legislative effort on the basic designation and development of the site.

Mr. Speaker, the designation of the East St. Louis portion of the Jefferson National Expansion Memorial is long overdue. The bill, as reported by the Interior Committee, is cost effective and reasonable in scope. This measure has strong bipartisan support from the administration and the Illinois and Missouri delegations. I urge Members to support H.R. 2926 as amended by the Interior Committee.

□ 1230

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

Mr. Speaker, I rise in support of H.R. 2926, a bill to revise the 1984 statute which expanded the existing Jefferson National Expansion Memorial into the State of Illinois.

This bill makes needed changes to ensure that this area is developed and managed in a fashion similar to other National Park System Areas. Mr. VENTO has explained the nature of these revisions.

I note that the administration has no objection to this measure and am aware of no opposition to it. Therefore, I commend it to my colleagues and urge its passage.

Mr. COSTELLO. Mr. Speaker, I want to thank Congressman BRUCE VENTO, the National Parks and Public Lands Subcommittee chairman, and Congressman RON MARLENEE, the ranking minority member, for their cooperation in bringing this bill to the floor on an issue which has become very important to my congressional district and the St. Louis metropolitan area.

H.R. 2926, which I introduced in the House on July 17, 1991, would allow for congressional action extending the Jefferson National Memorial Park by designating a national park on the Mississippi riverfront in East St. Louis, IL. As the Members of this House know, opposite this area on the west side of the Mississippi sits the Jefferson National Memorial Park and Gateway Arch, one of the Midwest's most famous monuments.

My colleagues may not know that it was the original intent of the designers of the arch and its architect, Eero Saarinen, that the Jefferson National Expansion Memorial, which surrounds the arch, be a bi-State memorial with land on both sides of the river. In fact, when Congress originally authorized the JNEM in 1954, and when it passed the 1984 JNEM Amendments Act, it referred to the historical linkage between Illinois and Missouri in designating such a memorial to our Nation's westward expansion.

What I would like to do today on the House floor is offer a brief congressional history of legislative action on the JNEM expansion, and why this legislation is needed.

In 1984, my predecessor, Congressman Mel Price, and then Congressman PAUL SIMON introduced legislation to amend the JNEM Act of 1954 to allow for a memorial on the east side of the Mississippi River. Their legislation, which was approved by the Senate and signed by President Reagan, established a commission to study the location and development of such a memorial.

The Commission consisted of local officials, private citizens, and representatives of both the State and Federal Governments.

Commission members spent years putting together a plan that would create a memorial appropriate with the JNEM on the west side.

As required in the 1984 law, this Commission forwarded its plan and recommendations to then Secretary of the Interior Donald Hodel in late 1987. In 1988, Secretary Hodel wrote to this committee and informed its members that while he supported the JNEM proposal and the Commission's recommendations, he could not give final approval to the plan because two provisions in the law had not been met: That binding commitments from the city of East St. Louis and State of Illinois to fund annual operation and maintenance above \$350,000 annually were not in place; and that binding commitments from private interests to fund the park above and beyond the Federal appropriation were not in place.

It was for this reason that Senator SIMON and I introduced legislation early in the 101st Congress to remove the binding commitments clauses in the law, which would allow the Secretary to move forward in designating the park and approving the final plan.

Soon after this legislation was introduced in 1989, the new Interior Secretary, Manuel Lujan, stated that he would like the opportunity to see what could be accomplished under existing law in lieu of congressional action. In July 1989, Senators DIXON, SIMON, Chairman VENTO and I met with Secretary Lujan at which time the Secretary said that he was unable to designate the park under existing law.

However, in a letter following our meeting, he made it clear that steps could be made to designate the park, given that two conditions were met. One, that the land be deemed environmentally safe; and that negotiations begin to convince landowners to donate their land for park use.

It has long been the desire of the Department of Interior to have the land for the JNEM extension donated, without cost, to the National Park Service, despite the 1984 law which allows the Secretary to purchase such lands with appropriated funds.

However, the landowners in the area have been extremely reluctant to donate their land until some commitment is made by Interior to demonstrate that a national park will actually be developed in that site. Hence, for many years we have worked with a chicken-or-the-egg syndrome which has halted our progress. However, late last year the Southwestern Illinois Development Authority announced that it had acquired, through good faith negotiations, 17 acres of land within the park site for donation to the National Park Service.

It was at that time that Senators DIXON, SIMON, DANFORTH, and BOND, as well as Congressmen GEPHARDT, CLAY, POSHARD, and I urged Secretary Lujan to move forward and designate the park, given that land had been donated and that negotiations were continuing, and that the 100-acre site had been deemed environmentally clean.

Since that letter, Secretary Lujan has agreed to accept any 100 acres of donated land within the 300-acre, broad site examined by the Commission. However, while this was a step forward, it still represents no firm com-

mitment by the Interior Department to see a national park on the riverfront.

What is especially curious about this stalemate is that funds have been appropriated to the National Park Service specifically for land acquisition purposes. In the fiscal year 1991 Interior appropriations bill, I requested that \$1,325,000 be included for land acquisition and development. The Secretary has at his disposal \$1,000,000 for land acquisition, and \$325,000 for development. Despite the Secretary's insistence that land be donated prior to designation of the park, of these appropriated funds we believe the Secretary could have the 100 acres he seeks for designation.

Dr. Lazerson and others who have been working on this project for some time believe that with a designation, the land owners in the area would come forth and deed their land to the National Park Service. Therefore, this legislation is necessary.

During the legislation's markup the week of March 6, in the Interior National Parks and Public Lands Subcommittee, Chairman VENTO offered his own substitute bill which raises the authorization levels for land acquisition to \$2 million; designates a specific area on the riverfront as the park boundary; removes the present authorization on ceiling on park development, and replaces the current 50-50 Federal/local match with a 3-to-1 match, which mirrors the original park development. In addition, H.R. 2926 removes two stumbling blocks in present law, the binding commitments clauses which have prevented the Secretary's action to date.

This bill has the support of the Bush administration and will give the Southwestern Illinois Development Authority the opportunity to work with the Congress and Interior to make the park a reality.

I urge my colleagues to vote in favor of H.R. 2926.

Mr. VENTO. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 2926, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ASSATEAGUE ISLAND NATIONAL SEASHORE EXPANSION

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1254) to increase the authorized acreage limit for the Assateague Island National Seashore on the Maryland mainland, and for other purposes, as amended.

The Clerk read as follows:

S. 1254

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN ACREAGE LIMIT FOR ASSATEAGUE ISLAND.

The Act entitled "An Act to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes", approved September 21, 1965 (16 U.S.C. 495f-1), is amended as follows:

(1) Amend the second sentence of subsection (a) of section 2 to read as follows: "The Secretary is authorized to include within the boundaries of the seashore, not to exceed 112 acres of land or interests therein on the mainland in Worcester County, Maryland."

(2) Amend the last sentence of subsection (a) of section 2 to read as follows: "Notwithstanding any other provision of law, any Federal property located within the boundaries of the seashore may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for purposes of the seashore."

(3) Add the following at the end of subsection (b) of section 2: "Notwithstanding the acreage limitation set forth in this Act, the Secretary is authorized to accept the donation of a scenic easement covering the parcel of land adjacent to the seashore and known as the 'Woodcock Property'."

(4) Amend the first sentence of subsection (b) of section 2 to read as follows: "When acquiring lands by exchange, the Secretary may accept title to any non-Federal property within the boundaries of the seashore and convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary which the Secretary classifies suitable for exchange or other disposal, and which is located in Maryland or Virginia."

(5) Amend section 6 by adding the following new subsection at the end thereof:

"(c) The Secretary is authorized and directed to enter into cooperative agreements with local, State, and Federal agencies and with educational institutions and nonprofit entities to coordinate research designed to maximize protection for the seashore's natural and cultural resources and to implement the recommendations arising from such research, consistent with the purposes of the seashore. The Secretary is also authorized to provide technical assistance to local, State, and Federal agencies and to educational institutions and nonprofit entities in order to further such purposes."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Wyoming [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1254, the bill now under consideration.

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

There was no objection.

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

Mr. Speaker, S. 1254, which passed the Senate on October 16, 1991, increases the authorized acreage limit

for the Assateague Island National Seashore in Maryland. The legislation, introduced by Senator SARBANES, is similar to H.R. 2963, which was introduced by Representative GILCHREST.

When Assateague Island National Seashore was authorized in 1965, a limitation was put on the acreage that could be acquired on the mainland. Assateague Island National Seashore still lacks a proper visitor center. Now, many years and much planning later, the National Park Service is proposing to construct a visitor center on the mainland.

S. 1254 will facilitate the planned construction of this visitor center. In October of last year and again this past January major storms battered the barrier island. Construction of the visitor center on the mainland will provide additional protection from these periodic but devastating storms and decrease development in the barrier island. This visitor center will greatly assist in the interpretation, research, and administration of the seashore. Acquisition of the Woodcock property, on which the visitor center would be located, will enhance the park's management of the area and the visitors' experience of it. Mrs. Woodcock's recent death has given the acquisition of this property further urgency.

The Committee on Interior and Insular Affairs amended S. 1254 with a technical amendment that clarifies the language regarding National Park Service land acquisition, adds authority for the National Park Service to accept a donation of an easement over the rest of the Woodcock property and authorizes and directs the National Park Service to enter into cooperative agreements for research and implementation of that research on the seashore's natural and cultural resources. The sponsors of the legislation support these changes. Mr. Speaker, I endorse S. 1254, as amended, and recommend its adoption by the House.

Mr. THOMAS of Wyoming. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I rise to be recognized on S. 1254, a bill to expand the existing Assateague Island National Seashore.

Mr. Speaker, I agree with the basic premise of this bill that additional lands should be added to this park in the vicinity of the proposed visitor center. However, I believe that the new park boundary proposed in this bill includes unnecessary lands and am concerned that elimination of current limitations on acquiring lands on the mainland could lead to significant, unnecessary Federal acquisitions in the future.

Despite repeated questioning of the administration, we are unable to get any solid information on why these specific boundaries were being proposed. Last year, the Interior Committee considered bipartisan legislation,

which was designed to ensure that the administration completed objective studies prior to making any boundary recommendations. That bill was advanced precisely because of situations such as this one. Unfortunately, by the time that measure was enacted, many of the important aspects contained in the original bill had been deleted.

As in many other park expansion bills acted on by the Interior Committee, this one had two primary justifications. The first was that the local park managers support the measure and the second was that the land was threatened by development. In response to the first reason for this bill, I must say that I have rarely met a Federal bureaucrat who didn't think that the world would become a better place if his or her land base or budget or number of employees or even salary was a little larger or higher.

Second, whenever the environmentalists have no good justification for some park expansion proposal, I find they resort to raising the threat of imminent development since virtually all undeveloped property could be developed at some point in time, this is an argument which proves impossible to counter. However, in this case, as in so many others, I find that there is no developer poised to buy this land. In fact, the county is currently reviewing its zoning plan with the anticipation of down-zoning this property.

The language in this bill authorizing inclusion within the park boundary of a 224-acre scenic easement on soybean fields up to a mile from the park visitor center is also totally unnecessary from a resource preservation standpoint. I believe it reflects the thinking among many members of the Interior Committee that expanded Federal control is always in the public good, regardless of the facts associated with a specific instance.

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

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. MCMILLEN], a supporter of this measure.

Mr. MCMILLEN of Maryland. Mr. Speaker, I rise in support of S. 1254, a bill to increase the authorized acreage limit for the Assateague Island National Seashore.

I would like to commend the distinguished full committee chairman, the gentleman from California [Mr. MILLER] and the subcommittee chairman, the gentleman from Minnesota [Mr. VENTO] for their fine leadership in bringing this legislation before the House for consideration today. I would also like to thank my colleague, Mr. GILCHREST for his support and work on this legislation.

S. 1254, introduced by Senators SARBANES and MIKULSKI and passed by the Senate, seeks to expand the boundaries

of Assateague Island National Seashore to include 96 of the 320-acre tract of privately owned land adjacent to the southern border of the park near the national seashore headquarters.

Since the establishment of the seashore by the Congress in 1965, this area has been farm land and therefore compatible with the seashore. However, it is now in jeopardy of being purchased and commercially developed. It is for this reason that is essential that the House pass S. 1254, to protect one of the crown jewels of our National Park System from the onslaught of development.

This legislation is critical to protecting this pristine coastal area. The national seashore is home to over 500 species of plants, many animals, and over 275 species of birds including the endangered piping plover.

Not only is this area important for its natural resources, but it is also important from a historic perspective as well. The island is named after the Assateague Indians who were the areas earliest visitors. Assateague is inhabited by wild ponies who are believed to be descended from horses that escaped from a shipwrecked 16th century Spanish galleon. In addition, the infamous pirate Blackbeard is believed to have used Assateague as his base of operations.

On the property which this legislation seeks to encompass into the national seashore, there is a farmhouse which dates back to the 18th century. Clearly, this addition would benefit the seashore and also preserve a valuable historic asset.

The reality is, if this legislation is not passed, then there is an imminent danger that the privately owned land directly adjacent to, and within the viewshed of, Assateague will be commercially developed. There is little doubt that if left unprotected this land would be consumed by development. The route 611 corridor which leads into Assateague from West Ocean City has experienced explosive growth in both commercial and residential development. The area adjacent to the park will likely follow suit as portions are currently zoned for construction of hotels, motels, and restaurants.

This park should be protected not just for the benefit of the State of Maryland, but for the 2 million people who visit the park each year. It is a natural treasure for the entire Nation. I strongly encourage my colleagues to support this most important piece of legislation.

□ 1240

Mr. THOMAS of Wyoming. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. GILCHREST], the original sponsor of this bill in the House.

Mr. GILCHREST. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the legislation before us expands the boundaries of the Assateague Island National Seashore. The committee and subcommittee chairmen, Mr. MILLER and Mr. VENTO as well as the ranking members, Mr. YOUNG and Mr. MARLENEE, should be commended for their timely hearings and swift action on S. 1254. Last summer, I introduced a companion bill H.R. 2963 which also called for the extension of the national seashore's borders.

The 37-mile-long Assateague Island, located just off the Maryland and Virginia mainland, was established as national seashore by the Congress in 1965. The act authorized acquisition of the barrier island and not more than 10 acres of land on the mainland in Worchester County, MD. Since then, however, heavy development pressure, spilling over from neighboring seashore communities, has threatened the integrity and character of Assateague National Seashore.

Assateague provides a unique example of an intact barrier island ecosystem. In this capacity, the park hosts the educational and recreational visits of 2 million people a year.

Change at the park's boundaries makes passage of this legislation the best hope for maintaining Assateague in its present unspoiled state. Growth in development in the area, and the recent change in ownership of neighboring farmland requires an expansion of the park's borders to ensure open space and compatible use of the land between a proposed visitor's center and the barrier island. The additional acres will also be needed to facilitate the transportation needs of a projected increase of 250,000 visitors.

Previously, the 320-acre tract neighboring the national park on the mainland was farmed, but the recent death of the owner opened the possibility that this open space could be developed. So close to the national park, the tract would be enticing to hotel and restaurant developers.

While the farming that has taken place on this property until now was compatible with the national park's efforts to retain the scenic and natural approach to the barrier island, a burst of homes and commercial establishments would irreversibly detract from this effort.

By expanding the current mainland boundary to 112 acres, S. 1254 will recognize a previous addition of 6 acres donated by the State of Maryland for a proposed visitor's center, and allow for the acquisition of 96 acres of the farm immediately bordering the park.

The additional acreage would act as a buffer between the highly developed corridor leading up to the park, and the wild and scenic ecosystem the Park Service strives to protect. S. 1254 would also allow the donation of a scenic easement for that portion of the

Woodcock property not being purchased by the National Park Service.

This bill preserves Assateague Island as a viable barrier island ecosystem for future generations. Acquisition of this buffer area will protect the pristine shores on the mainland across from the island. These coastal bays of Maryland are priceless resources and delicate ecosystems that deserve the same protection as that accorded the Chesapeake Bay.

I thank all who have worked to preserve Assateague National Seashore as one of our Nation's treasures.

Mr. Speaker, there is a tremendous contrast between the coast of Maryland, Ocean City, MD, on the one side, and Assateague on the other side. Ocean City offers an array of activities for families in the spring and summer to visit the seashore.

The absolute opposite contrast is available for families that would rather have a very quiet, pristine, primitive association with nature. So the two are very compatible, but the two must remain separate.

Mr. Speaker, the other thing about this bill is that it does provide protection for an ecosystem. The mainland is as much a part of the Assateague barrier island as the ecosystem can provide. So this is an important part of the bill.

Mr. Speaker, the other thing, naturally the Park Service managers would like to expand their boundaries, and in most instances the reason they would like to do that is because it affords much more protection for that ecosystem, for that watershed.

The imminent possibility for development is tremendous. If you look at geography and you consider from Boston, through Connecticut to New York City, to Philadelphia, to Wilmington, to Baltimore, to Washington, to Norfolk, this is kind of an island of grace in the middle of the Mid-Atlantic States. So it is incumbent upon us to make the right decisions for future generations to preserve this pristine place, and there is no better way to do that than to expand and include this entire watershed.

Mr. Speaker, the other thing brought up about farming in the area where there will be an easement, we can in that area continue to farm soybeans, corn, wheat, or whatever else is useful for that particular area, as long as farmers, as they do in our area, provide protection through best management practices in their farming practices.

Mr. Speaker, this bill is essential for the continuing prosperity of Assateague. It is essential so that future generations will have not only the barrier island to visit, but so that the whole watershed in that community can be much better protected.

Mr. VENTO. Mr. Speaker, I am pleased to yield such time as she may consume to the gentlewoman from

Maryland [Mrs. BYRON], a member of the Subcommittee on National Parks and Public Lands of the Committee on Interior and Insular Affairs.

Mrs. BYRON. Mr. Speaker, I rise today in support of S. 1254, an act to increase the acreage of the Assateague Island National Seashore. We in the State of Maryland recognize the importance of barrier islands and the ecosystems which exist there. Assateague Island is visited by thousands of schoolchildren each year to study these unique barrier island ecosystems and gain an understanding of their importance.

Development pressure is apparent throughout the area and we have a golden opportunity to acquire a key piece of land to provide needed protection for this unit of the National Park System. Today that piece of property is available. The acquisition of this property will ensure future generations the opportunity to enjoy this National Seashore. I urge all of my colleagues to support passage of this legislation.

As one that has traipsed the seashore areas, and has camped with my children in this area, I only know too well of the importance of a firsthand opportunity, and I look forward to my grandchildren having the same opportunity that we have enjoyed and generations to follow. I totally support this legislation.

Mr. VENTO. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would say Assateague Island Seashore is a pristine jewel on the eastern seaboard. This small addition of land will permit the removal of facilities on the barrier island and the potential pollution coming from human use in those areas because of the uncertain nature of barrier islands, and putting it on the mainland. It is a willing seller-willing buyer basis, buying 100 acres.

Mr. Speaker, this is an important bill. I am certain that is why Senator SARBANES appeared before the committee, and why we have three members of the Maryland delegation, led by the gentleman from Maryland [Mr. GILCHRIST] today to present that.

It is certainly worthy of passage.

Mr. THOMAS of Wyoming. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 1254, as amended.

The question was taken; and, two-thirds having voted in favor thereof, the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

GOLDEN GATE NATIONAL RECREATION AREA ADDITION ACT OF 1992

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 870) to authorize inclusion of a tract of land in the Golden Gate National Recreation Area, CA, as amended.

The Clerk read as follows:

S. 870

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Golden Gate National Recreation Area Addition Act of 1992".

SEC. 2. ACQUISITION AND ADDITION TO GOLDEN GATE NATIONAL RECREATION AREA.

(a) ACQUISITION.—The Secretary of the Interior is authorized to acquire by donation or purchase with donated or appropriated funds approximately 1,232 acres of land in San Mateo County, California, known generally as the Phleger property, as generally depicted on the map entitled "1991 Addition to Golden Gate National Recreation Area (Phleger Estate)" and numbered GGNRA641/40062. The Federal share of the acquisition of the lands acquired pursuant to this Act may not exceed 50 percent of the purchase price of such lands.

(b) BOUNDARY REVISION.—(1) Section 2(a) of the Act entitled "An Act to establish the Golden Gate National Recreation Area in the State of California, and for other purposes" (16 U.S.C. 460bb-1(a)) is amended by adding at the end the following: "The recreation area shall also include those lands acquired pursuant to the Golden Gate National Recreation Area Addition Act of 1992."

(2) Upon acquisition of the land under subsection (a) and after publication of notice in the Federal Register, the Secretary shall—

(A) revise the boundary of Golden Gate National Recreation Area to reflect the inclusion of such land; and

(B) prepare and make available a map displaying such boundary revision in accordance with section 2(b) of such Act (16 U.S.C. 460bb-1(b)).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Wyoming [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on S. 870, the Senate bill now under consideration.

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

There was no objection.

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

Mr. Speaker, S. 870 authorizes the addition of a parcel known as the Phleger Estate to the Golden Gate National Recreation Area in the State of Cali-

fornia. This bipartisan bill was introduced by Senators CRANSTON and SEYMOUR and was passed by the Senate October 16, 1991. A companion House bill H.R. 2062, was introduced by Representatives TOM LANTOS and TOM CAMPBELL. The lands authorized for addition by S. 870 lie wholly within the districts of Mr. CAMPBELL and Mr. LANTOS.

□ 1250

The Golden Gate National Recreation Area was established in 1972. The park encompasses shoreline areas of San Francisco, Marin, and San Mateo Counties and contains ocean beaches, redwood forest, lagoons, marshes, military properties, a cultural center at Ft. Mason and Alcatraz Island.

Mr. Speaker, this has characterized or has some of the same qualities as most urban parks that were developed, but this has been one that has been enormously successful. The cooperation between the local community of San Francisco and the State of California has been extraordinary.

The Golden Gate National Recreation Area, of course, will soon grow by the addition of Presidio, I think an event that no one recognized would happen quite as quickly as it is happening today.

S. 870 would authorize the addition of the 1,230-acre Phleger Estate and modify the boundaries of Golden Gate National Recreation Area to reflect this addition. The Phleger Estate is located south of San Francisco and is the most important piece of unprotected open space on the San Francisco Peninsula. It is directly adjacent to the existing national recreation area and it contains old growth redwood and mixed evergreen forest. A variety of plant and animal species exist on the property including mountain lions, coyotes, eagles, and hawks. The property also contains an important archaeological site and a portion of the San Andreas Fault.

Inclusion of the property in the park would provide increased recreation opportunities for the nearby population centers of San Francisco, the East Bay, and San Jose. It would provide linkage for a number of trails including, but not limited to, the bay area ridge trail which is located along a portion of the property's boundary. The property's location near dense urban areas makes it highly attractive location for development. In fact, current zoning would allow for the construction of 557 units on the property, and conservative plans for developing 350 units on the property would likely be approved.

Such development on lands surrounded by parkland would certainly pose a threat or a diminishment of the national recreation area, the GGNRA.

The subcommittee on national parks and public lands that I chair held a hearing on this measure last October. At the hearing the Park Service testi-

fied about the significant natural and recreation resource qualities of the Phleger Estate. Although the National Park Service did not conduct a formal study of the Phleger property, park staff strongly support the property's inclusion in the Golden Gate National Recreation Area.

The Committee on Interior and Insular Affairs adopted an amendment that modified this measure.

The committee amendment gives the Secretary of the Interior the normal authorities for acquiring the Phleger Estate with one notable exception: At least 50 percent of the funds for purchasing this property must come from non-Federal sources. This matching requirement is unusual and it reflects the fact that significant financial contributions have already been made by local organizations and individuals. Over \$14 million has been raised by a nonprofit land trust organization to go toward the purchase of this property.

It has an appraised value of \$26 million. This is an appraised value which has the value reduced because of a donated conservation easement by the land owner today. So the National Government not only would receive that donation but it would receive \$14 million at least to help defray the costs of purchasing this land. This means the Federal Government will be paying probably about a third of the value for this property.

The legislation before us is an excellent example of the kind of private/public partnership that is frequently heralded by the Secretary of the Interior, Manuel Lujan, and by the director of the National Park Service, James Ridenour.

Members would be hard-pressed to find a partnership which rivals this particular effort in terms of amount of private funds raised. Not since Statue of Liberty and Ellis Island has there been such a large amount of non-Federal funds collected for a national park project. It is quite possible that more than 50 percent of the purchase price will come from private funds, as I stated.

Mr. Speaker, this measure, as amended, is an authorization bill. It simply gives this property the chance to compete with hundreds of other projects for land acquisition funding. I would like to remind my colleagues that land acquisition funding comes from the Land and Water Conservation Fund, a separate trust fund made up of principally a portion of the receipts from offshore oil and gas leasing, and the sale of surplus Federal property. The Land and Water Conservation Trust Fund was based on a simple and compelling idea: That if we as a nation are going to be depleting our natural resources, we should use some of the proceeds of this to protect and preserve other natural resources for the benefit of present and future generations.

That fund, Mr. Speaker, provides \$900 million a year in dollars to the Federal Treasury, a small portion, about half, less than half of which is usually appropriated for the purpose of many of the projects that I bring before this body.

This bill before us has the bipartisan support of both Members from the districts, both Senators from the State. The bill was unanimously reported out of the Committee on Interior and Insular Affairs.

Mr. Speaker, I would commend this bill to my colleagues. It is a good bill and it should be passed.

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

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

Mr. Speaker, I rise in opposition to S. 870, a bill which would cost the American taxpayers \$10.5 million to acquire lands for addition to Golden Gate National Recreation Area. I oppose this bill because these lands are a non-essential addition to this park. The result of the passage of this bill, will be to divert funds from an already underfunded agency, to purchase park lands of interest to a local constituency.

I must commend proponents of this bill for their clever packaging of this measure. They have advertised this measure as a bargain for the Federal Government, which will be acquiring about 1,200 acres for about \$10.5 million or approximately one-half the fair market value. But in reality, it is the local governments which will be getting the bargain, because this bill will result in the use of limited Federal dollars for acquisition of lands of local interest.

This bill will authorize acquisition of lands, which have never been proposed in any Government study for acquisition, lands which include resource values not significantly different from those already included in the 73,000-acre national recreation area. This proposal to add lands to Golden Gate National Recreation Area comes at a time when the park is already hemorrhaging in red ink.

Last year, Golden Gate reported to the Interior Appropriation Committee that it had an operational shortfall of \$5.6 million, fourth highest of any unit in the National Park System. At the national level, the National Park Service is facing a similar funding crisis. NPS reports an annual operational shortfall of \$375 million, and multibillion dollar shortfalls in both land acquisition and facility construction funding. For just one other park in the State of California, Santa Monica Mountains National Recreation Area, the NPS reported at our recent budget hearing that an additional \$500 million could be required to purchase all private lands within the park boundary.

It is time for Congress to be part of the solution to this funding backlog

rather than part of the problem. We must begin to say no to every single park expansion bill which is not absolutely necessary. We must say no to those acquisitions, such as this Phleger acquisition which might be nice to do, but not essential to meet the needs of the agency.

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

Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. CAMPBELL], a sponsor of the bill.

Mr. CAMPBELL of California. Mr. Speaker, I thank my colleague and friend, the gentleman from Wyoming [Mr. THOMAS].

There is no debate, really, about the environmentally desirable nature of this property, nor do I hear any of my colleagues raising that point. There is no debate about the value to the U.S. Government and its taxpayers and citizens of having the Golden Gate National Recreation Area expanded in this manner.

I would point out the advantages that my good friend and colleague, the chairman of the committee, has pointed out in his remarks.

The debate, therefore, comes down to the question of funding. Here I take no second seat to anyone in my concern for protecting the U.S. taxpayer who, from time to time, appears to be the least protected person on the floor of this House.

It was for that reason that I took a hand in crafting this legislation, both here in the House and also in conversing with our colleagues in the other body.

What we have in this bill is a proposal that the land in question be acquired by donation or acquisition.

□ 1300

That is an explicit provision put in in order to be sure we leave open the option of donations.

I think this is one of those instances where it may be that the degree of local support is so strong that we may be able to get, if not all, then the lion's share by donation.

Early on there was discussion of possibly asking for tax forgiveness. That is no longer part of this bill. Early on there was discussion that perhaps this would be added to some priority or given a head start above other competing projects, and it does not. It will take its place along with other projects, if it goes that route, for the land conservation and water conservation funds.

In the other body there is a provision of S. 870 which explicitly does not cost the taxpayers a dime. That is offered by my colleague and friend, the gentleman from California, the junior Senator. I believe that it will go to conference and may very well come out that way. We cannot predict conference, I understand that.

I do want to assure the Members that fiscal conservatism, a principle I hold very highly, should not stand in the way of this particular bill because of the steps that I and others have taken, explicitly, to make the donation the option and the alternative in the other body.

I conclude by saying that we are pleased that the administration has given me a statement to read on the floor, which I will do now, that it has no objection to the House passage of this bill as reported by the Committee on Interior and Insular Affairs. The bill would authorize the Secretary of the Interior to acquire by donation or purchase the Phleger estate as an addition to the Golden Gate National Recreation Area in San Francisco.

I hope my colleagues and friends on the minority side of the aisle can agree that this is a provision which is somewhat unique in its attempt to be fiscally responsible. It is not simply another in a catalog of additions to the national park and recreation area, without concern for cost.

Mr. THOMAS of Wyoming. Mr. Speaker, let me just reiterate. The administration has no objection, but urges that Congress in its further consideration adopt the Senate version.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, I reluctantly rise in opposition to S. 870 because of its fiscal implications. Some Members on this floor seem to think that \$10 or \$11 million is not a whole lot of money, especially for the common good, and we can put that kind of money into more land, into the National Park System.

I have to say, I compliment the gentleman from California [Mr. CAMPBELL] in that he understands fiscal responsibility and he understands fiscal conservatism. He has told me privately that he greatly supports setting this up so that the land would only be acquired by donation. I appreciate that, and I appreciate the gentleman and his fiscal conservatism.

However, we also know the record of the Committee on Interior and Insular Affairs, and the Interior Appropriations Subcommittee, and we understand that systematically we have parcels of land, albeit in some cases very creative financing, some parcels of land going more under Federal control.

I have great reservations about this particular parcel of land and what will happen in the conference committee. I have been assured by the gentleman from California that he is going to work very hard on the conference committee to only allow donation of the land in acquiring this land into the Golden Gate National Recreation Area of San Francisco, but we do not know what will come out of conference.

I also understand, by being a member of the Committee on Appropriations,

that we have not bought a whole lot or spent a whole lot of money on acquiring new land, but we just keep adding to the potential of setting this land aside for some day where we might find the money to purchase it. That completely negates the use of this land once it is set aside. We all understand that.

This is still in the making, but I still have a lot of concerns. For instance, analysis of the site today indicates that it contains no unique or outstanding natural or cultural resources values which warrant its inclusion within Golden Gate. In fact, there are already thousands of acres of undeveloped land in the immediate vicinity of this parcel of land which provide adequate recreational opportunities.

At this time the Federal Government, and we will hear this time and time again, every time a bill like this comes up, but the Federal Government already owns close to one-third of the land in this country. In the 13 Western States it owns 63 percent of the land. During the first session of the 102d Congress alone, we converted approximately 650,000 acres of private land to public land and placed more restrictive rules over 10.5 million acres of existing Federal lands. We simply do not need more land.

Proponents of this bill, as has been stated earlier, claim that it is a bargain. It is a bargain, but not for the Federal Government. The only way that I would support this bill is if it comes back from conference saying that this land can be acquired but it will be acquired through donated money.

I just urge my colleagues to oppose this bill under suspension of the rules, and try to curb the increasing appetite of the Federal Government.

Mr. THOMAS of Wyoming. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. CAMPBELL].

Mr. CAMPBELL of California. Mr. Speaker, I appreciate my colleague yielding time to me.

I am proud to stand here with my colleague, the gentleman from Texas [Mr. DELAY], whose fiscal conservatism is an inspiration to us all. I deeply appreciate his remarks.

On just three quick points, however, the uniqueness I do know something about because it is my district. We have in this particular piece of property a larger stand of redwoods than any other in the Golden Gate National Recreational Area, including Muir Woods. We have the Ohlone Indian artifacts, which is rather unique, and most important, and I should have mentioned in my opening remarks, we have the last provision right in the bay area of undeveloped land along the San Andreas fault, which has tremendous value for earthquake study and measurement. I raised this when I testified before the subcommittee.

Mr. THOMAS of Wyoming. Mr. Speaker, I would simply say that I commend to my colleagues a wonderful idea about when there is land acquired, to dispose of an amount in equal value.

I have no further requests for time, Mr. Speaker, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield myself 1 minute to point out that this land is unique.

Obviously, and I do not think anyone would argue, the Golden Gate National Recreation Area has not been and is not being well utilized. It is one of the most intensely used units in the National Park System. It is the third most visited park in the Nation. The property is within 45 minutes of 5 million people in the bay area. There is not any more. Once this is gone, we will not have these types of parcels back, so we either get on with it, at about 40 percent of the cost here, because much of it is being picked up by others, or we completely lose the opportunity to provide these recreational opportunities close to home.

We know what problems the States and local governments are having. All they are asking, the gentlemen from California, Mr. LANTOS and Mr. CAMPBELL, is to be able to go before the mighty Committee on Appropriations and ask for an appropriation to do this, to match it.

Most of the problems, I might say, with my good friends from the Committee on Appropriations are not the matters that come up here on the floor and are passed by the House and Senate and signed into law by the President, those individual measures. That is not where the problems lie. They lie in those little measures that they add to the bill without ever being debated, discussed, or the process of an open hearing or debate on this floor. I would submit that is generally where the problem is. I hope that we can avoid most of that in the future.

Clearly, I think this measure deserves strong support in this House, Mr. Speaker.

With that, Mr. Speaker, I would urge that support.

Mr. LANTOS. Mr. Speaker, I rise in strong and enthusiastic support of S. 870, the Golden Gate National Recreation Area Expansion Act. I introduced the House version of this legislation, H.R. 2062, last year with my distinguished colleague and neighbor on the San Francisco Peninsula, TOM CAMPBELL. Our legislation authorizes the Secretary of Interior to acquire approximately 1,300 acres of land in San Mateo County, CA, known as the Phleger Estate, for inclusion in the Golden Gate National Recreation Area.

I am delighted, Mr. Speaker, that the House is considering this important legislation today, and I would like to pay tribute to our distinguished colleagues, BRUCE VENTO of Minnesota, who chairs the Subcommittee on National Parks and Public Lands and to my fellow California, GEORGE MILLER, who chairs the

Interior Committee. Both of them have been most supportive of our efforts with this bill.

Mr. Speaker, the Phleger Estate is the most important piece of currently unprotected open space on the San Francisco Peninsula. It contains scattered individual old growth redwoods, as well as prime second growth forest. The declining range of redwood forests in California and the scarcity of streams with environmental conditions to support redwoods make the Phleger Estate a particularly significant botanical resource for preservation.

The Phleger property is indistinguishable from the surrounding, protected open-space lands. The Golden Gate National Recreation Area [GGNRA] shares a 6-mile boundary with the Phleger property. The inclusion of this property in the GGNRA would create a critical link between existing open space areas on the peninsula and areas now protected within the GGNRA. This land provides an important link in the Bay Area Ridge Trail. The existing privately developed trail system is well maintained and ready for public use.

This property holds immense value as a natural recreation area, a cultural resource, and wildlife habitat. The land is located in an area that is densely populated. There are not many open areas still available in the center of the San Francisco Peninsula. With the high population density in the surrounding region, this natural wooded area would be extensively used by bay area residents and by many other Americans who visit the bay area in large numbers.

Funding for the purchase of this land is being arranged through a unique cooperative public/private effort, and this will permit its acquisition at a price well below its current appraised value. Well over half of the acquisition cost has already been raised through local funds. Some \$6 million through the regional park district, and an additional \$8.5 million through private donated funds. For an investment of \$10.5 million, the National Park Service will acquire this entire property for less than half of its market value. It is rare that we have the opportunity to obtain such an important piece of property on such advantageous terms.

Local environmental leaders in San Mateo County and throughout the peninsula deserve high commendation for their efforts in raising these funds. It is an outstanding reflection of their commitment to preserving our natural heritage. This effort reflects the intense desire of the people of the peninsula to preserve this property for the benefit and use of all, both now and in the future. Mr. Speaker, I pay tribute to these environmental leaders for their great effort.

Mr. Speaker, we now have a unique opportunity to add this critical land to the GGNRA. It is vital that the Congress take the necessary action now to authorize the acquisition of this land. If the Phleger property is not acquired now and other use for that land is approved by local government officials, it may not be possible to reverse that decision in the future. For the sake of our children and of future generations we must seize this exceptional opportunity to include the Phleger property in the GGNRA.

This legislation is supported by the National Parks and Conservation Association, the Wil-

derness Society, the National Audubon Society, the Sierra Club, and the American Land Conservancy.

Mr. Speaker, I urge my colleagues to support adoption of this legislation to authorize the acquisition of this critical and unique Phleger property. The affirmative action of the House here today is the final step. I strongly urge your support of this bill.

Ms. PELOSI. Mr. Speaker, I join my colleagues today in support of S. 870, to expand the Goldengate National Recreation Area [GGNRA].

As many of you may know, in 1972 former Congressman Phillip Burton created the GGNRA in San Francisco, the district I now represent in Congress. It is because of his vision for the GGNRA that we have seen this small urban park more than double in size into an area that covers over 73,000 acres, including portions of Marin and San Mateo Counties.

There were many leaders and activists from San Francisco, and throughout the bay area, such as former Congresswoman Sala Burton, Amy Meyer, and Dr. Edgar Wayburn who continued to champion the expansion of the GGNRA after Phillip Burton's death so that what exists today is an almost continuous greenbelt that extends from Point Reyes in Marin, along the coast of San Francisco County, to Sweeney Ridge in San Mateo County.

The addition of the Phleger Estate to the GGNRA will increase the greenbelt by 1,200 acres at the southern end of San Francisco Bay. This acquisition will also add a critical link in the 400-mile Bay Ridge Trail which will eventually surround San Francisco Bay, connection over 75 ridgeline parks and 100 communities.

In San Francisco proper, our community is currently preparing the way for departure of the Army at the Presidio to realize the addition of over 1,400 acres to the GGNRA in 1994. Any time we can add open space lands to parks in a densely populated area, we are also enhancing the quality of life for millions of urban dwellers and park visitors.

I am very pleased with this important acquisition of the GGNRA and I commend the efforts of Senator CRANSTON, Congressman LANTOS, the Peninsula Open Space Trust and the many other individuals who worked to make this expansion possible.

The GGNRA is the most visited park in the entire National Park System. Its unique urban setting at the gateway to the Pacific offers some of California's most scenic coastal landscapes and makes it a truly outstanding gem in the National System. In an area where urban encroachment is steadily consuming open space, the addition of 1,200 acres to the GGNRA is a remarkable achievement.

I urge my colleagues to vote for passage of S. 870.

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

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 870, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

AMERICAN DISCOVERY TRAIL

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3011) to amend the National Trails System Act to designate the American Discovery Trail for study to determine the feasibility and desirability of its designation as a national trail.

The Clerk read as follows:

H.R. 3011

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF AMERICAN DISCOVERY TRAIL AS A STUDY TRAIL.

Section 5(c) of the National Trails System Act (16 U.S.C. 1244(c)) is amended by adding at the end the following new paragraph:

"(34) American Discovery Trail, extending from Pt. Reyes, California, across the United States through Nevada, Utah, Colorado, Kansas, Missouri, Illinois, Indiana, Ohio, West Virginia, Maryland, and the District of Columbia, to Cape Henlopen State Park, Delaware."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Wyoming [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3011, the bill now under consideration.

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

There was no objection.

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

Mr. Speaker, H.R. 3011 was introduced by my colleague on the Interior Committee, Representative BYRON, along with a bipartisan group of cosponsors.

The bill would amend the National Trails System Act to require a study by the Secretaries of the Interior and Agriculture to determine the feasibility and desirability of designating the American Discovery Trail as a national scenic trail. The proposed American Discovery Trail would be 4,800 miles long and would traverse 12 States and the District of Columbia. It would be the first coast to coast national trail and would connect Point Reyes National Seashore in California to Cape Henlopen State Park in Delaware. Almost all of the trail would be located on public lands.

In hearings before the Committee on Interior and Insular Affairs, the administration, Members of Congress, and

public witnesses testified in support of this trail study. The bill was favorably approved by the Interior Committee without opposition. Subsequent to the committee's action on H.R. 3011, it was brought to my attention that there may be interest in providing for the study of two additional States as part of the trail. After consulting with interested Members, Representative PETER HOAGLAND and Representative DOUGLAS BEREUTER, it was determined that it was best to proceed with the bill as reported and not further delay its consideration. If this additional study proves to have merit, I would be glad to consider it at the appropriate time.

I want to commend my colleague, Mrs. BYRON, for all her work on this legislation. I urge my colleagues to join me in passing H.R. 3011.

Mr. THOMAS of Wyoming. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I rise in support of H.R. 3011, a bill to authorize a study of the American Discovery Trail.

Mr. Speaker, I commend Mrs. BYRON for her efforts on this bill and all her work on behalf of the trail community in this body.

As we consider this bill, I must point out an uneasiness on this side of the aisle with respect to land acquisition and development restrictions along these federally designated trail corridors. Many persons who generally support the concept of designation of trails for recreational use are very concerned by efforts to use trail corridors as excuses to preclude compatible development in adjacent areas. For example, last year, the National Park Service spent over \$1 million acquiring buffer lands in four different States along the Appalachian Trail.

I realize that this trail has an underlying premise, maximizing the use of existing public rights-of-ways and I commend the authors of this measure for their foresight in this regard.

I note that this measure is supported by the administration and am aware of no objections to it. Therefore, I commend this to my colleagues and urge they support it.

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

Mr. VENTO. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Maryland, [Mrs. BYRON] the principal sponsor of this measure.

Mrs. BYRON. Mr. Speaker, I would like to begin by thanking both my subcommittee chairman, Mr. VENTO and my full committee chairman, Mr. MILLER, for the expeditious manner in which they considered H.R. 3011. I would also like to thank Eric Seaborg, Ellen Dudley, Sam Carlson, and Bill Sprotte for their trailblazing efforts. Mr. Speaker, on June 2, 1990, these trailblazers began to make a dream

come true as they raised their feet out of the Pacific Ocean at Point Reyes National Seashore in California and started east toward their destination of Cape Henlopen State Park in Delaware. They had the incredible responsibility of creating the ultimate hikers dream: A permanent east-west nonmotorized trail called the American Discovery Trail that would join existing trails such as the Pony Express Trail in Nevada, the Sante Fe National Historic Trail in Kansas, and the C&O Canal located just a few miles away from the Capitol—for hiking, biking, and recreation.

By adding existing towpaths, greenways, wilderness areas, city streets, and existing rights-of-way would also be tapped as resources. In the end, the American discovery trail would extend approximately 5,000 miles, winding through 12 states—becoming the backbone for our National Trails System. It would become this Nation's missing link to the Appalachian Trail. And, once in place, the ADT will link over 30,000 miles of trails across this country.

As I mentioned earlier, the most important thought to keep in mind when discussing the ADT is that it is not a new trail. The goal of the trailblazers when creating the ADT was to create a trail virtually comprised of existing trails on Federal and State lands. The idea was that the ADT would become a living memorial, a historic textbook if you will, offering to every citizen of this country a firsthand hiking experience into our history while at the same time, winding through every conceivable type of American lifestyle—rural, urban, and suburban.

A hiker or a rider on horseback could experience first hand the Pony Express Trail while imaging himself as of those daring riders of yesteryear blazing through the searing heat of the Nevada desert. Ultimately, when the ADT is completed it will represent a slice of Americana.

One of the most important advantages to H.R. 3011 is that most of the preliminary work has already been completed, thus the cost of the bill will be minimal. Thanks to the support of the American Hiking Society, Backpacker magazine, and many other private companies, as well as the wonderful cooperation from the National Park Service, the U.S. Forest Service and the Bureau of Land Management, the trailblazers piecing together the ADT were able to meet their goal of completing a detailed map of the trail to offer the Department of the Interior and Department of Agriculture for their 3-year study.

In addition, the ADT will fulfill the goals set by the National Trails System Act: First, establish trails for all Americans; second, link all of America from wilderness areas to urban greenways, and, third, benefit local commu-

nities with greater recreational and economic activities.

On a related matter, 3 weeks ago an article appeared in the Omaha World-Herald newspaper where a representative of Omaha's friends of the parks stated they were concerned that the section of the trail originally drawn through Nebraska in 1990 was redrawn through Kansas.

The ADT Planning Committee wished that they had heard from the organizations in Nebraska earlier and looked forward to working with them in the future.

At the same time, the committee became aware of the East-West Katy Trail in Missouri and the Sante Fe Trail in Kansas at a time when the Iowa Trails Council determined that there was no east-west trail corridor available. As a result, the logical direction for the trail to take was to go from Colorado to Kansas and then into Missouri. Therefore, it was the local trail clubs in Kansas and Missouri that helped direct the trail through their States.

Therefore Mr. Speaker, whether you are an experienced hiker, skier, horseback rider, or just leaving the office for the weekend to try out your first pair of hiking boots, the American Discovery Trail will be a treasure that everyone in this country will be able to enjoy.

Mr. Speaker, a companion bill has been introduced in the Senate by Senator HANK BROWN of Colorado. That bill is S. 1537. It has been scheduled for hearing on April 1, and I urge passage of H.R. 3011 and look forward to being able to say that the East and the West are finally combined.

Mr. THOMAS of Wyoming. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska, [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, this Member rises to be recognized on H.R. 3011, a bill to study the feasibility and desirability of designating the American Discovery Trail a national trail.

Mr. Speaker, this Member would begin by commending the distinguished gentleman from California [Mr. MILLER], the chairman of the Committee on Interior and Insular Affairs, as well as the distinguished gentleman from Alaska [Mr. YOUNG], the ranking member of the committee, for their assistance in bringing this legislation to the floor.

Appropriate commendations are also directed to the distinguished gentleman from Minnesota [Mr. VENTO], the chairman of the subcommittee, and the distinguished gentleman from Montana [Mr. MARLENEE] and the distinguished gentleman from California [Mr. LAGOMARSINO], the ranking members of the subcommittee.

This Member would like to mention his longstanding support for the national trails system as well as his sup-

port for the concept of a coast-to-coast trail using existing public rights-of-ways and trails which encourages hikers, bicyclists, and others to discover the many national treasures throughout the country. However, first and foremost, the distinguished gentleman from Maryland [Mrs. BYRON] deserves to be highly commended for her introduction of this bill and her great efforts on behalf of this proposed trail.

This Member, however, would like to express his concern about the reported impact that a private business had on the selection of the proposed route for the trail. It recently came to this Member's attention that the original route chosen for the American Discovery Trail was revised in order to recognize the support and contributions of the Wichita-based Coleman Co., a manufacturer of outdoor equipment.

The original route, which crossed Nebraska and Iowa, was reportedly altered after the Coleman Co. joined Chevrolet Truck Sales Co. and Backpacker magazine as corporate sponsors of a three-member team that surveyed the route. Referring to the Coleman Co., the Lincoln (NE) Journal-Star acting on information they received stated in an editorial on March 1, 1992, that "rewarding the firm for a donation motivated by apparent self-interest casts a cloud * * * over the trail revision." Interested parties in Nebraska brought this allegation and information about the deletion of the traditional trails-west Platte River route to this Member's attention only after the Interior Committee had completed their mark up of H.R. 3011.

Certainly, there is nothing wrong with the proposed trail crossing Missouri and Kansas. However, the decision on the trail's route should be based solely on the attributes of the sites and features along a trail route, rather than recognition for contributions by a private business. This Member recommends and expresses his desire that the final version of this proposed trail recognizes the benefits of having the trail cross through Iowa and Nebraska, as originally planned, as well as Missouri and Kansas. This could be achieved by studying the feasibility and eventual implementation of both a northern route and a southern route for the trail through these Midwestern States.

Such an alternative would benefit not only these States but also those who would use this trail. This member believes that an objective study would recognize the desirability of allowing the many hikers and bicyclists the opportunity to discover the numerous historical sites and natural attractions available in Nebraska and Iowa as well as the benefits offered by Missouri and Kansas. This alternative would recognize the importance of the Mormon Trail, the Oregon Trail, the Lewis and

Clark Expedition, and the Union Pacific Transcontinental Railroad as well as the Santa Fe Trail.

This Member would conclude by expressing his sincere appreciation to the chairman of the Interior Committee and his staff, including Mr. Rick Healy, for their willingness to listen to this Member's concerns about this proposed trail. This Member would similarly like to thank the gentleman from Maryland [Mrs. BRYON] and her staff for their consideration of the concerns which have been mentioned.

Mr. Speaker, however, it is only this Member's desire not to delay this legislation since Nebraska interests expressed their concerns late which permits me to support this legislation today. But I do that only since I have asked the junior Senator from Colorado and other members of the other body to amend their counterpart resolution to H.R. 3011 to include both, and I underline the word "both," the northern route across the Midwest and Great Plains—Illinois, Iowa, Nebraska, and Colorado—as well as the southern route—Illinois, Missouri, Kansas, and Colorado. Therefore, this Member would ask the chairmen and ranking minority members of the full Interior Committee and the subcommittee and other conferees eventually appointed to accept the Senate version in this respect out of both fairness and appropriateness in routing.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I yield to the chairman of the subcommittee.

Mr. VENTO. Mr. Speaker, I want to commend the gentleman from Nebraska [Mr. BEREUTER]. He has been one of the most interested Members in the work of the National Parks and Public Lands Subcommittee as a member of that subcommittee initially and today is obviously an active Member on the floor.

We certainly want to work with the gentleman from Nebraska to resolve the issue and to provide for an ample study of both the northern and southern versions of this passing through Nebraska, and I guess Wyoming. You cannot get out of Nebraska without going through Wyoming. So we will certainly look to that as a help to try to gain the type of insights we need to provide for ultimate designations.

Mr. Speaker, I thank the gentleman and thank him for his cooperation.

The SPEAKER pro tempore (Mr. MONTGOMERY). The time of the gentleman from Nebraska has expired.

Mr. THOMAS of Wyoming. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Nebraska.

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

I thank the chairman of the subcommittee for his very cooperative at-

titude and his comments about the matter.

I just wanted to emphasize for the record and in recognition of what the chairman has said that this Member is contemplating the study and implementation for both the northern and southern routes. I am not about to have a Nebraska-Kansas dispute here.

I just wondered if the chairman understands that I am suggesting both, and making that quite clear.

Mr. VENTO. Mr. Speaker, if the gentleman will yield, I understand what he is suggesting and I certainly am receptive to it.

Mr. BEREUTER. Mr. Speaker, I thank the gentleman.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska [Mr. HOAGLAND], the other third of the Nebraska delegation and an effective member of the committee who has worked on a variety of different measures and has an extreme interest in this matter.

Mr. HOAGLAND. Mr. Speaker, I thank the committee chairman for yielding me this time.

I want to begin as well by commending the work of the chairman and the staff at the full committee and subcommittee level.

I particularly want to commend the work of our most effective colleague, the gentleman from Maryland [Mrs. BYRON] who has had a long and spectacular career here in the House as one of our most worthy, thoughtful, and productive Members. We are going to miss her, I say to the gentleman from Maryland, and I think this is an appropriate capstone to a very fine career here in the House. This is a wonderful bill for her to be remembered by, when all is said and done.

I want to second the efforts of my colleague, the gentleman from Nebraska [Mr. BEREUTER] and voice the same concerns. We have received some opposition to this bill in Nebraska because of the proposed route of study, and the opposition that the gentleman from Nebraska [Mr. BEREUTER] has indicated raises a question of how and why Nebraska was not included along the route. I think we know that, but I think it is not too late to propose a Nebraska route as a candidate for an alternate study when the study is actually conducted.

There is no doubt that Nebraska has many trails suitable for hiking, both for their esthetic and their historic value.

The truth of the matter is that the Platte Valley route across America was more widely used, I believe, than any other route in the Midwest. Thousands of explorers, pioneers, and settlers, crossed Nebraska in search of dreams and new lives over trails such as the Mormon Trail, Oxbow Trail, the Oregon Trail, the Pony Express Trail, and the Deadwood Trail.

As the gentleman from Nebraska [Mr. BEREUTER] has indicated, the transcontinental railroad was built along the Platte River Valley. My great-grandfather, George Hoagland, I should note, supplied all of the ties. He ran a lumber company back in the last century and supplied all the ties from Omaha to Promontory Point along the transcontinental route. All these trails by foot, by covered wagon, by rail, bring life to America's history in this country's westward expansion in the last century, and Nebraska played a very important role in it.

Now, Kansas also has its historical and geographic importance that merits inclusion in this study for a national trail as well. The Santa Fe Trail was a very important trail in the development of the West and contains many important criteria.

I do not think we are here today to suggest that it should be one or the other, but we would certainly like inclusion of the Nebraska trails as well.

One possibility would be, of course, to route the national trail through St. Louis and then Kansas City and have it go upward along the Missouri River, as did Lewis and Clark when they explored the great expanses of the Midwest and the West, and then in the vicinity of Omaha join the rest of the trails and follow the Platte River Valley across into Wyoming, Colorado, and specifically Denver and then on across the Nation.

So we would plead that case here, Mr. Speaker, that this legislation be amended at some appropriate point in the Senate or perhaps in conference to include a study of an alternate route, the route that so many pioneers took across Nebraska, and that we let them, the authors of the study, make the ultimate decision as to whether to have one route or to have the trail split into two trails as they go across this part of America.

Mr. MILLER of Ohio. Mr. Speaker, I am pleased to rise today in strong support of H.R. 3011 which amends the National Trails System Act to designate the American Discovery Trail as a study trail, for possible inclusion in the National Trail System. I am impressed by the innovative design of the proposed American Discovery Trail. It makes use of existing trails, when possible; and it will be located almost entirely on public lands. In addition, it will thoughtfully wind near major metropolitan areas to make it more accessible for the general public. It will be the Nation's first coast-to-coast recreational trail.

One of the most attractive aspects of the plan is the encouragement in the bill for the conversion of abandoned rail rights-of-way to trails. Knowing the 10th District of Ohio as I do, I can see distinct possibilities for the worthwhile conversion of abandoned rail property to be included in the American Discovery Trail System. Such conversion would be ideal for trails and bike paths. Instead of unused rail beds wasting into weeds and misuse they could be folded into the trail system and made available to the public.

The proposed American Discovery Trail passes through some of the most inviting scenic areas of southeastern Ohio—through State parks and woodlands rich in history and environmentally appealing. The scenery changes along this stretch of the trail with each passing season. Hiking along paths that pioneers once used to discover America would be an experience of a lifetime. The trail promises to take the public where an automobile could not and where the inspiring handiwork of Mother Nature is evident and untouched.

In addition the trail would spur tourism and travel in rural areas such as southeastern Ohio—an area which has been especially hard hit in recent years. These added dollars would help to prod the much-needed development in these areas, such as for the building of schools, where children can learn about our Nation's past and obtain the skills needed for their future.

I support the idea of the trail for all the reasons outlined. The trail is a good idea and this bill is a major step toward making an idea a reality. I thank the gentlewoman, BEVERLY BYRON, for introducing this bill and I urge my colleagues to support H.R. 3011.

Mr. RITTER. Mr. Speaker, I urge my colleagues to support H.R. 3011 introduced by the avid hiker and gentlewoman from Maryland [Mrs. BYRON].

H.R. 3011 would authorize a study of the American Discovery Trail for designation as a national scenic trail. It would create a 5,000 mile backbone for our National Trails System. Once in place, it will serve as an interstate link for a system of over 30,000 miles for hiking, biking, horseback riding, and skiing; an artery of recreational possibilities.

As a runner, bicyclist, backpacker, and fitness enthusiast, I am not unbiased in my desire to promote the development and expansion of trails. But aside from my personal interest, I strongly encourage these types of activities to promote physical and mental wellness.

More and more, we are experiencing a trend toward healthy exercise and recreation quite apart from organized sports. The No. 1 outdoor activity for Americans is walking for pleasure and fitness. It is both physically and mentally healthy. Over 100 million people are out walking and over 60 million are now bicycling, most often on a regular basis.

Physicians recommend these types of activities not only for fitness but for stress reduction; stress being the underlying cause of so much mental and physical illness.

Backpacker magazine, published by Rodale Press in my district, has led in support of the designation of an American Discovery Trail. Backpacker represents the outdoor industry and over 12 million backpackers. Indeed, I understand they conceived the American Discovery Trail and have contributed to its funding, along with substantial other private sector contributors. However, they face an interesting dilemma. By promoting backpacking—a wonderful way to experience the great outdoors, away from civilization—they are encouraging more people to go into the areas of solitude that they, backpackers themselves, want to experience. A real catch-22 that can be avoided by adding new trails to the backpacker's menu.

Also, as more people become aware of trail resources and understand their value, the more there are to work to enhance the trail's long-term prospects.

Spanning the country from California to Delaware, the concept of an American Discovery Trail [ADT] has begun to capture the hearts of Americans. As initially scouted by American Hiking Society enthusiasts who were privately financed—one of whom, Eric Seaborg, you will hear from today—the American Discovery Trail is for all Americans. The American Hiking Society represents over 100 hiking clubs and, collectively, over 200,000 members. Some \$400,000 have been contributed thus far by companies like Chevrolet Trucks, Coleman Outdoor Products, Recreational Equipment Inc. [REI], Nike, Trek Bicycles, Canon, AT&T, Nature Valley, Yakima, Kodak, Spenco, Duofold, Merrell Hiking Boots, Wild Country USA, Nalgene Trail Products, Mountainsmith, and others.

There are segments for hardy backpackers, but most of the trail is accessible to everyone, from youngsters to senior citizens. As spelled out in the Trails for All Americans report, a goal of this project is to encourage the expansion of trails so that, someday, every American will be able to experience such a trail.

Thanks to the tremendous headstart provided by the preliminary scouting work, the cost of the ADT study is now estimated to be less than \$200,000.

The American Discovery Trail is not a new trail, with the attending startup problems of land acquisition and funding. It is a trail almost ready for today. The route is there now—virtually all on public lands—linking existing trails on Federal, State, and local lands—except for a few isolated instances where it follows an established trail with long-standing easements across small sections of private land.

It loops through major metropolitan areas such as Denver and Cincinnati, and links them to countless small towns, with beautiful natural areas, along quiet country roads, urban greenways, rail-to-trail conversions, from the prairies to the deserts to the mountains, and along an historic canal towpath, making it accessible to millions of Americans. It provides people in urban areas with an accessible link to nature.

The American Discovery Trail has sparked pride and enthusiasm along its route. Citizens are excited about the prospect of a major trail through their State and through their community.

The American Discovery Trail offers educational and cultural opportunities along its route, both for those who explore a short stretch close to home and for those who plan a trip to a distant state.

It brings American history to life. It follows historic paths such as the Pony Express Trail and the Santa Fe Trail. It passes by a great number of historic sites, such as Abraham Lincoln's boyhood home, and passes right down Main Street through countless small towns that are living museums with century-old stores and homes.

The American Discovery Trail will also be a boon for local economies. A National Park Service study shows that the presence of trails such as the ADT enhance real estate values, small business revenues, tourism, and even corporate relocations.

Towns along the trail route are looking at the results from other areas where trails that connect communities to each other have not only added to the quality of life, but also brought in tourism dollars. For instance, in 1988, the 32-mile Elroy-Sparta Park Trail that winds through five west-central Wisconsin communities brought in an estimated \$1,257,000 in trail-related revenue, 49 percent of that from out-of-state tourists.

The American Discovery Trail offers a slice of Americana for anyone who wants to leave their car behind and travel under their own power in the fresh air. It offers scenery, history, and a chance to meet people.

A trail that links the east with the west across the heartland of America would be a priceless asset and could provide the spark for additional trail links that vastly enhance our national trails system.

Mr. Speaker, I urge my colleagues to support this legislation to study the American Discovery Trail. Such a trail can provide millions of Americans with healthy, economical, recreation opportunities and allow more Americans and visitors to experience the diverse geography, social settings and flora and fauna of our great Nation. Such experiences, while boosting travel and tourism, foster unity and respect for America.

Mr. THOMAS of Wyoming. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 3011.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 1330

RECOGNIZING TRANSFER FOR THE VIRGIN ISLANDS

Mr. DE LUGO. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 401) recognizing the development of the relationship of the Virgin Islands with the United States.

The Clerk read as follows:

H. RES. 401

Whereas United States efforts to acquire the islands of the Danish West Indies date to at least 1865;

Whereas the United States entered into a convention on August 4, 1916, with His Majesty the King of Denmark to cede these islands, with respect to which the Senate advised ratification on September 7, 1916;

Whereas the territory was ceded from Denmark to the United States effective on January 17, 1917, and formally transferred on March 31, 1917;

Whereas what is now the Virgin Islands has developed socially, economically, and politically since becoming a territory of the United States;

Whereas the people of the Virgin Islands have developed a rich and vibrant culture during this period;

Whereas the territory has prospered as a cosmopolitan center of tourism, manufacturing, and regional trade;

Whereas the people of the Virgin Islands now elect a legislature empowered to enact legislation on all rightful subjects of legislation; elect a governor; elect a delegate to the House of Representatives; have authority to establish a local judicial system; and have authority to organize a government pursuant to a constitution of their own adoption as provided by law;

Whereas the people of the Virgin Islands have been invited by the President to discuss their future relationship with the United States;

Whereas the Government of the Virgin Islands has planned for the people of the territory to determine their political status aspirations;

Whereas the people of the Virgin Islands have demonstrated continuing loyalty to the United States as well as continuing friendship for Denmark;

Whereas the Virgin Islands serve as the United States' gateway to the Eastern Caribbean; and

Whereas it has been 75 years since the transfer: Now, therefore, be it

Resolved, That the House of Representatives recognizes—

(1) the historic significance of the transfer of the Virgin Islands to the United States on its 75th anniversary;

(2) the development of the Virgin Islands during its relationship with the United States;

(3) that as loyal citizens of the United States the people of the Virgin Islands have contributed to the Nation;

(4) the friendship between the people of the territory and Denmark; and

(5) the role of the territory as a link to the Eastern Caribbean region.

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the rule, the gentleman from the Virgin Islands [Mr. DE LUGO] will be recognized for 20 minutes, and the gentleman from Wyoming [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from the Virgin Islands [Mr. DE LUGO].

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

Mr. Speaker, as the title of the resolution states, House Resolution 401 would recognize the development of the relationship between the United States and the territory that I am privileged to represent, the Virgin Islands.

This recognition is particularly appropriate this year, which marks the 75th anniversary of the transfer of the Virgin Islands from Denmark to the United States. As you know Mr. Speaker, this anniversary will be marked next Tuesday with appropriate ceremonies and celebrations. I am honored that you have selected me to represent the Speaker on that occasion.

Although the Virgin Islands became a United States territory in 1917, United States interest in acquiring what were then the Danish West Indies dates to at least 1865. In that year, Secretary of State William Seward proposed the purchase of two of the three major islands—St. Thomas and St. John.

A treaty was signed in October 1867, ceding the islands to the United States

for \$7.5 million. But a growing mood of isolationism and a Congress reluctant to approve another "Seward's Folly" combined to thwart the effort.

Following the outbreak of World War I, United States interest in the islands was renewed because of concern that German occupation of Denmark could lead to German control of the Virgin Islands. That presented a strategic threat to the vital Panama Canal because of the location of the islands and their magnificent ports.

So in 1916, the United States and Denmark entered into a convention to transfer the islands for \$25 million. It provided for cession to occur on January 17, 1917, and the islands to be formally transferred when payment was made.

On March 31, 1917, the flag of Denmark was lowered for the last time over the Danish West Indies and the flag of the United States was raised for the first time over what became the Virgin Islands.

U.S. citizenship was conferred on the people of the islands a decade later. And in 1936, an Organic Act established the government of the territory. Under this law, the people of the Virgin Islands elected representatives to municipal councils in St. Croix, St. Thomas, and St. John.

The Organic Act was revised in 1954 to provide increased local autonomy for the islands. It provided for a unified legislature for the territory, as well as for rebate of taxes on locally produced products to fund capital improvements.

The 1954 Revised Organic Act expanded the jurisdiction of the Federal district court for the territory. Incidentally, authorization for a second Federal judge was added in 1970. Unfortunately and, I think, to the shame of our country, both judgeships remain vacant today, as they have been since 1989.

In 1968, the people of the Virgin Islands were authorized to elect their Governor and a Lieutenant Governor in 1970. In 1972, the territory was authorized to elect a Delegate to this House in the general election of that year; a position which I have been privileged to have held in all but two of the years since.

In 1976, a law that I sponsored authorized the people of the Virgin Islands to adopt their own constitution. In 1984, another law that I sponsored authorized the territory to establish a court of last resort so that a judicial relationship similar to that which exists between the Federal Government and the States could go into effect.

Mr. Speaker, the resolution would recognize these and other aspects of the islands' political development. It would also recognize the Virgin Islands' impressive social and economic development during its association with the United States.

It would further acknowledge the contributions that the people of the

Virgin Islands have made to the United States. And it would recognize the continuing affection the people of the territory feel for the people of Denmark, and the role that the Virgin Islands plays for our country in the eastern Caribbean region.

It is, in short, a fitting way for this House to express its appreciation for the development of the islands; the relationship between them and the rest of the American political family; and the contributions made by the loyal Americans of our territory to our Nation.

And, although it has not been reported by the committee of jurisdiction—Interior and Insular Affairs—it has been sponsored by a majority of the committee's members.

Mr. Speaker, I urge the House to approve the resolution and I reserve the balance of my time.

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

Mr. Speaker, I rise in support of the resolution commemorating the 75th anniversary of the transfer of the Virgin Islands from Denmark to the United States. We are fortunate to have this lovely set of islands in the Caribbean under the American flag. Columbus landed in the Virgin Islands and in the neighboring island of Puerto Rico, the only territories of the United States to have actually hosted the discoverer firsthand.

Although U.S. sovereignty over the Virgin Islands was established in 1917 and U.S. citizenship extended 10 years later, the U.S. Constitution was made applicable only in part. The U.S. citizens of the Virgin Islands have remained loyal citizens throughout the years, and have served in the Armed Forces in defense of the flag and the Constitution which only partially applies. Certainly they deserve to fully participate in our democracy, with all of the rights, benefits, duties, and responsibilities.

Let me commend the gentleman from the Virgin Islands for bringing this resolution before the House. The people of the Virgin Islands are fortunate to have Mr. RON DE LUGO representing their interests in the Congress. I urge my colleagues to approve this measure.

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

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

Mr. Speaker, I thank the gentleman from Wyoming [Mr. THOMAS] for those very kind and generous remarks.

Mr. Speaker, once again, I want to urge my colleagues to approve this measure so that people of the Virgin Islands will know how much the House of Representatives appreciates the association we have had over these 75 years.

In conclusion, I want to thank BOB LAGOMARSINO, the ranking minority

member of the Insular and International Affairs Subcommittee which I am privileged to chair, for working with me in developing this resolution. I also want to thank the distinguished chairman and ranking minority member of the full Committee on Interior and Insular Affairs, the gentleman from California [Mr. MILLER], and the gentleman from Alaska [Mr. YOUNG], for their cooperation in this matter.

Mr. Speaker, finally, I want to thank the other members who have supported this measure: Majority whip DAVID BONIOR, BRUCE VENTO, PHILIP SHARP, AUSTIN MURPHY, RICHARD LEHMAN, BILL RICHARDSON, WAYNE OWENS, JOHN LEWIS, PETER DEFAZIO, ENI FALCOMAVAEGA, CHARLES SCHUMER, BEN BLAZ, JOSEPH EARLY, CHARLES RANGEL, ROBERT MATSUI, CARLIS COLINS, BEN JONES, CHARLES HAYES, WILLIAM CLAY, JIM CHAPMAN, BILL BREWSTER, DONALD PAYNE, GUS SAVAGE, RONALD DELLUMS, KWEISI MFUME, FRANK GUARINI, RICHARD NEAL, WILLIAM HUGHES, ESTEBAN TORRES, DALE KILDEE, LOUIS STOKES, CRAIG WASHINGTON, JULIAN DIXON, BOB TRAXLER, ED JENKINS, WILLIAM LEHMAN, GEORGE (BUDDY) DARDEN, PETER KOSTMAYER, NEIL ABERCROMBIE, EDWARD MARKEY, CALVIN DOOLEY, BEN NIGHTHORSE CAMPBELL, PAT WILLIAMS, and HARRY JOHNSTON.

At this point Mr. Speaker, I insert into the RECORD, several statements that were made during celebrations of the 50th anniversary of the transfer of the islands that give an accurate, interesting, and informative description of the real essence of the people of the Virgin Islands. These statements were made by Bishop Cedric Mills, distinguished educator Eldra Shulterbrandt, then Gov. Ralph M. Paiewonsky, and renowned musician Bill LaMotta, and are worth reflecting on today.

The rich West Indian culture and heritage of the people of the Virgin Islands was expressed thus in 1967 by the Right Reverend Cedric E. Mills at the 50-year celebration of the Transfer:

"Let us remember that basically and deep down we have something to contribute to the whole universal culture, and don't ever be in the position of forgetting that. Be proud of this culture. Be sure that it is not swallowed up in some transcontinental era, either coming from the Senate or from Europe or from any place. Stand in the sunlight and be proud."

Also, at the time of the 50-year celebration, Bill La Motta wrote of the music of the islands:

"Contrary to popular belief, in the Virgin Islands calypso is a borrowed folk form. The music played by the scratchbands is really our indigenous music. Within the music is the crude and earthy portrayal of local feeling—colorful, festive, tribal music of the gay masquerade troops, zulu dangers and mocko jumbles. The instruments usually consisted of wourri drums (African tom toms), tambourines, bones, guiros, claves, maracas and five gallon kerosene tins with holes and indentations which produced curious tonal effects when sung into by the leader.

"There were also huge steel triangles, cuatros, pum flutes and tailpipe basses that were made from old cut-down automobile muffler pipes bent into snake curves. To this strange accompaniment the "cariso" singers depicted in song any local incident, embarrassing or otherwise. Many of these haunting, extemporaneous melodies have survived, like "Queen Mary", "Matti-Gru", "Good Morning, Good Morning", "Seedy Bell" and "Roll Isabella". These songs are a part of our folk culture and the music is the true native music of today's cosmopolitan Virgin Islands."

Also at the celebration of the 50th anniversary, Eldra L.M. Shulterbrandt noted in a commemorative for the St. Thomas Friends of Denmark Society:

"We know of no spot in the world that has the magic blend of qualities—human and natural—as we have here in the Virgin Islands. This, then constitutes our 'way of life'—a beautiful, natural setting—people living in dignity and mutual respect for one another with a common goal of creating and developing a better life, each having an opportunity of sharing in the fruits of his labor, in accordance with his ability and regardless of the roots from which he sprang."

And in that same commemorative piece, Ralph M. Paiewonsky, who was Governor of the United States Virgin Islands at the time, had this to say:

"What is a Virgin Islander? The Virgin Islander represents a way of life. He is a man of dignity. He is a member of all races and of different religious beliefs. He selects his friends and associates on the basis of human worth and value without regard to race, creed or color. He is the leader; he is our legislator; he is our administrator; he is our teacher; he is the farmer; he is the laborer—he is in every walk of life. He is our physician, he is our law-enforcement officer; he is the planner; he is the newspaper, radio and TV owner; he is the businessman—he is of all hues and of all beliefs. He is the majority.

"He does not apologize to any man for being a Virgin Islander—he is proud of it—to him it is a title of distinction. He was either born in the Virgin Islands or he came here to live among us with the same ideals, principles and dedication to preserve this way of life. New people who come here to live among us earn this title only after they have proved that they can appreciate, accept and participate in this society of men of goodwill. They are accepted by us, not because they are rich or poor, white or black, Jew or Gentile, Republican or Democrat, but because they are decent human beings. Those who remain outside this happy association are constantly dissatisfied with our Virgin Islands way of life. We in the Virgin Islands welcome all to our shores and we are happy to offer them mutuality and equality, but more we cannot give. We are proud of our way of life, not only because we enjoy it, but because we know it is right. Official and other visitors have repeatedly commented on the ease and harmony in which we live. Many have pointed out that this demonstration represents the greatest asset the Virgin Islands can offer the United States. We will preserve this Virgin Islands way of life, not only because it is important to us and to our children, but because it is important to the world."

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from the Virgin Islands

[Mr. DE LUGO] that the House suspend the rules and agree to the resolution, House Resolution 401.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1340

COMMUNITY MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES IMPROVEMENT ACT OF 1992

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3698) to amend the Public Health Service Act with respect to services for mental health and substance abuse, including establishing separate block grants to enhance the delivery of such services, as amended.

The Clerk read as follows:

H.R. 3698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "Community Mental Health and Substance Abuse Services Improvement Act of 1992".

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

Sec. 1. Short title and table of contents.

TITLE I—BLOCK GRANTS TO STATES REGARDING MENTAL HEALTH AND SUBSTANCE ABUSE

Sec. 101. Establishment of separate block grant regarding mental health.

Sec. 102. Establishment of separate block grant regarding substance abuse.

Sec. 103. General provisions regarding block grants.

Sec. 104. Related categorical programs.

Sec. 105. Temporary provisions regarding funding.

TITLE II—OTHER PROGRAMS OF ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

Subtitle A—Mental Health

Sec. 201. Service research on community-based treatment programs.

Sec. 202. Program for research on mental health.

Sec. 203. Demonstration projects.

Sec. 204. Establishment of Office of Rural Mental Health.

Sec. 205. Miscellaneous provisions.

Subtitle B—Substance Abuse

PART I—OFFICE FOR TREATMENT IMPROVEMENT

Sec. 211. Establishment, general authorities, and certain programs.

Sec. 212. Conforming amendment.

PART II—OFFICE FOR SUBSTANCE ABUSE PREVENTION

Sec. 221. General activities of Office.

Sec. 222. Prevention, treatment, and rehabilitation model projects for high risk youth.

Sec. 223. Striking of certain provisions; revisions in program for pregnant and postpartum women.

Sec. 224. Training in provision of treatment services.

PART III—OTHER PROVISIONS REGARDING SUBSTANCE ABUSE

Sec. 231. Research on alcohol abuse and alcoholism.

Sec. 232. Research on drug abuse.

Sec. 233. Study by National Academy of Sciences.

Sec. 234. Study of barriers to insurance coverage of treatment for substance abuse.

Sec. 235. Study on fetal alcohol effect and fetal alcohol syndrome.

PART IV—CHILDREN OF SUBSTANCE ABUSERS

Sec. 241. Establishment of program of services.

PART V—MISCELLANEOUS PROVISIONS

Sec. 251. Grants for small instrumentation in research on mental health and substance abuse.

TITLE III—TRAUMA CENTERS AND DRUG-RELATED VIOLENCE

Sec. 301. Establishment of program of grants.

Sec. 302. Conforming amendments.

TITLE IV—NATIONAL COMMISSION ON ALCOHOL AND TOBACCO USE BY CHILDREN

Sec. 401. Establishment and duties of commission.

TITLE V—MISCELLANEOUS

Sec. 501. Physicians comparability allowance.

Sec. 502. Substance abuse among employees of small businesses.

TITLE I—BLOCK GRANTS TO STATES REGARDING MENTAL HEALTH AND SUBSTANCE ABUSE

SEC. 101. ESTABLISHMENT OF SEPARATE BLOCK GRANT REGARDING MENTAL HEALTH.

(a) **IN GENERAL.**—The Public Health Service Act (42 U.S.C. 201 et seq.) is amended—

(1)(A) by transferring section 1923 to subpart 3 of part B of title V;

(B) by redesignating such section as section 518A; and

(C) by inserting such section after section 518; and

(2) in part B of title XIX, by striking subparts 1 and 2 and inserting the following:

"Subpart I—Block Grants for Community Mental Health Services

"SEC. 1911. FORMULA GRANTS TO STATES.

"For the purposes described in section 1912, the Secretary, acting through the Director of the National Institute of Mental Health, shall make an allotment each fiscal year for each State in an amount determined in accordance with section 1916. The Secretary shall make a grant to the State of the allotment made for the State for the fiscal year if the Secretary approves for the fiscal year an application submitted by the State pursuant to section 1915.

"SEC. 1912. PURPOSE OF GRANTS.

"(a) **COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CERTAIN INDIVIDUALS.**—The Secretary may not make a grant under section 1911 unless—

"(1) in the case of fiscal year 1992, the State involved submits to the Secretary a plan for providing comprehensive community mental health services to adults with a serious mental illness and to children with a serious emotional disturbance;

"(2) in the case of fiscal year 1993 and subsequent fiscal years, the State submits such revisions in the plan as the State determines to be appropriate; and

"(3) in the case of each fiscal year—

"(A) the plan (with any revisions) meets the criteria specified in subsection (b);

"(B) the plan (or revision, as the case may be) is approved by the Secretary; and

"(C) the State agrees that—

"(i) the grant will be expended only for the purpose of providing, in accordance with the plan as in effect for the fiscal year, the services described in paragraph (1) to the adults and children described in such paragraph;

"(ii) services under the plan will be provided only through appropriate, qualified community programs (which may include community mental health centers, child mental-health programs, psychosocial rehabilitation programs, mental health peer-support programs, and mental-health primary consumer-directed programs); and

"(iii) services under the plan will be provided through community mental health centers only if the centers meet the criteria specified in subsection (d).

"(b) **CRITERIA FOR STATE PLAN.**—With respect to the provision of comprehensive community mental health services to individuals who are either adults with a serious mental illness or children with a serious emotional disturbance, the criteria referred to in subsection (a) regarding a plan are as follows:

"(1) The plan provides for the establishment and implementation of an organized community-based system of care for such individuals.

"(2) The plan contains quantitative targets to be achieved in the implementation of such system, including the numbers of such individuals residing in the areas to be served under such system.

"(3) The plan describes services, available treatment options, and available resources (including Federal, State and local public services and resources, and to the extent practicable, private services and resources) to be provided such individuals to enable the individuals to gain access to mental health services, including access to treatment, prevention, and rehabilitation services.

"(4) The plan describes health and mental health services, rehabilitation services, employment services, housing services, educational services, medical and dental care, and other support services to be provided to such individuals with Federal, State and local public and private resources to enable such individuals to function outside of inpatient or residential institutions to the maximum extent of their capabilities, including services to be provided by local school systems under the Individuals with Disabilities Education Act.

"(5) The plan describes the financial resources and staffing necessary to implement the requirements of such plan, including programs to train individuals as providers of mental health services, and the plan emphasizes training of providers of emergency health services regarding mental health.

"(6) The plan provides for activities to reduce the rate of hospitalization of such individuals.

"(7)(A) Subject to subparagraph (B), the plan requires the provision of case management services to each such individual in the State who receives substantial amounts of public funds or services.

"(B) The plan may provide that the requirement of subparagraph (A) will not be substantially completed until the end of fiscal year 1992.

"(8) The plan provides for the establishment and implementation of a program of outreach to, and services for, such individuals.

"(9) In the case of children with serious emotional disturbances, the plan describes a system of integrated social services, educational services, juvenile services, and substance abuse services that, together with health and mental health services, should be provided in order for such children to receive care appropriate for their multiple needs, including services to be provided by local school systems under the Individuals with Disabilities Education Act.

"(10) The plan describes the manner in which mental health services will be provided to the residents of rural areas.

"(c) REQUIREMENT OF IMPLEMENTATION OF PLAN.—

"(1) COMPLETE IMPLEMENTATION.—Except as provided in paragraph (2), in making a grant under section 1911 to a State for a fiscal year, the Secretary shall make a determination of the extent to which the State has implemented the plan required in subsection (a). If the Secretary determines that a State has not completely implemented the plan, the Secretary shall reduce the amount of the allotment under section 1911 for the State for the fiscal year involved by an amount equal to 10 percent of the amount determined under section 1916 for the State for the fiscal year.

"(2) SUBSTANTIAL IMPLEMENTATION AND GOOD FAITH EFFORT REGARDING FISCAL YEAR 1992.—

"(A) In making a grant under section 1911 to a State for fiscal year 1992, the Secretary shall make a determination of the extent to which the State has implemented the plan required in subsection (a). If the Secretary determines that the State has not substantially implemented the plan, the Secretary shall, subject to subparagraph (B), reduce the amount of the allotment under section 1911 for the State for such fiscal year by an amount equal to 10 percent of the amount determined under section 1916 for the State for the fiscal year.

"(B) In carrying out subparagraph (A), if the Secretary determines that the State is making a good faith effort to implement the plan required in subsection (a), the Secretary may make a reduction under such subparagraph in an amount that is less than the amount specified in such subparagraph, except that the reduction may not be made in an amount that is less than 5 percent of the amount determined under section 1916 for the State for fiscal year 1992.

"(d) CRITERIA FOR MENTAL HEALTH CENTERS.—The criteria referred to in subsection (a)(3)(C)(iii) regarding community mental health centers are—

"(1) that, with respect to mental health services, the centers provide—

"(A) services principally to individuals residing in a defined geographic area (hereafter in this subsection referred to as a 'service area');

"(B) outpatient services, including specialized outpatient services for children, the elderly, individuals with a serious mental illness, and residents of the service areas of the centers who have been discharged from inpatient treatment at a mental health facility;

"(C) 24-hour-a-day emergency care services;

"(D) day treatment or other partial hospitalization services, or psychosocial rehabilitation services; and

"(E) screening for patients being considered for admission to State mental health facilities to determine the appropriateness of such admission;

"(2) that the mental health services of the centers are provided, within the limits of the

capacities of the centers, to any individual residing or employed in the service area of the center regardless of ability to pay for such services; and

"(3) that the mental health services of the centers are available and accessible promptly, as appropriate and in a manner which preserves human dignity and assures continuity and high quality care.

"(e) PLANNING, ADMINISTRATION, AND EDUCATIONAL ACTIVITIES.—A State may expend a grant under section 1911 for planning, administration, and educational activities related to providing services under the plan of the State under subsection (a). Entities receiving a grant pursuant to such subsection may expend the grant for planning, administration, and educational activities related to providing such services.

"(f) MAINTENANCE OF EFFORT REGARDING STATE EXPENDITURES FOR MENTAL HEALTH.—

"(1) IN GENERAL.—The Secretary may not make a grant under section 1911 for a fiscal year unless the State involved agrees to maintain State expenditures for community mental health services at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying for the grant.

"(2) WAIVER.—The Secretary may, upon the request of a State, waive the requirement established in paragraph (1) if the Secretary determines that extraordinary economic conditions in the State justify the waiver.

"(g) MONITORING OF CERTAIN ENTITIES RECEIVING FACILITIES ASSISTANCE UNDER COMMUNITY MENTAL HEALTH CENTERS ACT.—

"(1) IN GENERAL.—With respect to entities that received payments under the Community Mental Health Centers Act for fiscal year 1981 or prior fiscal years for any of the projects described in section 221(a) of such Act (as such section was in effect on August 12, 1981), if any such entity is located in the State involved and there remains in effect for the entity obligations under agreements made by the entity as a condition of the receipt of the payments, then the Secretary may not make a grant under section 1911 unless the State agrees—

"(A) to monitor the activities of the entity in order to determine the extent to which the entity is complying with such obligations; and

"(B) to submit to the Secretary a report describing the findings made by the State pursuant to subparagraph (A) for the fiscal year involved.

"(2) REPORTS TO CONGRESS.—Not later than February 1 of each fiscal year, the Secretary shall submit to the Congress a report summarizing the information contained in the reports submitted under paragraph (1) to the Secretary by the States for the previous fiscal year. The Secretary shall provide a copy of each such report to the Inspector General of the Department of Health and Human Services.

"(3) DEFINITION.—For purposes of this subsection, the term 'Community Mental Health Centers Act' means such Act as in effect prior to the repeal of the Act on August 13, 1981, by section 902(e)(2)(B) of Public Law 97-35 (95 Stat. 560).

"SEC. 1913. RESTRICTIONS ON USE OF PAYMENTS.

"(a) IN GENERAL.—The Secretary may not make a grant under section 1911 unless the State involved agrees that the grant will not be expended—

"(1) to provide inpatient services;

"(2) to make cash payments to intended recipients of health services;

"(3) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

"(4) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

"(5) to provide financial assistance to any entity other than a public or nonprofit private entity.

"(b) LIMITATION ON ADMINISTRATIVE EXPENSES.—The Secretary may not make a grant under section 1911 unless the State involved agrees that the State will not expend more than 5 percent of the grant for administrative expenses with respect to the grant.

"SEC. 1914. STATE MENTAL HEALTH PLANNING COUNCIL.

"(a) IN GENERAL.—The Secretary may not make a grant under section 1911 unless the State involved agrees to establish and maintain a State mental health planning council in accordance with this section.

"(b) DUTIES.—A Council is in accordance with this section if the duties of the Council are—

"(1) to serve as an advocate for adults with a serious mental illness, children with a severe emotional disturbance, and other individuals with mental illnesses or emotional problems; and

"(2) to monitor, review, and evaluate, not less than once each year, the allocation and adequacy of mental health services within the State.

"(c) MEMBERSHIP.—

"(1) IN GENERAL.—A Council is in accordance with this section if the Council is composed of residents of the State, including representatives of—

"(A) the principal State agencies with respect to—

"(i) mental health, education, vocational rehabilitation, criminal justice, housing, and social services; and

"(ii) the development of the plan submitted pursuant to title XIX of the Social Security Act;

"(iii) public and private entities concerned with the need, planning, operation, funding, and use of mental health services and related support services;

"(B) adults with serious mental illnesses who are receiving (or have received) mental health services; and

"(C) the families of such adults.

"(2) CERTAIN REQUIREMENTS.—A Council is in accordance with the section if—

"(A) with respect to the membership of the Council, the ratio of parents of children with a serious emotional disturbance to other members of the Council is sufficient to provide adequate representation of such children in the deliberations of the Council; and

"(B) not less than 50 percent of the members of the Council are individuals who are not State employees or providers of mental health services.

"(d) AUTHORITY REGARDING INTENDED EXPENDITURES.—A Council may assist the State in the preparation of the description of intended expenditures required in section 1941 with respect to this subpart.

"(e) DEFINITION.—For purposes of this section, the term 'Council' means a State mental health planning council.

"SEC. 1915. APPLICATION FOR GRANT.

"The Secretary may not make payments under section 1911 unless—

"(1) the State involved submits to the Secretary an application for the grant containing any agreement required in this subpart or subpart III as a condition of receiving the grant;

"(2) the agreements are made through certification from the chief executive officer of the State;

"(3) with respect to such agreements, the application provides assurances of compliance satisfactory to the Secretary;

"(4) the application contains the plan required in section 1912(a), the description of intended expenditures required in section 1941(a)(1), and the report required in section 1942(a); and

"(5) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this subpart.

"SEC. 1916. DETERMINATION OF AMOUNT OF ALLOTMENT.

"(a) STATES.—

"(1) DETERMINATION UNDER FORMULA.—Subject to subsection (b), the Secretary shall determine the amount of the allotment required in section 1911 for a State for a fiscal year in accordance with the following formula:

$$A \left(\frac{X}{U} \right)$$

"(2) DETERMINATION OF TERM 'A'.—For purposes of the formula specified in paragraph (1), the term 'A' means the difference between—

"(A) an amount equal to the amount appropriated under section 1917(a) for allotments under section 1911 for the fiscal year involved; and

"(B) an amount equal to 1.5 percent of the amount referred to in subparagraph (A).

"(3) DETERMINATION OF TERM 'U'.—For purposes of the formula specified in paragraph (1), the term 'U' means the sum of the respective terms 'X' determined for each State under paragraph (4).

"(4) DETERMINATION OF TERM 'X'.—

"(A) For purposes of the formula specified in paragraph (1), the term 'X' means the product of—

"(i) an amount equal to the term 'P', as determined for the State involved under subparagraph (B); and

"(ii) the greater of—

"(I) 0.4; and

"(II) an amount equal to an amount determined for the State in accordance with the following formula:

$$1-.35 \left(\frac{S}{N} \right)$$

"(B) For purposes of subparagraph (A)(i), the term 'P' means the sum of—

"(i) an amount equal to the product of—

"(I) 0.107; and

"(II) an amount equal to the number of individuals in the State who are between 18 and 24 years of age (inclusive), as indicated by the most recent data collected by the Bureau of the Census;

"(ii) an amount equal to the product of—

"(I) 0.166; and

"(II) an amount equal to the number of individuals in the State who are between 25 and 44 years of age (inclusive), as indicated by the most recent data collected by the Bureau of the Census;

"(iii) an amount equal to the product of—

"(I) 0.099; and

"(II) an amount equal to the number of individuals in the State who are between 25 and 64 years of age (inclusive), as indicated

by the most recent data collected by the Bureau of the Census; and

"(iv) an amount equal to the product of—

"(I) 0.082; and

"(II) an amount equal to the number of individuals in the State who are 65 years of age or older, as indicated by the most recent data collected by the Bureau of the Census.

"(C) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term 'S' means the quotient of—

"(i) an amount equal to the most recent 3-year average of the total taxable resources of the State involved, as determined by the Secretary of the Treasury; divided by

"(ii) an amount equal to the term 'P', as determined for the State under subparagraph (B).

"(D) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term 'N' means the quotient of—

"(i) an amount equal to the sum of—

"(I) the sum of the respective amounts determined for each of the several States under subparagraph (C)(i); and

"(II) an amount equal to the most recent 3-year average of the total taxable resources of the District of Columbia, as determined by the Secretary of the Treasury; divided by

"(ii) an amount equal to the sum of the respective terms 'P' determined for each of the several States, and for the District of Columbia, under subparagraph (B).

"(E) In the case of the District of Columbia, for purposes of the formula specified in subparagraph (A)(ii)(II)—

"(i) the term 'S' means the quotient of—

"(I) an amount equal to the most recent 3-year average of the total personal income in such District, as determined by the Secretary of Commerce; divided by

"(II) an amount equal to the term 'P', as determined for such District under subparagraph (B); and

"(ii) the term 'N' means the quotient of—

"(I) an amount equal to the most recent 3-year average of the total personal income in the United States, as determined by the Secretary of Commerce; divided by

"(II) an amount equal to the sum of the respective terms 'P' determined for each of the several States, and for the District of Columbia, under subparagraph (B).

"(b) MINIMUM ALLOTMENT FOR CERTAIN STATES.—If the allotment under section 1911 for a State for a fiscal year would be less than \$7,000,000 as determined under subsection (a), the amount of the allotment under such section for the State for the fiscal year shall be the greater of—

"(1) the amount determined for the State under subsection (a); and

"(2) an amount equal to 20.6 percent of the allotment made for the State under section 1912A for fiscal year 1989 (as such section was in effect for such fiscal year).

"(c) TERRITORIES.—

"(1) DETERMINATION UNDER FORMULA.—Subject to paragraphs (2) and (4), the allotment under section 1911 for a territory of the United States shall be the product of—

"(A) an amount equal to the amounts reserved under paragraph (3); and

"(B) a percentage equal to the quotient of—

"(i) the civilian population of the territory, as indicated by the most recently available data; divided by

"(ii) the aggregate civilian population of the territories of the United States, as indicated by such data.

"(2) MINIMUM ALLOTMENT FOR TERRITORIES.—Each territory of the United States

shall receive a minimum allotment under section 1911 of \$50,000.

"(3) RESERVATION OF AMOUNTS.—The Secretary shall each fiscal year reserve for the territories of the United States 1.5 percent of the amounts appropriated under section 1917(a) for allotments under section 1911 for the fiscal year.

"(4) AVAILABILITY OF DATA ON POPULATION.—With respect to data on the civilian population of the territories of the United States, if the Secretary determines for a fiscal year that recent such data for purposes of paragraph (1)(B) do not exist regarding a territory, the Secretary shall for such purposes estimate the civilian population of the territory by modifying the data on the territory to reflect the average extent of change occurring during the ensuing period in the population of all territories with respect to which recent such data do exist.

"(5) APPLICABILITY OF CERTAIN PROVISIONS.—For purposes of subsection (a), the term 'State' does not include the territories of the United States.

"SEC. 1917. FUNDING.

"(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, subpart III and section 509D with respect to mental health, and section 518A, there are authorized to be appropriated \$303,000,000 for fiscal year 1992, \$350,000,000 for fiscal year 1993, and \$450,000,000 for fiscal year 1994.

"(b) ALLOCATIONS FOR TECHNICAL ASSISTANCE, SERVICE RESEARCH, AND DATA COLLECTION.—

"(1) IN GENERAL.—For the purpose of carrying out section 1949(a) with respect to mental health, section 518A, and the purpose specified in paragraph (2), the Secretary shall obligate 5 percent of the amounts appropriated under subsection (a) for a fiscal year.

"(2) DATA COLLECTION.—The purpose specified in this paragraph is the collection of data—

"(A) to assist in the operation of publicly-supported mental-health service systems; and

"(B) to assist the States in the preparation of the plans required in section 1912.

"(c) AVAILABILITY TO STATES.—

"(1) IN GENERAL.—Subject to paragraph (2), any amounts paid to a State under section 1911 shall be available for obligation until the end of the fiscal year for which the amounts were paid, and if obligated by the end of such year, shall remain available for expenditure until the end of the succeeding fiscal year.

"(2) EXCEPTION REGARDING NONCOMPLIANCE OF SUBGRANTEES.—If a State has in accordance with paragraph (1) obligated amounts paid to the State under section 1911, in any case in which the Secretary determines that the obligation consists of a grant or contract awarded by the State, and that the State has terminated or reduced the amount of such financial assistance on the basis of the failure of the recipient of the assistance to comply with the terms upon which the assistance was conditioned—

"(A) the amounts involved shall be available for reobligation by the State through September 30 of the fiscal year following the fiscal year for which the amounts were paid to the State; and

"(B) any of such amounts that are obligated by the State in accordance with subparagraph (A) shall be available for expenditure through such date."

(b) CONFORMING AMENDMENT.—Part B of title XIX of the Public Health Service Act (42 U.S.C. 300x et seq.) is amended by amend-

ing the heading for the part to read as follows:

"PART B—BLOCK GRANTS REGARDING MENTAL HEALTH AND SUBSTANCE ABUSE".

SEC. 102. ESTABLISHMENT OF SEPARATE BLOCK GRANT REGARDING SUBSTANCE ABUSE.

Part B of title XIX of the Public Health Service Act, as amended by section 101 of this Act, is amended by adding at the end the following:

"Subpart II—Block Grants for Prevention and Treatment of Substance Abuse

"SEC. 1921. FORMULA GRANTS TO STATES.

"(a) IN GENERAL.—For the purpose described in subsection (b), the Secretary, acting through the Director of the Office for Treatment Improvement, shall make an allotment each fiscal year for each State in an amount determined in accordance with section 1931. The Secretary shall make a grant to the State of the allotment made for the State for the fiscal year if the State makes each of the agreements described in this subpart, and in subpart III with respect to substance abuse, and the State submits to the Secretary an application in accordance with section 1930.

"(b) AUTHORIZED ACTIVITIES.—A funding agreement under subsection (a) is that, subject to section 1929, the State involved will expend a grant under subsection (a) only for the purpose of planning, carrying out, and evaluating activities to prevent and treat the abuse of alcohol and other drugs.

"SEC. 1922. CERTAIN ALLOCATIONS.

"(a) PRIORITY FOR CERTAIN COMMUNITIES.—A funding agreement under section 1921 is that, in expending a grant under such section, the State involved will give priority to carrying out authorized activities in communities with the highest prevalence of substance abuse or the greatest need for treatment services, as determined by the State after consideration of—

"(1) the demand for such services or a need for such services that exceeds the capacity to provide such services;

"(2) a high prevalence of drug-related criminal activities; and

"(3) a high incidence of communicable diseases transmitted through intravenous drug abuse.

"(b) ALLOCATIONS REGARDING ALCOHOL AND OTHER DRUGS.—A funding agreement under section 1921 is that, in expending a grant under such section, the State involved will expend—

"(1) not less than 35 percent for prevention and treatment activities regarding alcohol; and

"(2) not less than 35 percent for prevention and treatment activities regarding other drugs.

"(c) ALLOCATION REGARDING PRIMARY PREVENTION PROGRAMS.—With respect to individuals who do not engage in drug abuse, a funding agreement under section 1921 is that, in expending a grant under such section, the State involved—

"(1) will expend not less than 20 percent for programs designed to educate the individuals on such abuse and to encourage the individuals to continue abstaining from such abuse; and

"(2) will, in carrying out paragraph (1)—

"(A) give priority to programs for populations that are at risk of developing a pattern of such abuse; and

"(B) ensure that programs receiving priority under subparagraph (A) develop community-based strategies for the prevention of such abuse, including strategies to discour-

age the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products.

"(d) ALLOCATIONS REGARDING WOMEN.—

"(1) IN GENERAL.—Subject to paragraph (2), a funding agreement under section 1921 is that, in expending a grant under such section, the State involved—

"(A)(i) for fiscal year 1992, will expend not less than 5 percent to increase (relative to fiscal year 1991) the availability of treatment services designed for pregnant women and women with dependent children (either by establishing new programs or expanding the capacity of existing programs);

"(ii) for fiscal year 1993, will expend not less than 10 percent to so increase (relative to fiscal year 1992) the availability of such services for such women; and

"(iii) for fiscal year 1994, will expend not less than 10 percent to so increase (relative to fiscal year 1993) the availability of such services for such women; and

"(B)(i) for fiscal year 1993, will expend, in addition to amounts expended pursuant to clause (i) of subparagraph (A), 5 percent to maintain the level of availability of services provided pursuant to clause (i) of such subparagraph for fiscal year 1992; and

"(ii) for fiscal year 1994, will expend, in addition to amounts expended pursuant to clause (iii) of subparagraph (A), 15 percent to maintain the level of availability of services provided pursuant to clauses (i) and (ii) of such subparagraph for fiscal year 1993.

"(2) WAIVER.—

"(A) Upon the request of a State, the Secretary may provide to the State a waiver of all or part of the requirement established in paragraph (1) if the Secretary determines that the State is providing an adequate level of treatment services for women described in such paragraph, as indicated by a comparison of the number of such women seeking the services with the availability in the State of the services.

"(B) The Secretary shall approve or deny a request for a waiver under subparagraph (A) not later than 120 days after the date on which the request is made.

"(C) Any waiver provided by the Secretary under subparagraph (A) shall be applicable only to the fiscal year involved.

"(3) CHILDCARE AND PRENATAL CARE.—A funding agreement under section 1921 for a State is that each entity providing treatment services with amounts reserved under paragraph (1) by the State will make available childcare and prenatal care to women receiving the treatment services.

"(e) CONTINUATION OF CERTAIN PROGRAMS.—

"(1) IN GENERAL.—In the case of any entity that received a grant under section 509E for fiscal year 1991 to carry out a program of services in the State involved, a funding agreement under section 1921 for the State for a fiscal year is that, subject to paragraph (2)—

"(A) the State will expend the grant under section 1921 to provide financial assistance to the entity for the purpose of continuing the program; and

"(B) the amount of such assistance for the fiscal year will be an amount equal to the amount the entity received under section 509E for fiscal year 1991.

"(2) WAIVER.—The Secretary shall waive the requirement established in paragraph (1) with respect to a program of services if the State involved certifies to the Secretary that, in the geographic area in which the program is carried out, there is no need for the services of the program.

"SEC. 1923. INTRAVENOUS SUBSTANCE ABUSE.

"(a) ALLOCATION.—

"(1) IN GENERAL.—Subject to paragraph (2), a funding agreement under section 1921 is that, of the amounts reserved under section 1922(b)(2) by a State, the State will expend not less than 25 percent—

"(A) to develop, implement, and operate programs of treatment for intravenous drug abuse, with priority given to programs to treat individuals infected with the etiologic agent for acquired immune deficiency syndrome;

"(B) to train drug abuse counselors, and other health care providers, to provide such treatment; and

"(C) with respect to individuals in need of treatment for intravenous drug abuse, to carry out outreach activities for the purpose of encouraging such individuals to undergo such treatment.

"(2) ADJUSTMENT BY SECRETARY.—

"(A) If the Secretary determines that the incidence of intravenous drug abuse in a State requires a greater level of funding than the level of funding provided pursuant to paragraph (1), the Secretary may increase the percentage specified in such paragraph, subject to not exceeding 50 percent.

"(B) For purposes of subparagraph (A), the Secretary shall make a determination for each fiscal year of the percentage that is to be in effect for each State for the fiscal year. After making such a determination for a State for the fiscal year, the Secretary may not during such year alter the percentage, except as provided in paragraph (3).

"(3) WAIVER.—

"(A) Upon the request of a State, the Secretary may provide to the State a waiver of all or part of the requirement established under paragraph (1) for the State if the Secretary determines that the incidence of intravenous drug abuse in the State does not require the level of funding required under such paragraph.

"(B) The Secretary shall approve or deny a request for a waiver under subparagraph (A) not later than 120 days after the date on which the request is made. The Secretary may approve such request only after providing interested persons in the State an opportunity to comment upon the request.

"(C) Any waiver provided by the Secretary under subparagraph (A) shall be applicable only to the fiscal year involved.

"(b) CAPACITY OF TREATMENT PROGRAMS.—

"(1) NOTIFICATION OF REACHING CAPACITY.—A funding agreement under section 1921 is that the State involved will, in the case of programs of treatment for intravenous drug abuse, require that any such program receiving amounts from a grant under such section, upon reaching 90 percent of its capacity to admit individuals to the program, provide to the State a notification of such fact.

"(2) PROVISION OF TREATMENT.—A funding agreement under section 1921 is that the State involved will, with respect to notifications under paragraph (1), ensure that each individual who requests and is in need of treatment for intravenous drug abuse is admitted to a program of such treatment not later than 7 days after making the request.

"(c) OUTREACH REGARDING INTRAVENOUS SUBSTANCE ABUSE.—A funding agreement under section 1921 is that the State involved, in providing amounts from a grant under such section to any entity for treatment services for intravenous drug abuse, will require the entity to carry out outreach activities described in subsection (a)(1)(C).

"(d) EARLY INTERVENTION SERVICES REGARDING HUMAN IMMUNODEFICIENCY VIRUS.—

"(1) IN GENERAL.—Subject to paragraph (2), a funding agreement under section 1921 is that—

"(A) the State involved will require that any entity receiving amounts from a grant under such section for the provision of treatment services for drug abuse will routinely offer and encourage early intervention services for HIV disease with respect to each individual seeking treatment for such abuse;

"(B) the early intervention services will be undertaken voluntarily and with the informed consent of the individual, and will not be required as a condition of receiving treatment services for drug abuse or other services; and

"(C) information regarding receipt of the early intervention services will be confidential.

"(2) LIMITATION.—With respect to compliance by a State with an agreement under paragraph (1), an entity described in subparagraph (A) of such paragraph may not be required to offer, encourage, or provide early intervention services for HIV disease after the entity has in offering, encouraging, and providing such services obligated 12.5 percent of the amounts received by the entity from the grant made under section 1921 to the State for the fiscal year involved.

"(3) PROVISION OF SERVICES THROUGH OTHER ENTITIES.—With respect to compliance by a State with an agreement under paragraph (1), an entity may expend the amounts involved to provide early intervention services directly and may expend the amounts to enter into agreements with other public or nonprofit private entities under which the other entities will provide the services.

"(4) REQUIREMENTS REGARDING OFFERING AND ENCOURAGING SERVICES.—For purposes of this section, an entity to which the requirements of this subsection apply is offering and encouraging early intervention services with respect to individuals if the entity—

"(A) offers such services to the individuals, and encourages the individuals to receive the services, as a regular practice in the course of providing treatment services for drug abuse; and

"(B) provides the early intervention services only with the consent of the individuals.

"(5) DEFINITIONS.—For purposes of this subsection:

"(A) The term 'early intervention services', with respect to HIV disease, means—

"(i) appropriate pretest counseling;

"(ii) testing individuals with respect to such disease, including tests to confirm the presence of the disease, tests to diagnose the extent of the deficiency in the immune system, and tests to provide information on appropriate therapeutic measures for preventing and treating the deterioration of the immune system and for preventing and treating conditions arising from the disease;

"(iii) appropriate post-test counseling; and

"(iv) providing the therapeutic measures described in clause (ii).

"(B) The term 'HIV disease' means infection with the etiologic agent for acquired immune deficiency syndrome.

"SEC. 1924. GROUP HOMES FOR RECOVERING SUBSTANCE ABUSERS.

"(a) STATE REVOLVING FUNDS FOR ESTABLISHMENT OF HOMES.—For fiscal year 1992 and subsequent fiscal years, the Secretary may not make a grant under section 1921 unless the State involved has established, and is providing for the ongoing operation of, a revolving fund as follows:

"(1) The purpose of the fund is to make loans for the costs of establishing programs for the provision of housing in which individ-

uals recovering from alcohol or drug abuse may reside in groups of not less than 6 individuals. The fund is established directly by the State or through the provision of a grant or contract to a nonprofit private entity.

"(2) The programs are carried out in accordance with guidelines issued under subsection (b).

"(3) Not less than \$100,000 is available for the fund.

"(4) Loans made from the revolving fund do not exceed \$4,000 and each such loan is repaid to the revolving fund by the residents of the housing involved not later than 2 years after the date on which the loan is made.

"(5) Each such loan is repaid by such residents through monthly installments, and a reasonable penalty is assessed for each failure to pay such periodic installments by the date specified in the loan agreement involved.

"(6) Such loans are made only to nonprofit private entities agreeing that, in the operation of the program established pursuant to the loan—

"(A) the use of alcohol or any illegal drug in the housing provided by the program will be prohibited;

"(B) any resident of the housing who violates such prohibition will be expelled from the housing;

"(C) the costs of the housing, including fees for rent and utilities, will be paid by the residents of the housing; and

"(D) the residents of the housing will, through a majority vote of the residents, otherwise establish policies governing residence in the housing, including the manner in which applications for residence in the housing are approved.

"(b) ISSUANCE BY SECRETARY OF GUIDELINES.—The Secretary, acting through the Administrator, shall ensure that there are in effect guidelines issued by the Secretary for the operation of programs described in subsection (a).

"(c) APPLICABILITY TO TERRITORIES.—The requirements established in subsection (a) shall not apply to any territory of the United States other than the Commonwealth of Puerto Rico.

"SEC. 1925. STATE LAW REGARDING SALE OF TOBACCO PRODUCTS TO INDIVIDUALS UNDER AGE OF 18.

"(a) RELEVANT LAW.—

"(1) IN GENERAL.—Subject to paragraph (2), for fiscal year 1994 and subsequent fiscal years, the Secretary may not make a grant under section 1921 unless the State involved has in effect a law providing that it is unlawful for any manufacturer, retailer, or distributor of tobacco products to sell or distribute any such product to any individual under the age of 18.

"(2) DELAYED APPLICABILITY FOR CERTAIN STATES.—In the case of a State whose legislature does not convene a regular session in fiscal year 1992, and in the case of a State whose legislature does not convene a regular session in fiscal year 1993, the requirement described in paragraph (1) as a condition of a receipt of a grant under section 1921 shall apply only for fiscal year 1995 and subsequent fiscal years.

"(b) ENFORCEMENT.—

"(1) IN GENERAL.—For the first applicable fiscal year and for subsequent fiscal years, a funding agreement under section 1921 is that the State involved will enforce the law described in subsection (a) in a manner that can reasonably be expected to reduce the extent to which tobacco products are available to individuals under the age of 18.

"(2) ACTIVITIES AND REPORTS REGARDING ENFORCEMENT.—For the first applicable fiscal

year and for subsequent fiscal years, a funding agreement under section 1921 is that the State involved will—

"(A) annually conduct random, unannounced inspections to ensure compliance with the law described in subsection (a); and

"(B) annually submit to the Secretary a report describing—

"(i) the activities carried out by the State to enforce such law during the fiscal year preceding the fiscal year for which the State is seeking a grant under section 1921;

"(ii) the extent of success the State has achieved in reducing the availability of tobacco products to individuals under the age of 18; and

"(iii) the strategies to be utilized by the State for enforcing such law during the fiscal year for which the grant is sought.

"(c) NONCOMPLIANCE OF STATE.—Before making a grant under section 1921 to a State for the first applicable fiscal year or any subsequent fiscal year, the Secretary shall make a determination of whether the State has maintained compliance with subsections (a) and (b). If, after notice to the State and an opportunity for a hearing, the Secretary determines that the State is not in compliance with such subsections, the Secretary shall reduce the amount of the allotment under such section for the State for the fiscal year involved by an amount equal to—

"(1) in the case of the first applicable fiscal year, 10 percent of the amount determined under section 1931 for the State for the fiscal year;

"(2) in the case of the first fiscal year following such applicable fiscal year, 20 percent of the amount determined under section 1931 for the State for the fiscal year;

"(3) in the case of the second such fiscal year, 30 percent of the amount determined under section 1931 for the State for the fiscal year; and

"(4) in the case of the third such fiscal year or any subsequent fiscal year, 40 percent of the amount determined under section 1931 for the State for the fiscal year.

"(d) DEFINITION.—For purposes of this section, the term 'first applicable fiscal year' means—

"(1) fiscal year 1995, in the case of any State described in subsection (a)(2); and

"(2) fiscal year 1994, in the case of any other State.

"SEC. 1926. TREATMENT SERVICES FOR PREGNANT WOMEN.

"(a) IN GENERAL.—A funding agreement under section 1921 is that the State involved—

"(1) will ensure that treatment services are available to each pregnant woman in the State who seeks or is referred for and would benefit from such services; and

"(2) will, in carrying out paragraph (1)—

"(A) identify facilities in the State that provide treatment services to such women;

"(B) publicize the availability to the women of services from the facilities; and

"(C) provide to the Secretary a list of the facilities and an assessment of the capability of the programs to meet the needs of such women for treatment services.

"(b) REFERRALS BY STATES.—A funding agreement under section 1921 is that the State involved, in carrying out subsection (a)(1)—

"(1) will require that, in the event that a treatment facility has insufficient capacity to provide treatment services to any woman described in such subsection who seeks the services from the facility, the facility refer the woman to the State; and

"(2) will, in the case of each woman for whom a referral under paragraph (1) is made

to the State, refer the woman to a treatment facility that has the capacity to provide treatment services to the woman or will otherwise ensure that such services are made available to the woman.

"SEC. 1927. ADDITIONAL AGREEMENTS.

"(a) PERFORMANCE-BASED EVALUATION AS CONDITION OF CARRYING OUT AUTHORIZED ACTIVITIES.—A funding agreement under section 1921 is that the State involved—

"(1) will make an evaluation of an entity before providing to the entity amounts from a grant under such section in order that the entity may carry out prevention or treatment activities or both;

"(2) will provide such amounts to the entity only if the evaluation indicates that the program of the entity for carrying out the activity involved is efficient and effective; and

"(3) will conduct the evaluation according to criteria that measure the performance of the entity.

"(b) IMPROVEMENT OF PROCESS FOR APPROPRIATE REFERRALS FOR TREATMENT.—With respect to individuals seeking treatment services, a funding agreement under section 1921 is that the State involved will, relative to fiscal year 1991, improve the process in the State for referring the individuals to treatment facilities that can provide to the individuals the treatment modality that is most appropriate for the individuals.

"(c) CONTINUING EDUCATION.—With respect to any prevention or treatment facility that is receiving amounts from a grant under section 1921, a funding agreement under such section is that continuing education in treatment services will be provided by the facility to employees of the facility who provide the services.

"(d) COORDINATION OF VARIOUS ACTIVITIES AND SERVICES.—A funding agreement under section 1921 is that the State involved will coordinate prevention and treatment activities with health, social, correctional and criminal justice, educational, vocational rehabilitation, and employment services.

"(e) WAIVER OF REQUIREMENTS.—

"(1) IN GENERAL.—Upon the request of a State, the Secretary may provide to a State a waiver of any or all of the requirements established in this section if the Secretary determines that, with respect to the prevention and treatment of the abuse of alcohol and other drugs, the requirement is unnecessary for the State.

"(2) DATE CERTAIN FOR ACTING UPON REQUEST.—The Secretary shall approve or deny a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

"(3) APPLICABILITY OF WAIVER.—Any waiver provided by the Secretary under paragraph (1) shall be applicable only to the fiscal year involved.

"SEC. 1928. SUBMISSION TO SECRETARY OF CERTAIN INFORMATION.

"(a) STATEWIDE ASSESSMENT OF NEEDS.—

"(1) IN GENERAL.—The Secretary may not make a grant under section 1921 unless the State submits to the Secretary an assessment of the need in the State for authorized activities, both by locality and by the State in general, which assessment includes a description of—

"(A) current prevention and treatment activities in the State;

"(B) the need of the State for technical assistance to carry out such activities;

"(C) efforts by the State to improve such activities; and

"(D) the extent to which the availability of such activities is insufficient to meet the

need for the activities, and the plans of the State to meet any unmet such need.

"(2) SPECIFICATION OF METHODOLOGY FOR MAKING ASSESSMENT.—The Secretary may not make a grant under section 1921 unless the assessment submitted to the Secretary pursuant to paragraph (1) specifies the methodology through which the assessment was made.

"(b) METHODOLOGY FOR ALLOCATIONS AMONG PREVENTION AND TREATMENT ACTIVITIES.—The Secretary may not make a grant under section 1921 unless the State submits to the Secretary a description of the methodology by which the State will allocate the grant among prevention activities and treatment activities.

"(c) COORDINATION WITH DRUG-FREE SCHOOLS AND COMMUNITIES ACT.—The Secretary may not make a grant under section 1921 unless the State submits to the Secretary a description of the manner in which grants made under the Drug-Free Schools and Communities Act of 1986 coordinate with other statewide efforts on prevention and treatment activities.

"(d) WAIVER OF REQUIREMENTS.—

"(1) IN GENERAL.—Upon the request of a State, the Secretary may provide to the State a waiver of any or all of the requirements established in any of subsections (a) through (c) if the Secretary determines that, with respect to the prevention and treatment of the abuse of alcohol and other drugs, the requirement involved is unnecessary for the State.

"(2) DATE CERTAIN FOR ACTING UPON REQUEST.—The Secretary shall approve or deny a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

"(3) APPLICABILITY.—Any waiver provided by the Secretary under paragraph (1) shall be applicable only to the fiscal year involved.

"SEC. 1929. RESTRICTIONS ON EXPENDITURE OF GRANT.

"(a) IN GENERAL.—

"(1) CERTAIN RESTRICTIONS.—A funding agreement under section 1921 is that the State involved will not expend a grant under such section—

"(A) to provide inpatient hospital services, except as provided in subsection (b);

"(B) to make cash payments to intended recipients of health services;

"(C) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

"(D) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

"(E) to provide financial assistance to any entity other than a public or nonprofit private entity.

"(2) LIMITATION ON ADMINISTRATIVE EXPENSES.—A funding agreement under section 1921 is that the State involved will not expend more than 5 percent of a grant under such section to pay the costs of administering the grant.

"(3) LIMITATION REGARDING PENAL AND CORRECTIONAL INSTITUTIONS.—A funding agreement under section 1921 for a State is that, in expending a grant under such section for the purpose of providing treatment services in penal or correctional institutions of the State, the State will not expend more than an amount equal to the amount expended for such purpose by the State from the grant made under section 1912A to the State for fiscal year 1991 (as section 1912A was in effect for such fiscal year).

"(b) EXCEPTION REGARDING INPATIENT HOSPITAL SERVICES.—

"(1) MEDICAL NECESSITY AS PRECONDITION.—With respect to compliance with the agreement made under subsection (a), a State may expend a grant under section 1921 to provide inpatient hospital services as treatment for substance abuse only if it has been determined that such treatment is a medical necessity for the individual involved, and that the individual cannot be effectively treated in a community-based, nonhospital, residential program of treatment.

"(2) RATE OF PAYMENT.—In the case of an individual for whom a grant under section 1921 is expended to provide inpatient hospital services described in paragraph (1), a funding agreement under such section for the State involved is that the daily rate of payment provided to the hospital for providing the services to the individual will not exceed the comparable daily rate provided for community-based, nonhospital, residential programs of treatment for substance abuse.

"(c) WAIVER REGARDING CONSTRUCTION OF FACILITIES.—

"(1) IN GENERAL.—The Secretary may provide to any State a waiver of the restriction established in subsection (a)(1)(C) for the purpose of authorizing the State to expend a grant under section 1921 for the construction of a new facility or rehabilitation of an existing facility, but not for land acquisition.

"(2) STANDARD REGARDING NEED FOR WAIVER.—The Secretary may approve a waiver under paragraph (1) only if the State demonstrates to the Secretary that adequate treatment cannot be provided through the use of existing facilities and that alternative facilities in existing suitable buildings are not available.

"(3) AMOUNT.—In granting a waiver under paragraph (1), the Secretary shall allow the use of a specified amount of funds to construct or rehabilitate a specified number of beds for residential treatment and a specified number of slots for outpatient treatment, based on reasonable estimates by the State of the costs of construction or rehabilitation. In considering waiver applications, the Secretary shall ensure that the State has carefully designed a program that will minimize the costs of additional beds.

"(4) MATCHING FUNDS.—The Secretary may grant a waiver under paragraph (1) only if the State agrees, with respect to the costs to be incurred by the State in carrying out the purpose of the waiver, to make available non-Federal contributions in cash toward such costs in an amount equal to not less than \$1 for each \$1 of Federal funds provided under section 1921.

"(5) DATE CERTAIN FOR ACTING UPON REQUEST.—The Secretary shall act upon a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

"SEC. 1929A. MAINTENANCE OF EFFORT REGARDING STATE EXPENDITURES.

"(a) IN GENERAL.—A funding agreement under section 1921 for a State for a fiscal year is that State will for such year maintain State expenditures for prevention and treatment activities regarding alcohol, and for prevention and treatment activities regarding other drugs, respectively, at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying for the grant.

"(b) WAIVER.—

"(1) IN GENERAL.—Upon the request of a State, the Secretary may waive all or part of

the requirement established in subsection (a) regarding alcohol, or regarding other drugs, or both, if the Secretary determines that extraordinary economic conditions in the State justify the waiver.

"(2) DATE CERTAIN FOR ACTING UPON REQUEST.—The Secretary shall approve or deny a request for a waiver under paragraph (1) not later than 120 days after the date on which the request is made.

"(3) APPLICABILITY OF WAIVER.—Any waiver provided by the Secretary under paragraph (1) shall be applicable only to the fiscal year involved.

"SEC. 1930. APPLICATION FOR GRANT; APPROVAL OF STATE PLAN.

"(a) IN GENERAL.—For purposes of section 1921, an application for a grant under such section for a fiscal year is in accordance with this section if—

"(1) the State involved submits the application not later than the date specified by the Secretary as being the date after which applications for such a grant will not be considered (in any case in which the Secretary specifies such a date);

"(2) the application contains each funding agreement under section 1921;

"(3) the agreements are made through certification from the chief executive officer of the State;

"(4) with respect to such agreements, the application provides assurances of compliance satisfactory to the Secretary;

"(5) the application contains the information required in section 1928;

"(6) subject to subsection (c)(2)—

"(A) the application contains a plan in accordance with subsection (b) and the plan is approved by the Secretary; and

"(B) the State provides assurances satisfactory to the Secretary that the State complied with the provisions of the plan under subparagraph (A) that was approved by the Secretary for the most recent fiscal year for which the State received a grant under section 1921; and

"(7) the application (including the plan under paragraph (6)) is otherwise in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this subpart.

"(b) STATE PLAN.—

"(1) IN GENERAL.—A plan submitted by a State under subsection (a)(6) is in accordance with this subsection if the plan contains detailed provisions for complying with each funding agreement under section 1921, including provisions for expending the grant under such section.

"(2) AUTHORITY OF SECRETARY REGARDING MODIFICATIONS.—As a condition of making a grant under section 1921 to a State for a fiscal year, the Secretary may require that the State modify any provision of the plan submitted by the State under subsection (a)(6) (including provisions on priorities in carrying out authorized activities). If the Secretary approves the plan and makes the grant to the State for the fiscal year, the Secretary may not during such year require the State to modify the plan.

"(3) AUTHORITY OF OFFICE OF SUBSTANCE ABUSE PREVENTION.—With respect to plans submitted by the States under subsection (a)(6), the Secretary, acting through the Director of the Office for Substance Abuse Prevention, shall review and approve or disapprove the provisions of the plans that relate to prevention activities.

"(c) ISSUANCE OF REGULATIONS; APPLICABILITY OF REQUIREMENT OF PLAN.—

"(1) REGULATIONS.—The Secretary, acting as appropriate through the Director of the

Office for Treatment Improvement or the Director of the Office for Substance Abuse Prevention, shall by regulation establish standards specifying the circumstances in which the Secretary will consider an application for a grant under section 1921 to be in accordance with this section.

"(2) APPLICABILITY OF REQUIREMENT OF PLAN.—The requirement established in subsection (a)(6) regarding a plan shall not apply until October 1 of the first fiscal year beginning after the date on which, under paragraph (1), the Secretary issues standards for the plan.

"SEC. 1931. DETERMINATION OF AMOUNT OF ALLOTMENT.

"(a) STATES.—

"(1) DETERMINATION UNDER FORMULA.—Subject to subsection (b), the Secretary shall determine the amount of the allotment required in section 1921 for a State for a fiscal year in accordance with the following formula:

$$A \left(\frac{X}{U} \right)$$

"(2) DETERMINATION OF TERM 'A'.—For purposes of the formula specified in paragraph (1), the term 'A' means the difference between—

"(A) an amount equal to the amount appropriated under section 1933(a) for allotments under section 1921 for the fiscal year involved; and

"(B) an amount equal to 1.5 percent of the amount referred to in subparagraph (A).

"(3) DETERMINATION OF TERM 'U'.—For purposes of the formula specified in paragraph (1), the term 'U' means the sum of the respective terms 'X' determined for each State under paragraph (4).

"(4) DETERMINATION OF TERM 'X'.—

"(A) For purposes of the formula specified in paragraph (1), the term 'X' means the product of—

"(i) an amount equal to the term 'P', as determined for the State involved under subparagraph (B); and

"(ii) the greater of—

"(I) 0.4; and

"(II) an amount equal to an amount determined for the State in accordance with the following formula:

$$1-.35 \left(\frac{S}{N} \right)$$

"(B) For purposes of subparagraph (A)(i), the term 'P' means the sum of—

"(i) an amount equal to the product of—

"(I) 0.4; and

"(II) an amount equal to the population living in urbanized areas of the State involved, as indicated by the most recent data collected by the Bureau of the Census;

"(ii) an amount equal to the product of—

"(I) 0.2; and

"(II) an amount equal to the number of individuals in the State who are between 18 and 24 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census;

"(iii) an amount equal to the product of—

"(I) 0.2; and

"(II) an amount equal to the number of individuals in the State who are between 25 and 44 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census; and

"(iv) an amount equal to the product of—

"(I) 0.2; and

"(II) an amount equal to the number of individuals in the State who are between 25 and 64 years of age (inclusive) as indicated by the most recent data collected by the Bureau of the Census.

"(C) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term 'S' means the quotient of—

"(i) an amount equal to the most recent 3-year average of the total taxable resources of the State involved, as determined by the Secretary of the Treasury; divided by

"(ii) an amount equal to the term 'P', as determined for the State under subparagraph (B).

"(D) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term 'N' means the quotient of—

"(i) an amount equal to the sum of—

"(I) the sum of the respective amounts determined for each of the several States under subparagraph (C)(i); and

"(II) an amount equal to the most recent 3-year average of the total taxable resources of the District of Columbia, as determined by the Secretary of the Treasury; divided by

"(ii) an amount equal to the sum of the respective terms 'P' determined for each of the several States, and for the District of Columbia, under subparagraph (B).

"(E) In the case of the District of Columbia, for purposes of the formula specified in subparagraph (A)(ii)(II)—

"(i) the term 'S' means the quotient of—

"(I) an amount equal to the most recent 3-year average of the total personal income in such District, as determined by the Secretary of Commerce; divided by

"(II) an amount equal to the term 'P', as determined for such District under subparagraph (B); and

"(ii) the term 'N' means the quotient of—

"(I) an amount equal to the most recent 3-year average of the total personal income in the United States, as determined by the Secretary of Commerce; divided by

"(II) an amount equal to the sum of the respective terms 'P' determined for each of the several States, and for the District of Columbia, under subparagraph (B).

"(b) MINIMUM ALLOTMENT FOR CERTAIN STATES.—If the allotment under section 1921 for a State for a fiscal year would be less than \$7,000,000 as determined under subsection (a), the amount of the allotment under such section for the State for the fiscal year shall be the greater of—

"(1) the amount determined for the State under subsection (a); and

"(2) an amount equal to 79.4 percent of the allotment made for the State under section 1912A for fiscal year 1989 (as such section was in effect for such fiscal year).

"(c) TERRITORIES.—

"(1) DETERMINATION UNDER FORMULA.—Subject to paragraphs (2) and (4), the allotment under section 1921 for a territory of the United States shall be the product of—

"(A) an amount equal to the amounts reserved under paragraph (3); and

"(B) a percentage equal to the quotient of—

"(i) the civilian population of the territory, as indicated by the most recently available data; divided by

"(ii) the aggregate civilian population of the territories of the United States, as indicated by such data.

"(2) MINIMUM ALLOTMENT FOR TERRITORIES.—Each territory of the United States shall receive a minimum allotment under section 1921 of \$50,000.

"(3) RESERVATION OF AMOUNTS.—The Secretary shall each fiscal year reserve for the territories of the United States 1.5 percent of the amounts appropriated under section 1933(a) for allotments under section 1921 for the fiscal year.

"(4) AVAILABILITY OF DATA ON POPULATION.—With respect to data on the civilian population of the territories of the United States, if the Secretary determines for a fiscal year that recent such data for purposes of paragraph (1)(B) do not exist regarding a territory, the Secretary shall for such purposes estimate the civilian population of the territory by modifying the data on the territory to reflect the average extent of change occurring during the ensuing period in the population of all territories with respect to which recent such data do exist.

"(5) APPLICABILITY OF CERTAIN PROVISIONS.—For purposes of subsections (a) and (b), the term 'State' does not include the territories of the United States.

"(d) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—

"(1) IN GENERAL.—If the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this subpart be provided directly by the Secretary to such tribe or organization; and

"(B) makes a determination that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this;

the Secretary shall reserve from the allotment under section 1921 for the State for the fiscal year involved an amount that bears the same ratio to the allotment as the amount provided under this subpart to the tribe or tribal organization for fiscal year 1991 for activities relating to the prevention and treatment of the abuse of alcohol and other drugs bore to the amount of the portion of the allotment under this subpart for the State for such fiscal year that was expended for such activities.

"(2) TRIBE OR TRIBAL ORGANIZATION AS GRANTEE.—The amount reserved by the Secretary on the basis of a determination under this paragraph shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(3) APPLICATION.—In order for an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this paragraph, it shall submit to the Secretary a plan for such fiscal year that meets such criteria as the Secretary may prescribe.

"(4) DEFINITION.—The terms 'Indian tribe' and 'tribal organization' have the same meaning given such terms in subsections (b) and (c) of section 4 of the Indian Self-Determination and Education Assistance Act.

"SEC. 1932. DEFINITIONS.

"For purposes of this part:

"(1) The term 'authorized activities', subject to section 1929, means the activities described in section 1921(b).

"(2) The term 'funding agreement under section 1921' means an agreement that is required in section 1921(a) as a condition of receiving a grant under such section.

"(3) The term 'prevention activities', subject to section 1929, means activities to prevent the abuse of alcohol, or other drugs, or both, as indicated by the context of usage.

"(4) The term 'substance abuse' means the abuse of alcohol or other drugs.

"(5) The term 'treatment activities' means treatment services and, subject to section 1929, authorized activities that are related to treatment services.

"(6) The term 'treatment facility' means an entity that provides treatment services.

"(7) The term 'treatment services', subject to section 1929, means treatment for the abuse of alcohol, or other drugs, or both, as indicated by the context of usage.

"SEC. 1933. FUNDING.

"(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, subpart III and section 509D with respect to substance abuse, and section 571(b)(11), there are authorized to be appropriated \$1,057,000,000 for fiscal year 1992, \$1,100,000,000 for fiscal year 1993, and \$1,150,000,000 for fiscal year 1994.

"(b) ALLOCATIONS FOR TECHNICAL ASSISTANCE, NATIONAL DATA BASE, SERVICE RESEARCH, AND DATA COLLECTION.—

"(1) IN GENERAL.—

"(A) For the purpose of carrying out section 1949(a) with respect to substance abuse, sections 508(d) and 571(b)(11), and the purpose specified in subparagraph (B), the Secretary shall from amounts appropriated under subsection (a) obligate—

"(i) 3 percent, in the case of such amounts for each of the fiscal years 1992 and 1993; and

"(ii) 5 percent, in the case of such amounts for fiscal year 1994 and each subsequent fiscal year.

"(B) The purpose specified in this subparagraph is the collection of data—

"(i) to assist in the operation of publicly-supported systems for treatment services; and

"(ii) to assist the States in the preparation of the plans required in section 1930(a)(6).

"(2) ACTIVITIES OF OFFICE FOR SUBSTANCE ABUSE PREVENTION.—Of the amounts reserved under paragraph (1) for a fiscal year, the Secretary shall obligate 20 percent for carrying out section 1949(a) with respect to prevention activities and for carrying out section 508(d).

"(c) PROGRAM FOR PREGNANT AND POSTPARTUM WOMEN.—For the purpose of carrying out section 509F, the Secretary shall obligate 2 percent of the amounts appropriated under subsection (a) for each of the fiscal years 1992 and 1993.

"(d) AVAILABILITY TO STATES.—

"(1) IN GENERAL.—Subject to paragraph (2), any amounts paid to a State under section 1921 shall be available for obligation until the end of the fiscal year for which the amounts were paid, and if obligated by the end of such year, shall remain available for expenditure until the end of the succeeding fiscal year.

"(2) EXCEPTION REGARDING NONCOMPLIANCE OF SUBGRANTEES.—If a State has in accordance with paragraph (1) obligated amounts paid to the State under section 1921, in any case in which the Secretary determines that the obligation consists of a grant or contract awarded by the State, and that the State has terminated or reduced the amount of such financial assistance on the basis of the failure of the recipient of the assistance to comply with the terms upon which the assistance was conditioned—

"(A) the amounts involved shall be available for reobligation by the State through September 30 of the fiscal year following the fiscal year for which the amounts were paid to the State; and

"(B) any of such amounts that are obligated by the State in accordance with subparagraph (A) shall be available for expenditure through such date."

SEC. 103. GENERAL PROVISIONS REGARDING BLOCK GRANTS.

Part B of title XIX of the Public Health Service Act, as amended by section 102 of this Act, is amended by adding at the end the following:

"Subpart III—General Provisions

"SEC. 1941. SUBMISSION OF DESCRIPTION OF INTENDED USES OF BLOCK GRANT.

"(a) ANNUAL APPROVAL BY SECRETARY.—The Secretary may not make a grant under subpart I or II for a fiscal year unless—

"(1)(A) the State involved submits to the Secretary a description of the purposes for which the State intends to expend the grant for the fiscal year;

"(B) the description identifies the populations, areas, and localities in the State with a need for the services or activities authorized in the program involved; and

"(C) the description provides information relating to the programs and activities to be supported and services to be provided; and

"(2) the Secretary approves the description.

"(b) OPPORTUNITY FOR PUBLIC COMMENT.—The Secretary may not make a grant under subpart I or II for a fiscal year unless the State involved agrees to make the description required in subsection (a) public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during the development of the description (including any revisions) and after the submission of the description pursuant to such subsection.

"SEC. 1942. REQUIREMENT OF REPORTS AND AUDITS BY STATES.

"(a) REPORT.—The Secretary may not make a grant under subpart I or II for a fiscal year unless the State involved submits to the Secretary a report in such form and containing such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary for securing a record and a description of—

"(1) the purposes for which the grant received by the State for the preceding fiscal year under the program involved were expended and a description of the activities of the State under the program;

"(2) the recipients of amounts provided in the grant; and

"(3) determining whether the grant was expended in accordance with the program involved and consistent with the needs within the State identified pursuant to section 1941(a)(1)(B).

"(b) AUDITS.—The Secretary may not make a grant under subpart I or II unless, with respect to the grant, the State involved agrees to comply with chapter 75 of title 31, United States Code.

"(c) PERFORMANCE REVIEWS.—For fiscal year 1994 and subsequent fiscal years, the Secretary may not make a grant under subpart I or II for a fiscal year unless the expenditures of the grant made to the State for the second fiscal year preceding such fiscal year have undergone a thorough performance review in accordance with standards established by the Comptroller General.

"(d) AVAILABILITY TO PUBLIC.—The Secretary may not make a grant under subpart I or II unless the State involved agrees—

"(1) to make copies of the reports and audits described in this section available for public inspection within the State;

"(2) to provide copies of the report under subsection (a), upon request, to any interested person (including any public agency); and

"(3) to make available for public inspection a copy of any audit report under paragraph (2) not later than 30 days after the completion of an audit under such paragraph.

"SEC. 1943. ADDITIONAL REQUIREMENTS.

"(a) IN GENERAL.—The Secretary may not, except as provided in subsection (c), make a

grant under subpart I or II for a fiscal year unless the State involved agrees that—

“(1) the legislature of the State will conduct public hearings on the proposed use and distribution of the grant to be received for the fiscal year;

“(2) the State will provide for annual independent peer review to assess the quality and appropriateness of treatment services provided by a representative sample of entities that receive funds from the State pursuant to the program involved;

“(3) the State will permit and cooperate with Federal investigations undertaken in accordance with section 1947; and

“(4) the State will provide to the Secretary any data required by the Secretary pursuant to section 509D and will cooperate with the Secretary in the development of uniform criteria for the collection of data pursuant to such section.

“(b) PATIENT RECORDS.—The Secretary may not make a grant under subpart I or II unless the State involved has in effect a system to protect from inappropriate disclosure patient records maintained by the State in connection with an activity funded under the program involved or by any entity which is receiving amounts from the grant.

“SEC. 1944. CONSOLIDATION OF APPLICATIONS REGARDING SUBPARTS I AND II.

“The Secretary may, for any fiscal year, authorize any State to submit to the Secretary a single application through which the State requests funds under both subparts I and II, subject to the application meeting the requirements of sections 1915 and 1930, respectively.

“SEC. 1945. DISPOSITION OF CERTAIN FUNDS APPROPRIATED FOR ALLOTMENTS.

“(a) IN GENERAL.—Amounts described in subsection (b) and available for a fiscal year pursuant to subpart I or II, as the case may be, shall be allotted by the Secretary to States receiving a grant under the program involved, other than any State referred to in paragraph (1)(C) of subsection (b), any State with respect to which paragraph (2) of such subsection applies, and in the case of the program established in subpart I, any State to which paragraph (3) of such subsection applies. Such amounts shall be allotted in a manner equivalent to the manner in which the allotment under the program involved was determined.

“(b) SPECIFICATION OF AMOUNTS.—The amounts referred to in subsection (a) are any amounts that—

“(1) are not paid to States under the program involved as a result of—

“(A) the failure of any State to submit an application in accordance with the program;

“(B) the failure of any State to prepare, within a reasonable period of time, such application in compliance with the program; or

“(C) any State informing the Secretary that the State does not intend to expend the full amount of the allotment made to the State under the program;

“(2) are terminated, repaid, or offset under section 1946; or

“(3) in the case of the program established in subpart I, are withheld from allotments under section 1911 pursuant to reductions under section 1912(c).

“SEC. 1946. FAILURE TO COMPLY WITH AGREEMENTS.

“(a) SUSPENSION OR TERMINATION OF PAYMENTS.—Subject to subsection (d), if the Secretary determines that a State has materially failed to comply with the agreements required as a condition of receiving a grant under the program involved, the Secretary may suspend payments under the grant, ter-

minate the grant for cause, or employ such other remedies (in addition to remedies provided for in subsections (b) and (c)) as may be legally available and appropriate in the circumstances involved.

“(b) REPAYMENT OF PAYMENTS.—

“(1) IN GENERAL.—Subject to subsection (d), the Secretary may require a State to repay with interest any payments received by the State under subpart I or II that the Secretary determines were not expended by the State in accordance with the agreements required under the program involved.

“(2) OFFSET AGAINST PAYMENTS.—If a State fails to make a repayment required in paragraph (1), the Secretary may offset the amount of the repayment against the amount of any payment due to be paid to the State under the program involved.

“(c) WITHHOLDING OF PAYMENTS.—

“(1) IN GENERAL.—Subject to subsections (d) and (f)(4), the Secretary may withhold payments due under subpart I or II if the Secretary determines that the State involved is not expending amounts received under the program involved in accordance with the agreements required under the program.

“(2) TERMINATION OF WITHHOLDING.—The Secretary shall cease withholding payments from a State under paragraph (1) if the Secretary determines that there are reasonable assurances that the State will expend amounts received under the program involved in accordance with the agreements required under the program.

“(d) OPPORTUNITY FOR HEARING.—Before taking action against a State under any of subsections (a) through (c), the Secretary shall provide to the State involved adequate notice and an opportunity for a hearing.

“(e) PROMPT RESPONSE TO SERIOUS COMPLAINTS.—The Secretary shall promptly respond to any complaint of a substantial or serious nature that a State is in violation of any of the agreements required in the program involved as a condition of receiving a grant under the program, and shall promptly determine whether a hearing under subsection (d) should be held regarding the alleged violation.

“(f) INVESTIGATIONS.—

“(1) REQUIREMENT REGARDING SECRETARY.—The Secretary shall each fiscal year conduct in not less than 15 States investigations of the expenditure of grants received by the States under subpart I or II in order to evaluate compliance with the agreements required under in the program involved.

“(2) AUTHORITY REGARDING COMPTROLLER GENERAL.—The Comptroller General may conduct investigations of the expenditure of grants received by the States under subpart I or II in order to ensure compliance with the agreements required under the program involved.

“(3) PROVISION OF RECORDS ETC. UPON REQUEST.—Each State receiving a grant under subpart I or II, and each entity receiving funds from the grant, shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

“(4) LIMITATIONS ON AUTHORITY.—The Secretary may not institute proceedings to withhold funds under subsection (c) unless the Secretary has conducted an investigation concerning whether the State has expended payments under the program involved in accordance with the agreements

required under the program. Any such investigation shall be conducted within the State by qualified investigators.

“SEC. 1947. PROHIBITIONS REGARDING RECEIPT OF FUNDS.

“(a) ESTABLISHMENT.—

“(1) CERTAIN FALSE STATEMENTS AND REPRESENTATIONS.—A person shall not knowingly and willfully make or cause to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which payments may be made by a State from the grant made to the State under subpart I or II.

“(2) CONCEALING OR FAILING TO DISCLOSE CERTAIN EVENTS.—A person with knowledge of the occurrence of any event affecting the initial or continued right of the person to receive any payments from a grant made to a State under subpart I or II shall not conceal or fail to disclose any such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such amount is due.

“(b) CRIMINAL PENALTY FOR VIOLATION OF PROHIBITION.—Any person who violates any prohibition established in subsection (a) shall for each violation be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

“SEC. 1948. NONDISCRIMINATION.

“(a) IN GENERAL.—

“(1) RULE OF CONSTRUCTION REGARDING CERTAIN CIVIL RIGHTS LAWS.—For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under subpart I or II shall be considered to be programs and activities receiving Federal financial assistance.

“(2) PROHIBITION.—No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under subpart I or II.

“(b) ENFORCEMENT.—

“(1) REFERRALS TO ATTORNEY GENERAL AFTER NOTICE.—Whenever the Secretary finds that a State, or an entity that has received a payment pursuant to subpart I or II, has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request the chief executive officer to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

“(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

“(B) exercise the powers and functions provided by the Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, title IX of the Education Amendments of 1972, or title VI of the Civil Rights Act of 1964, as may be applicable; or

“(C) take such other actions as may be authorized by law.

“(2) AUTHORITY OF ATTORNEY GENERAL.—When a matter is referred to the Attorney General pursuant to paragraph (1)(A), or

whenever the Attorney General has reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

“SEC. 1949. TECHNICAL ASSISTANCE AND PROVISION OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.

“(a) TECHNICAL ASSISTANCE.—The Secretary shall, without charge to a State receiving a grant under subpart I or II, provide to the State (or to any public or nonprofit private entity within the State) technical assistance with respect to the planning, development, and operation of any program or service carried out pursuant to the program involved. The Secretary may provide such technical assistance directly, through contract, or through grants.

“(b) PROVISION OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.—

“(1) IN GENERAL.—Upon the request of a State receiving a grant under subpart I or II, the Secretary may, subject to paragraph (2), provide supplies, equipment, and services for the purpose of aiding the State in carrying out the program involved and, for such purpose, may detail to the State any officer or employee of the Department of Health and Human Services.

“(2) CORRESPONDING REDUCTION IN PAYMENTS.—With respect to a request described in paragraph (1), the Secretary shall reduce the amount of payments under the program involved to the State by an amount equal to the costs of detailing personnel and the fair market value of any supplies, equipment, or services provided by the Secretary. The Secretary shall, for the payment of expenses incurred in complying with such request, expend the amounts withheld.

“SEC. 1950. REPORT BY SECRETARY.

“Not later than October 1, 1993, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report on the activities of the States carried out pursuant to subparts I and II. Such report may include any recommendations of the Secretary for appropriate changes in legislation.

“SEC. 1951. RULE OF CONSTRUCTION REGARDING DELEGATION OF AUTHORITY TO STATES.

“With respect to States receiving grants under any of the subparts of this part, this part may not be construed to authorize the Secretary to delegate to the States the primary responsibility for interpreting the governing provisions of this part, including delegating authority with the result that different States are permitted to reach different interpretations of any provision of this part.

“SEC. 1952. DEFINITIONS.

“(a) DEFINITIONS FOR SUBPART III.—For purposes of this subpart, the term ‘program involved’ means the program of allotments established in subpart I or II, or both, as indicated by whether the State involved is receiving or is applying to receive a grant under subpart I or II, or both.

“(b) DEFINITIONS FOR PART B.—For purposes of this part:

“(1) The term ‘Comptroller General’ means the Comptroller General of the United States.

“(2) The term ‘State’, except as provided in sections 1916(c)(5) and 1931(c)(5), means each

of the several States, the District of Columbia, and each of the territories of the United States.

“(3) The term ‘territories of the United States’ means each of the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Palau, the Marshall Islands, and Micronesia.”

SEC. 104. RELATED CATEGORICAL PROGRAMS.

Title XIX of the Public Health Service Act (42 U.S.C. 300w et seq.) is amended by adding at the end the following new part:

“Part C—Related Categorical Grants

“Subpart I—Mental Health

“SEC. 1961. COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCES.

“(a) GRANTS TO CERTAIN PUBLIC ENTITIES.—

“(1) IN GENERAL.—The Secretary, acting through the Director of the National Institute of Mental Health, shall make grants to public entities for the purpose of providing comprehensive community mental health services to children with a serious emotional disturbance. The Secretary may make such a grant only if the public entity involved makes each of the agreements described in this subpart.

“(2) DEFINITION OF PUBLIC ENTITY.—For purposes of this subpart, the term ‘public entity’ means any State, any political subdivision of a State, and any Indian tribe or tribal organization (as defined in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act).

“(b) CONSIDERATIONS IN MAKING GRANTS.—

“(1) REQUIREMENT OF STATUS AS GRANTEE REGARDING BLOCK GRANTS UNDER SUBPART I.—The Secretary may not make a grant under subsection (a) to a public entity unless—

“(A) in the case of a public entity that is a State, the State is receiving payments under subpart I;

“(B) in the case of a public entity that is a political subdivision of a State, the State in which the political subdivision is located is receiving such payments; and

“(C) in the case of a public entity that is an Indian tribe or tribal organization, the State in which the tribe or tribal organization is located is receiving such payments.

“(2) CERTAIN CONSIDERATIONS.—In making grants under subsection (a), the Secretary shall—

“(A) equitably allocate such assistance among the principal geographic regions of the United States;

“(B) consider the extent to which the public entity involved has a need for the grant;

“(C) give special consideration to any public entity that agrees, as a condition of the receipt of such a grant, to provide non-Federal contributions under subsection (c) in a greater amount than the amount required under such subsection for the applicable fiscal year; and

“(D) in the case of any public entity that is a political subdivision of a State or that is an Indian tribe or tribal organization—

“(i) shall consider any comments regarding the application of the entity for such a grant that are received by the Secretary from the State in which the entity is located; and

“(ii) shall give special consideration to the entity if the State agrees to provide a portion of the non-Federal contributions required in subsection (c) regarding such a grant.

“(c) MATCHING FUNDS.—

“(1) IN GENERAL.—An agreement referred to in subsection (a) is that the public entity involved will, with respect to the costs to be

incurred by the entity in carrying out the purpose described in such subsection, make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is—

“(A) for the first fiscal year for which the entity receives payments from a grant under subsection (a), not less than \$1 for each \$3 of Federal funds provided in the grant;

“(B) for any second or third such fiscal year, not less than \$1 for each \$3 of Federal funds provided in the grant;

“(C) for any fourth such fiscal year, not less than \$1 for each \$1 of Federal funds provided in the grant; and

“(D) for any fifth such fiscal year, not less than \$2 for each \$1 of Federal funds provided in the grant.

“(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—

“(A) Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

“(B) In making a determination of the amount of non-Federal contributions for purposes of subparagraph (A), the Secretary may include only non-Federal contributions in excess of the average amount of non-Federal contributions made by the public entity involved toward the purpose described in subsection (a) for the 2-year period preceding the first fiscal year for which the entity receives a grant under such section.

“SEC. 1962. REQUIREMENTS WITH RESPECT TO CARRYING OUT PURPOSE OF GRANTS.

“(a) SYSTEMS OF COMPREHENSIVE CARE.—

“(1) IN GENERAL.—An agreement referred to in section 1961(a) is that, with respect to children with a serious emotional disturbance, the public entity involved will carry out the purpose described in such section only through establishing and operating 1 system of care for making each of the mental health services specified in subsection (c) available to each child admitted to the system. In providing for such a system, the public entity may make grants to, and enter into contracts with, public and nonprofit private entities.

“(2) STRUCTURE OF SYSTEM.—An agreement referred to in section 1961(a) is that a system of care under paragraph (1) will—

“(A) be established in a community selected by the public entity involved;

“(B) consist of such public agencies and nonprofit private entities in the community as are necessary to ensure that each of the services specified in subsection (c) is available to each child admitted to the system;

“(C) be established pursuant to agreements that the public entity enters into with the agencies and entities described in subparagraph (B);

“(D) coordinate the provision of the services of the system; and

“(E) establish an office whose functions are to serve as the location through which children are admitted to the system, to coordinate the provision of services of the system, and to provide information to the public regarding the system.

“(3) COLLABORATION OF LOCAL PUBLIC ENTITIES.—An agreement referred to in section 1961(a) is that, for purposes of the establishment and operation of a system of care under paragraph (1), the public entity involved will

ensure collaboration among all public agencies that provide human services in the community in which the system is established, including but not limited to those providing mental health services, educational services, child welfare services, or juvenile justice services.

“(b) LIMITATION ON AGE OF CHILDREN ADMITTED TO SYSTEM.—An agreement referred to in section 1961(a) is that a system of care under subsection (a) will not admit an individual to the system if the individual is more than 21 years of age.

“(c) REQUIRED MENTAL HEALTH SERVICES OF SYSTEM.—An agreement referred to in section 1961(a) is that mental health services provided by a system of care under subsection (a) will include, with respect to a serious emotional disturbance in a child—

“(1) diagnostic and evaluation services;

“(2) outpatient services provided in a clinic, office, school or other appropriate location, including individual, group and family counseling services, professional consultation, and review and management of medications;

“(3) emergency services, available 24-hours a day, 7 days a week;

“(4) intensive home-based services for children and their families when the child is at imminent risk of out-of-home placement;

“(5) intensive day-treatment services;

“(6) respite care;

“(7) therapeutic foster care services, and services in therapeutic foster family homes or individual therapeutic residential homes, and groups homes caring for not more than 8 children; and

“(8) assisting the child in making the transition from the services received as a child to the services to be received as an adult.

“(d) REQUIRED ARRANGEMENTS REGARDING OTHER APPROPRIATE SERVICES.—

“(1) IN GENERAL.—An agreement referred to in section 1961(a) is that—

“(A) a system of care under subsection (a) will enter into a memorandum of understanding with each of the providers specified in paragraph (2) in order to facilitate the availability of the services of the provider involved to each child admitted to the system; and

“(B) the grant under such section 1961(a), and the non-Federal contributions made with respect to the grant, will not be expended to pay the costs of providing such linked non-mental-health services to any individual.

“(2) SPECIFICATION OF SERVICES.—The providers referred to in paragraph (1) are providers of medical services other than mental health services, providers of educational services, providers of vocational counseling and vocational rehabilitation services, and providers of protection and advocacy services with respect to mental health.

“(3) FACILITATION OF SERVICES OF CERTAIN PROGRAMS.—An agreement referred to in section 1961(a) is that a system of care under subsection (a) will, for purposes of paragraph (1), enter into a memorandum of understanding regarding facilitation of—

“(A) services available pursuant to title XIX of the Social Security Act, including services regarding early periodic screening, diagnosis, and treatment;

“(B) services available under parts B and H of the Individuals with Disabilities Education Act; and

“(C) services available under other appropriate programs, as identified by the Secretary.

“(e) GENERAL PROVISIONS REGARDING SERVICES OF SYSTEM.—

“(1) CASE MANAGEMENT SERVICES.—An agreement referred to in section 1961(a) is that a system of care under subsection (a) will provide for the case management of each child admitted to the system in order to ensure that—

“(A) the services provided through the system to the child are coordinated and that the need of each such child for the services is periodically reassessed;

“(B) information is provided to the family of the child on the extent of progress being made toward the objectives established for the child under the plan of services implemented for the child pursuant to section 1963; and

“(C) the system provides assistance with respect to—

“(i) establishing the eligibility of the child, and the family of the child, for financial assistance and services under Federal, State, or local programs providing for health services, mental health services, educational services, social services, or other services; and

“(ii) seeking to ensure that the child receives appropriate services available under such programs.

“(2) OTHER PROVISIONS.—An agreement referred to in section 1961(a) is that a system of care under subsection (a), in providing the services of the system, will—

“(A) provide the services of the system in the cultural context that is most appropriate for the child and family involved;

“(B) ensure that individuals providing such services to the child can effectively communicate with the child and family in the most direct manner;

“(C) provide the services without discriminating against the child or the family of the child on the basis of race, religion, national origin, sex, disability, or age;

“(D) seek to ensure that each child admitted to the system of care remains in the least restrictive, most normative environment that is clinically appropriate; and

“(E) provide outreach services to inform individuals, as appropriate, of the services available from the system, including identifying children with a serious emotional disturbance who are in the early stages of such disturbance.

“(3) RULE OF CONSTRUCTION.—An agreement made under paragraph (2) may not be construed—

“(A) with respect to subparagraph (C) of such paragraph—

“(i) to prohibit a system of care under subsection (a) from requiring that, in housing provided by the grantee for purposes of residential treatment services authorized under subsection (c), males and females be segregated to the extent appropriate in the treatment of the children involved; or

“(ii) to prohibit the system of care from complying with the agreement made under subsection (b); or

“(B) with respect to subparagraph (D) of such paragraph, to authorize the system of care to expend the grant under section 1961(a) (or the non-Federal contributions made with respect to the grant) to provide legal services or any service with respect to which expenditures regarding the grant are prohibited under subsection (d)(1)(B).

“(f) RESTRICTIONS ON USE OF GRANT.—An agreement referred to in section 1961(a) is that the grant under such section, and the non-Federal contributions made with respect to the grant, will not be expended—

“(1) to purchase or improve real property (including the construction or renovation of facilities);

“(2) to provide for room and board in residential programs serving 8 or fewer children;

“(3) to provide for room and board or other services or expenditures associated with care of children in residential treatment centers serving more than 8 children or in inpatient hospital settings, except intensive home-based services and other services provided on an ambulatory or outpatient basis; or

“(4) to provide for the training of any individual, except training authorized in section 1964(a)(2) and training provided through any appropriate course in continuing education whose duration does not exceed 2 days.

“SEC. 1963. INDIVIDUALIZED PLAN FOR SERVICES.

“(a) IN GENERAL.—An agreement referred to in section 1961(a) is that a system of care under section 1962(a) will develop and implement an individualized plan of services for each child admitted to the system, and that the plan will be developed and implemented with the participation of the family of the child and, unless clinically inappropriate, with the participation of the child.

“(b) CONTENTS OF PLAN.—An agreement referred to in section 1961(a) is that the individualized plan under subsection (a) for a child will—

“(1) be developed, and reviewed and as appropriate revised not less than once each year, by a multidisciplinary team of appropriately qualified individuals who provide services through the system, including mental health services, other health services, educational services, social services, and, subject to paragraph (3), vocational counseling and vocational rehabilitation;

“(2) identify and state the needs of the child for the services available pursuant to section 1962 through the system;

“(3) provide for each of such services that is appropriate to the circumstances of the child, including, except in the case of children who are less than 14 years of age, the provision of appropriate vocational counseling and vocational rehabilitation;

“(4) establish objectives to be achieved regarding the needs of the child and the methodology for achieving the objectives; and

“(5) designate an individual to be responsible for providing the case management required in section 1962(e)(1).

“SEC. 1964. ADDITIONAL PROVISIONS.

“(a) OPTIONAL SERVICES.—In addition to services described in subsection (c) of section 1962, a system of care under subsection (a) of such section may, in expending a grant under section 1961(a), provide for—

“(1) preliminary assessments to determine whether a child should be admitted to the system;

“(2) training in the administration of the system, in providing foster care or group homes under section 1962(c)(7), and in the development of individualized plans for purposes of section 1963;

“(3) recreational activities for children admitted to the system; and

“(4) such other services as may be appropriate in providing for the comprehensive needs with respect to mental health of children with a serious emotional disturbance.

“(b) COMPREHENSIVE PLAN.—The Secretary may not make a grant under section 1961(a) unless, with respect to the jurisdiction of the public entity involved, the entity has submitted to the Secretary, and has had approved by the Secretary, a plan for the development a jurisdiction-wide system of care for community-based services for children with a serious emotional disturbance that specifies the progress the public entity has made in developing the jurisdiction-wide sys-

tem, the extent of cooperation across agencies serving children in the establishment of the system, the Federal and non-Federal resources currently committed to the establishment of the system, and the current gaps in community services and the manner in which the grant under section 1961(a) will be expended to address such gaps and establish local systems of care.

"(c) LIMITATION ON IMPOSITION OF FEES FOR SERVICES.—An agreement referred to in section 1961(a) is that, if a charge is imposed for the provision of services under a grant under such section, such charge—

"(1) will be made according to a schedule of charges that is made available to the public;

"(2) will be adjusted to reflect the income of the family of the child involved; and

"(3) will not be imposed on any child whose family has income and resources of equal to or less than 100 percent of the official poverty line, as established by the Director of the Office of Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

"(d) RELATIONSHIP TO ITEMS AND SERVICES UNDER OTHER PROGRAMS.—An agreement under section 1961(a) is that the grant under such section, and the non-Federal contributions made with respect to the grant, will not be expended to make payment for any item or service to the extent that payment has been made, or can reasonably be expected to be made, with respect to such item or service—

"(1) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or

"(2) by an entity that provides health services on a prepaid basis.

"(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—An agreement under section 1961(a) is that not more than 2 percent of the grant under such section will be expended for administrative expenses incurred with respect to the grant by the public entity involved.

"(f) REPORTS TO SECRETARY.—An agreement referred to in section 1961(a) is that the public entity involved will annually submit to the Secretary a report on the activities of the entity under the grant that includes a description of the number of children admitted to systems of care operated pursuant to the grant, the demographic characteristics of the children, the types and costs of services provided pursuant to the grant, estimates of the unmet need for such services in the jurisdiction of the entity, and the manner in which the grant has been expended toward the establishment of a jurisdiction-wide system of care for children with a serious emotional disturbance, and such other information as the Secretary may require with respect to the grant.

"(g) DESCRIPTION OF INTENDED USES OF GRANT.—The Secretary may not make a grant under section 1961(a) unless—

"(1) the public entity involved submits to the Secretary a description of the purposes for which the entity intends to expend the grant;

"(2) the description identifies the populations, areas, and localities in the jurisdiction of the entity with a need for services under this section; and

"(3) the description provides information relating to the services and activities to be provided, including a description of the manner in which the services and activities will be coordinated with any similar services or activities of public or nonprofit entities.

"(h) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under section 1961(a) unless an application for the grant is submitted to the Secretary, the application contains the description of intended uses required in subsection (g), and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"SEC. 1965. GENERAL PROVISIONS.

"(a) DURATION OF SUPPORT.—The period during which payments are made to a public entity from a grant under section 1961(a) may not exceed 5 fiscal years.

"(b) TECHNICAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall, upon the request of a public entity receiving a grant under section 1961(a)—

"(A) provide technical assistance to the entity regarding the process of submitting to the Secretary applications for grants under section 1961(a); and

"(B) provide to the entity training and technical assistance with respect to the planning, development, and operation of systems of care pursuant to section 1962.

"(2) AUTHORITY FOR GRANTS AND CONTRACTS.—The Secretary may provide technical assistance under subsection (a) directly or through grants to, or contracts with, public and nonprofit private entities.

"(c) EVALUATIONS AND REPORTS BY SECRETARY.—

"(1) IN GENERAL.—The Secretary shall, directly or through contracts with public or private entities, provide for annual evaluations of programs carried out pursuant to section 1961(a). The evaluations shall assess the effectiveness of the systems of care operated pursuant to such section, including longitudinal studies of outcomes of services provided by such systems, other studies regarding such outcomes, the effect of activities under this subpart on the utilization of hospital and other institutional settings, the barriers to and achievements resulting from interagency collaboration in providing community-based services to children with a serious emotional disturbance, and assessments by parents of the effectiveness of the systems of care.

"(2) REPORT TO CONGRESS.—The Secretary shall, not later than 1 year after the date on which amounts are first appropriated under subsection (c), and annually thereafter, submit to the Congress a report summarizing evaluations carried out pursuant to paragraph (1) during the preceding fiscal year and making such recommendations for administrative and legislative initiatives with respect to this section as the Secretary determines to be appropriate.

"(d) DEFINITIONS.—For purposes of this subpart:

"(1) The term 'child' means an individual not more than 21 years of age.

"(2) The term 'family', with respect to a child admitted to a system of care under section 1962(a), means—

"(A) the legal guardian of the child; and

"(B) as appropriate regarding mental health services for the child, the parents of the child (biological or adoptive, as the case may be) and any foster parents of the child.

"(3) The term 'serious emotional disturbance' includes, with respect to a child, any child who has a serious emotional disorder, a serious behavioral disorder, or a serious mental disorder.

"(e) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart,

there are authorized to be appropriated \$50,000,000 for fiscal year 1993, \$100,000,000 for fiscal year 1994, and \$150,000,000 for fiscal year 1995.

"(2) SET-ASIDE REGARDING TECHNICAL ASSISTANCE.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall make available not less than \$3,000,000 for the purpose of carrying out subsection (b).

"Subpart II—Substance Abuse

"SEC. 1971. GRANTS TO STATES FOR EXPANDING CAPACITY TO PROVIDE TREATMENT FOR SUBSTANCE ABUSE.

"(a) GRANTS FOR STATES WITH INSUFFICIENT CAPACITY.—

"(1) IN GENERAL.—The Secretary, acting through the Director of the Office for Treatment Improvement, may make grants to States for the purpose of increasing the maximum number of individuals to whom public and nonprofit private entities in the States are capable of providing effective treatment for substance abuse.

"(2) ELIGIBLE STATES.—The Director may not make a grant under subsection (a) to a State unless the number of individuals seeking treatment services in the State significantly exceeds the maximum number described in paragraph (1) that is applicable to the State.

"(b) PRIORITY IN MAKING GRANTS.—

"(1) RESIDENTIAL TREATMENT SERVICES FOR PREGNANT WOMEN.—In making grants under subsection (a), the Director shall give priority to States that agree to give priority in the expenditure of the grant to carrying out the purpose described in such subsection as the purpose relates to the provision of residential treatment services to pregnant women.

"(2) ADDITIONAL PRIORITY REGARDING MATCHING FUNDS.—In the case of any application for a grant under subsection (a) that is receiving priority under paragraph (1), the Director shall give further priority to the application if the State involved agrees as a condition of receiving the grant to provide non-Federal contributions under subsection (c) in a greater amount than the amount required under such subsection for the applicable fiscal year.

"(c) REQUIREMENT OF MATCHING FUNDS.—

"(1) IN GENERAL.—Subject to paragraph (3), the Director may not make a grant under subsection (a) unless the State agrees, with respect to the costs of the program to be carried out by the State pursuant to such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that—

"(A) for the first fiscal year for which the State receives such a grant, is not less than \$1 for each \$9 of Federal funds provided in the grant;

"(B) for any second such fiscal year, is not less than \$1 for each \$2 of Federal funds provided in the grant; and

"(C) for any subsequent such fiscal year, is not less than \$1 for each \$1 of Federal funds provided in the grant.

"(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(3) WAIVER.—The Director may waive the requirement established in paragraph (1) if

the Director determines that extraordinary economic conditions in the State justify the waiver.

"(d) LIMITATION REGARDING DIRECT TREATMENT SERVICES.—The Director may not make a grant under subsection (a) unless the State involved agrees that the grant will be expended only for the direct provision of treatment services. The preceding sentence may not be construed to authorize the expenditure of such a grant for the planning or evaluation of treatment services.

"(e) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(f) DURATION OF GRANT.—The period during which payments are made to a State from a grant under subsection (a) may not exceed 3 years. The provision of such payments shall be subject to annual approval by the Director of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments. The preceding sentence may not be construed to establish a limitation on the number of grants under such subsection that may be made to the State.

"(g) MAINTENANCE OF EFFORT.—The Director may not make a grant under subsection (a) unless the State involved agrees to maintain State expenditures for treatment services at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the first fiscal year for which the State receives such a grant.

"(h) RESTRICTIONS ON USE OF GRANT.—

"(1) IN GENERAL.—The Director may not make a grant under subsection (a) unless the State involved agrees that the grant will not be expended—

"(A) to provide inpatient hospital services, except as provided in paragraph (2);

"(B) to make cash payments to intended recipients of health services;

"(C) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

"(D) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

"(E) to provide financial assistance to any entity other than a public or nonprofit private entity.

"(2) EXCEPTION REGARDING INPATIENT HOSPITAL SERVICES.—

"(A) With respect to compliance with the agreement made under paragraph (1), a State may expend a grant under subsection (a) to provide inpatient hospital services as treatment for substance abuse only if it has been determined that such treatment is a medical necessity for the individual involved, and that the individual cannot be effectively treated in a community-based, nonhospital, residential program of treatment.

"(B) The Director may not make a grant under subsection (a) unless, in the case of an individual for whom such a grant is expended to provide inpatient hospital services described in subparagraph (A), the State involved agrees that the daily rate of payment provided to the hospital for providing the services to the individual will not exceed the comparable daily rate provided for community-based, nonhospital, residential programs of treatment for substance abuse.

"(i) DEFINITIONS.—For purposes of this section—

"(1) The term 'Director' means the Director of the Office for Treatment Improvement.

"(2) The term 'substance abuse' means the abuse of alcohol or other drugs.

"(j) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated \$68,000,000 for fiscal year 1992, \$70,000,000 for fiscal year 1993, and \$72,000,000 for fiscal year 1994."

SEC. 105. TEMPORARY PROVISIONS REGARDING FUNDING.

(a) CONTINGENT AUTHORITY FOR TRANSFERS BETWEEN ALLOTMENTS.—

(1) SUBPART II TO SUBPART I.—In the case of any State for which an allotment for fiscal year 1992, 1993, or 1994 under section 1911 of the Public Health Service Act (as added by section 101 of this Act) is made in an amount that is less than the mental health portion of the allotment under former section 1912A for fiscal year 1991, the Secretary of Health and Human Services shall, upon the request of the State, transfer from the allotment under section 1921 of such Act (as added by section 102 of this Act) for the fiscal year involved to the allotment under such section 1911 for the fiscal year such amounts as the State may direct, subject to the allotment under such section 1911 not exceeding the amount of such portion.

(2) SUBPART I TO SUBPART II.—In the case of any State for which an allotment for fiscal year 1992, 1993, or 1994 under section 1921 of the Public Health Service Act (as added by section 102 of this Act) is made in an amount that is less than the substance-abuse portion of the allotment under former section 1912A for fiscal year 1991, the Secretary of Health and Human Services shall, upon the request of the State, transfer from the allotment under section 1911 of such Act (as added by section 101 of this Act) for the fiscal year involved to the allotment under such section 1921 for the fiscal year such amounts as the State may direct, subject to the allotment under such section 1921 not exceeding the amount of such portion.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term "mental health portion", with respect to an allotment under former section 1912A, means the portion of the allotment reserved with respect to mental health pursuant to former section 1916(c)(6).

(B) The term "substance-abuse portion", with respect to an allotment under former section 1912A, means the portion of the allotment reserved with respect to alcohol and drug abuse pursuant to former section 1916(c)(6).

(C) The term "former section 1912A" means section 1912A of the Public Health Service Act, as such section was in effect for fiscal year 1991.

(D) The term "former section 1919(c)(6)" means section 1916(c)(6) of the Public Health Service Act, as such section was in effect for fiscal year 1991.

(b) ALLOCATION FOR CERTAIN PROGRAM REGARDING MENTAL HEALTH.—Of the amounts appropriated for fiscal year 1992 under 1917(a) of the Public Health Service Act (as added by section 101 of this Act), the Secretary of Health and Human Services shall obligate 10 percent for the purpose of carrying out subpart I of part C of title XIX of the Public Health Service Act (as added by section 104 of this Act).

TITLE II—OTHER PROGRAMS OF ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

Subtitle A—Mental Health

SEC. 201. SERVICE RESEARCH ON COMMUNITY-BASED TREATMENT PROGRAMS.

(a) TRANSFER OF AUTHORITY REGARDING MODEL PLANS.—

(1) IN GENERAL.—Subpart 3 of part B of title V of the Public Health Service Act, as amended by section 101(a)(1) of this Act, is amended—

(A) by transferring subsection (c) of section 518A to section 518;

(B) by redesignating the subsection as subsection (b); and

(C) by adding the subsection at the end of section 518.

(2) CONFORMING AMENDMENT.—Section 518 of the Public Health Service Act, as amended by paragraph (1) of this subsection, is amended in the first sentence by striking "The Secretary" and inserting "(a) The Secretary".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 518A of the Public Health Service Act, as amended by subsection (a) of this section, is amended by adding at the end the following new subsection:

"(c) Of the amounts appropriated under this Act for any fiscal year for conducting or supporting research regarding mental health, the Secretary shall make available not less than 15 percent for carrying out this section."

SEC. 202. PROGRAM FOR RESEARCH ON MENTAL HEALTH.

(a) ADMINISTRATION.—

(1) IN GENERAL.—Section 518 of the Public Health Service Act, as amended by section 201 of this Act, is amended—

(A) in subsection (a), by striking "the Administrator," and inserting the following: "the Director of the National Institute of Mental Health (in this subpart referred to as the 'Director'),"; and

(B) in subsection (b)—

(i) by striking "Administrator" each place such term appears and inserting "Director"; and

(ii) in paragraph (2), in the second sentence, by striking "Secretary" and inserting "Director".

(2) CONFORMING AMENDMENT.—Section 519 of the Public Health Service Act (42 U.S.C. 290cc-12) is amended by striking "Administrator" and inserting "Director".

(b) CERTAIN AUTHORITIES.—Section 518 of the Public Health Service Act, as amended by section 201, is amended in subsection (a)—

(1) by inserting before the period the following: "and relative to the promotion of mental health"; and

(2) by adding at the end the following new sentence: "Activities under the preceding sentence may include studies of the psychological, social, and legal factors that influence behavior."

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 518 of the Public Health Service Act, as amended by section 201 of this Act, is amended by adding at the end the following new subsection:

"(c) For the purpose of carrying out this section, there are authorized to be appropriated \$500,000,000 for fiscal year 1992, \$600,000,000 for fiscal year 1993, and \$675,000,000 for fiscal year 1992."

SEC. 203. DEMONSTRATION PROJECTS.

(a) DESIGNATION OF SUBPART 4.—Part B of title V of the Public Health Service Act (42 U.S.C. 290bb et seq.) is amended—

(1) by inserting before section 520 the following:

"Subpart 4—Demonstration Projects"; and (2) in the heading for section 520, by amending the heading to read as follows:

"CERTAIN PROJECTS".

(b) DURATION OF SUPPORT FOR CERTAIN DEMONSTRATION PROJECTS.—Section 520(c) of the Public Health Service Act (42 U.S.C. 290cc-13(c)) is amended by inserting before the period the following: ", except that grants under subsection (a) for demonstration projects described in paragraph (1)(A) of such subsection may be made for not more than five consecutive one-year periods".

SEC. 204. ESTABLISHMENT OF OFFICE OF RURAL MENTAL HEALTH.

Subpart 3 of part B of title V of the Public Health Service Act (42 U.S.C. 290cc-11 et seq.) is amended by inserting after section 519 the following new section:

"OFFICE OF RURAL MENTAL HEALTH

"SEC. 519A. (a) IN GENERAL.—There is established within the National Institute of Mental Health an office to be known as the Office of Rural Mental Health (hereafter in this section referred to as the 'Office'). The Office shall be headed by a director, who shall be appointed by the Director of such Institute from among individuals experienced or knowledgeable in the provision of mental health services in rural areas. The Secretary shall carry out the authorities established in this section acting through the Director of the Office.

"(b) COORDINATION OF ACTIVITIES.—The Director of the Office, in consultation with the Director of the Institute and with the Director of the Office of Rural Health Policy, shall—

"(1) coordinate the activities of the Department of Health and Human Services as such activities relate to the mental health of residents of rural areas; and

"(2) coordinate the activities of the Office with similar activities of public and nonprofit private entities.

"(c) RESEARCH, DEMONSTRATIONS, EVALUATIONS, AND DISSEMINATION.—The Director of the Office may, with respect to the mental health of adults and children residing in rural areas—

"(1) conduct research on conditions that are unique to the residents of rural areas, or more serious or prevalent in such residents;

"(2) conduct research on improving the delivery of services in such areas;

"(3) carry out demonstration projects for the provision of services in such areas, including such projects regarding outreach, interventions, and the provision of off-site services;

"(4) establish model programs, and carry out demonstrations of such models (at 1 or more sites);

"(5) conduct evaluations of projects and programs carried out by the Director under this subsection; and

"(6) disseminate information to appropriate public and nonprofit private entities.

"(d) AUTHORITY REGARDING GRANTS AND CONTRACTS.—The Director of the Office may carry out the authorities established in subsection (c) directly and through grants, cooperative agreements, or contracts with public or nonprofit private entities.

"(e) DEMONSTRATIONS REGARDING LINKAGE OF MENTAL HEALTH AND OTHER SERVICES.—In carrying out subsection (c), the Director of the Office shall make grants to public or nonprofit private entities for the purpose of carrying out, in rural areas, demonstration projects to improve the availability of mental health services by providing such services in the same facilities as other health or so-

cial services are provided, and through otherwise integrating the provision of mental health services, other health services, and social services.

"(f) REPORT TO CONGRESS.—Not later than February 1 of fiscal year 1993 and each fiscal year thereafter, the Director of the Office shall submit to the Subcommittee on Health and the Environment of the Committee on Energy and Commerce (of the House of Representatives), and to the Committee on Labor and Human Resources (of the Senate), a report describing the activities of the Office during the preceding fiscal year, including a summary of the activities of demonstration projects and a summary of evaluations of the projects.

"(g) FUNDING.—Of the amounts appropriated under this Act for fiscal year 1992, fiscal year 1993, and fiscal year 1994 for research regarding mental health, the Secretary shall make available for carrying out this section not less than \$5,000,000, \$8,000,000, and \$10,000,000, respectively."

SEC. 205. MISCELLANEOUS PROVISIONS.

(a) CERTAIN SERVICES.—

(1) IN GENERAL.—Section 2441 of the Public Health Service Act (42 U.S.C. 300dd-41)—

(A) is transferred to part B of title V of such Act;

(B) is redesignated as section 520A; and

(C) is inserted after section 520 of such part.

(2) CONFORMING AMENDMENTS.—The Public Health Service Act (42 U.S.C. 201 et seq.), as amended by paragraph (1), is amended—

(A) in part C of title XXIV—

(i) by striking the heading for subpart I;

(ii) in section 2432(e), by striking "subpart" each place such term appears and inserting "part"; and

(iii) by striking the heading for subpart II; and

(B) in section 520A—

(i) in subsection (a), in the matter preceding paragraph (1), by inserting after "Secretary" the following: ", acting through the Director of the National Institute of Mental Health";

(ii) in subsection (j), by striking "1991" and inserting "1994"; and

(iii) by striking "SEC." and all that follows through "(a) IN GENERAL.—" and inserting the following:

"CERTAIN COUNSELING AND MENTAL HEALTH SERVICES

"SEC. 520A. (a) IN GENERAL.—"

(b) FEDERAL ACCOUNTABILITY.—Any rule or regulation of the Department of Health and Human Services that is inconsistent with the amendments made by this Act shall not have any legal effect, including section 50(e) of part 96 of title 45, Code of Federal Regulations (45 CFR 96.50(e)).

Subtitle B—Substance Abuse

PART I—OFFICE FOR TREATMENT IMPROVEMENT

SEC. 211. ESTABLISHMENT, GENERAL AUTHORITIES, AND CERTAIN PROGRAMS.

Title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by adding at the end the following new part:

"Part F—Office for Treatment Improvement

"Subpart 1—Establishment and General Authorities

"SEC. 571. ESTABLISHMENT AND GENERAL AUTHORITIES.

"(a) IN GENERAL.—There is established in the Administration an Office for Treatment Improvement, which shall be headed by a director appointed by the Secretary. The Secretary shall carry out this part acting

through the Director of the Treatment Office.

"(b) DUTIES.—With respect to the treatment of substance abuse, the Director shall carry out the following duties:

"(1) Collaborate with the Director of the Office for Substance Abuse Prevention in order to provide outreach services to identify individuals in need of treatment services, with emphasis on the provision of such services to pregnant and postpartum women and their infants and to individuals who abuse drugs intravenously.

"(2) Collaborate with the Director of the National Institute on Drug Abuse, with the Director of the National Institute on Alcohol Abuse and Alcoholism, and with the States to promote the study, dissemination, and implementation of research findings that will improve the delivery and effectiveness of treatment services.

"(3) Collaborate with the Administrator of the Health Resources and Services Administration to promote the increased integration into the mainstream of the health care system of the United States of programs for providing treatment services.

"(4) Evaluate plans submitted by the States pursuant to section 1930(a)(6) in order to determine whether the plans adequately provide for the availability, allocation, and effectiveness of treatment services.

"(5) Sponsor regional workshops on improving the quality and availability of treatment services.

"(6) Provide technical assistance to public and nonprofit private entities that provide treatment services, including technical assistance with respect to the process of submitting to the Director applications for any program of grants or contracts carried out by the Director.

"(7) Improve coordination between treatment facilities and nonhealth care systems such as employers, labor unions, and schools, and encourage the adoption of employee assistance programs and student assistance programs.

"(8) Encourage the States to expand the availability (relative to fiscal year 1992) of programs providing treatment services through self-run, self-supported recovery based on the programs of housing operated pursuant to section 1924.

"(9) Carry out activities to educate individuals on the need for establishing treatment facilities within their communities.

"(10) Encourage public and private entities that provide health insurance to provide benefits for outpatient treatment services and other nonhospital-based treatment services.

"(11) Evaluate treatment programs to determine the quality and appropriateness of various forms of treatment, including the effect of living in housing provided by programs established under section 1924. Such evaluations shall be carried out through grants, contracts, or cooperative agreements provided to public or nonprofit private entities. In carrying out this paragraph, the Director shall assess the quality, appropriateness, and costs of various treatment forms for specific patient groups.

"(c) GRANTS AND CONTRACTS REGARDING GENERAL DUTIES.—In carrying out the duties established in subsection (b), the Director may make grants to and enter into contracts with public and nonprofit private entities.

"SEC. 572. GENERAL PROVISIONS.

"(a) APPLICATIONS FOR FINANCIAL ASSISTANCE.—The Director may not provide a grant or contract under this part unless—

"(1) an application for such financial assistance is submitted to the Secretary;

"(2) with respect to carrying out the purpose for which the assistance is to be provided, the application provides assurances of compliance satisfactory to the Secretary; and

"(3) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out the purpose for which the assistance is to be provided.

"(b) DEFINITIONS.—For purposes of this part:

"(1) The term 'Director' means the Director of the Treatment Office, unless the context of usage indicates otherwise.

"(2) The term 'substance abuse' means the abuse of alcohol or other drugs.

"(3) The term 'treatment' means treatment for substance abuse, unless the context of usage indicates that the meaning of the term is limited to providing treatment only for the abuse of alcohol, or only for the abuse of another drug or drugs, as the case may be.

"(4) The term 'Treatment Office' means the Office for Treatment Improvement.

"Subpart 2—Certain Programs

"SEC. 576. DEMONSTRATION PROJECTS OF NATIONAL SIGNIFICANCE.

"(a) GRANTS FOR TREATMENT IMPROVEMENT.—The Director of the Treatment Office shall provide grants to public and nonprofit private entities for the purpose of establishing demonstration projects that will improve the provision of treatment services for substance abuse.

"(b) NATURE OF PROJECTS.—Grants under subsection (a) shall be awarded to—

"(1) projects that focus on providing treatment to adolescents, female addicts and their children, racial and ethnic minorities, or individuals in rural areas;

"(2) projects that provide treatment and vocational training in exchange for public service;

"(3) projects that provide treatment services and which are operated by public and nonprofit private entities receiving grants under section 329, 330 or 340;

"(4) 'treatment campus' projects that—

"(A) serve a significant number of individuals simultaneously;

"(B) provide residential, non-community based drug treatment;

"(C) provide patients with ancillary social services and referrals to community-based aftercare; and

"(D) provide services on a voluntary basis;

"(5) projects in large metropolitan areas to identify individuals in need of treatment services and to improve the availability and delivery of such services in the areas;

"(6) in the case of individuals who engage in intravenous drug abuse, projects to conduct outreach activities to the individuals regarding the prevention of exposure to and the transmission of the etiologic agent for acquired immune deficiency syndrome, and to encourage the individuals to seek treatment for such abuse; and

"(7) projects to determine the long-term efficacy of the projects described in this section and to disseminate to appropriate public and private entities information on the projects that have been effective.

"(c) PREFERENCES IN MAKING GRANTS.—In awarding grants under subsection (a), the Director of the Treatment Office shall give preference to projects that—

"(1) demonstrate a comprehensive approach to the problems associated with substance abuse and provide evidence of broad community involvement and support; or

"(2) initiate and expand programs for the provision of treatment services (including renovation of facilities, but not construction) in localities in which, and among populations for which, there is a public health crisis as a result of the inadequate availability of such services and a substantial rate of drug abuse.

"(d) DURATION OF GRANTS.—The period during which payments are made under a grant under subsection (a) may not exceed 5 years.

"(e) EVALUATIONS.—The Director of the Treatment Office shall require, as a condition of awarding grants under subsection (a), a systematic evaluation of the projects funded under such subsection.

"(f) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—For the purpose of carrying out this section, there are authorized to be appropriated \$240,000,000 for fiscal year 1992, \$300,000,000 for fiscal year 1993, and \$400,000,000 for fiscal year 1994. The amounts so authorized are in addition to any other amounts that are authorized to be appropriated and available for such purpose.

"(2) ALLOCATION.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Director of the Treatment Office shall reserve not less than 10 percent for carrying out projects described in subsection (b)(3).

"SEC. 577. MODEL DEMONSTRATION PROGRAMS FOR TREATMENT SERVICES IN PENAL AND CORRECTIONAL INSTITUTIONS.

"(a) IN GENERAL.—The Director of the Treatment Office may make grants to public and nonprofit private entities for the purpose of carrying out demonstration programs to provide treatment services for substance abuse to inmates of penal or correctional institutions of States or political subdivisions of States.

"(b) REQUIREMENTS FOR PROGRAMS.—With respect to a program of treatment established pursuant to subsection (a), the Director may not make a grant unless the applicant involved agrees as follows:

"(1) The goal of treatment will be for the inmate involved to overcome any dependency on alcohol or other drugs, to cease engaging in substance abuse and make a commitment not to relapse into such abuse, and to acquire the minimum skills necessary for obtaining and maintaining employment.

"(2) Participation in the program by an inmate will be voluntary. An inmate will be admitted to the program only if—

"(A) the applicant has determined that the individual is in need of treatment;

"(B) the term or terms of incarceration of the inmate are scheduled to be completed not later than 1 year after the date on which the individual is to be admitted to the program; and

"(C) there is a reasonable basis for believing that the inmate will make significant progress toward achieving the goal described in paragraph (1) before the end of such term.

"(3) If an inmate is admitted to the program, the applicant will make available to the inmate, directly or through arrangements with other public or nonprofit private entities, such services as may be necessary to provide the inmate with a reasonable opportunity to make significant progress toward the goal described in paragraph (1).

"(4) For purposes of facilitating treatment, the applicant will, to the extent practicable, separate inmates participating in the program from other inmates.

"(5) In the case of an inmate participating in the program whose date of release from incarceration is nearing, the applicant will make reasonable efforts to refer the individual (the former inmate), upon such release,

to public or nonprofit private entities that can make available to the individual services that will assist the individual with respect to the goal described in paragraph (1).

"(c) AGREEMENT REGARDING INSTITUTION INVOLVED.—With respect to any penal or correctional institution in which an applicant for a grant under subsection (a) proposes to carry out a program under such subsection, the Director may not make the grant to the applicant unless the State or political subdivision administering the institution has agreed to cooperate with the applicant regarding the establishment and operation of the program.

"(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated \$50,000,000 for each of the fiscal years 1992 through 1994.

"Subpart 3—Model Comprehensive Program for Treatment of Substance Abuse

"SEC. 581. DEMONSTRATION PROGRAM IN NATIONAL CAPITAL AREA.

"(a) IN GENERAL.—The Director of the Treatment Office shall make a demonstration grant for the establishment, within the national capital area, of a model program for providing comprehensive treatment services for substance abuse.

"(b) PURPOSES.—The Director may not make a grant under subsection (a) unless, with respect to the comprehensive treatment services to be offered by the program under such subsection, the applicant for the grant agrees—

"(1) to ensure, to the extent practicable, that the program has the capacity to provide the services to all individuals who seek and would benefit from the services;

"(2) as appropriate, to provide education on obtaining employment and other matters with respect to assisting the individuals in preventing any relapse with respect to substance abuse, including education on the appropriate involvement of parents and sexual partners in preventing such a relapse;

"(3) to provide services in locations accessible to substance abusers and, to the extent practicable, to provide services through mobile facilities;

"(4) to give priority to providing services to individuals who abuse drugs intravenously, to pregnant women, to homeless individuals, and to residents of publicly-assisted housing;

"(5) with respect to women with dependent children, to provide child care to such women seeking treatment services for substance abuse;

"(6) to conduct outreach activities to inform individuals of the availability of the services of the program;

"(7) to provide case management services, including services to determine eligibility for assistance under Federal, State, and local programs providing health services, mental health services, or social services;

"(8) to ensure the establishment of one or more offices to oversee the coordination of the activities of the program, to ensure that treatment is available to those seeking it, to ensure that the program is administered efficiently, and to ensure that the public is informed that the offices are the locations at which individuals may make inquiries concerning the program, including the location of available treatment services within the national capital area; and

"(9) to develop and utilize standards for certifying the knowledge and training of individuals, and the quality of programs, to provide treatment services for substance abuse.

“(c) CERTAIN REQUIREMENTS.—**“(1) REGARDING ELIGIBILITY FOR GRANT.—**

“(A) The Director may not make the grant under subsection (a) unless the applicant involved is an organization of the general-purpose local governments within the national capital area, or another public or nonprofit private entity, and the applicant submits to the Director assurances satisfactory to the Director that, with respect to the communities in which services will be offered, the local governments of the communities will participate in the program.

“(B) The Director may not make the grant under subsection (a) unless—

“(i) an application for the grant is submitted to the Director;

“(ii) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Director; and

“(iii) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director determines to be necessary to carry out this section.

“(2) **AUTHORITY FOR COOPERATIVE AGREEMENTS.—**The grantee under subsection (a) may provide the services required by such subsection directly or through arrangements with public and nonprofit private entities.

“(d) **REQUIREMENT OF NON-FEDERAL CONTRIBUTIONS.—**

“(1) **IN GENERAL.—**The Director may not make a grant under subsection (a) unless the applicant for the grant agrees, with respect to the costs to be incurred by the applicant in carrying out the purpose described in such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than \$1 for each \$4 of Federal funds provided under the grant.

“(2) **DETERMINATION OF AMOUNT CONTRIBUTED.—**Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

“(e) **EVALUATIONS.—**The Director shall make a grant or enter into a contract for the conduct of an evaluation of the effectiveness of the program carried out under subsection (a). The grant or contract shall provide for an evaluation of the extent to which the program has effectively utilized innovative methods for overcoming the resistance of the residents of communities to the establishment of treatment facilities within the communities.

“(f) **REPORTS.—**

“(1) **INITIAL CRITERIA.—**The Director shall make a determination of the appropriate criteria for carrying out the program required in subsection (a), including the anticipated need for, and range of, services under the program in the communities involved and the anticipated costs of the program. Not later than 90 days after the date of the enactment of the Community Mental Health and Substance Abuse Services Improvement Act of 1992, the Director shall submit to the Congress a report describing the findings made as a result of the determination.

“(2) **ANNUAL REPORTS.—**Not later than 1 year after the date on which the grant is made under subsection (a), and annually thereafter, the Director shall submit to the Congress a report describing the extent to

which the program carried out under subsection (a) has been effective in carrying out the purposes of the program.

“(g) **DEFINITION.—**For purposes of this section, the term ‘national capital area’ means the metropolitan Washington area, including the District of Columbia, the cities of Alexandria, Falls Church, and Fairfax in the State of Virginia, the counties of Arlington and Fairfax in such State (and the political subdivisions located in such counties), and the counties of Montgomery and Prince George’s in the State of Maryland (and the political subdivisions located in such counties).

“(h) **FUNDING.—**Of the amounts made available in appropriations Acts for the fiscal years 1992 through 1994 for carrying out the programs administered by the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, the Secretary, acting through the Director of the Treatment Office, shall reserve for carrying out this section, respectively, \$10,000,000, for fiscal year 1992, \$10,000,000, for fiscal year 1993, and \$5,000,000, for fiscal year 1994.”

SEC. 212. CONFORMING AMENDMENT.

Section 501(b) of the Public Health Service Act (42 U.S.C. 290aa(b)) is amended by adding at the end the following new paragraph:

“(5) The Office for Treatment Improvement.”

PART II—OFFICE FOR SUBSTANCE ABUSE PREVENTION**SEC. 221. GENERAL ACTIVITIES OF OFFICE.**

(a) **IN GENERAL.—**Section 508(b) of the Public Health Service Act (42 U.S.C. 290aa-6(b)) is amended—

(1) by striking paragraphs (5), (10), and (11);

(2) by redesignating paragraphs (6) through (9) as paragraphs (5) through (8), respectively;

(3) by redesignating paragraph (12) as paragraph (9); and

(4) in paragraph (8) (as so redesignated), by adding “and” after the semicolon at the end.

(b) **AUTHORIZATION OF APPROPRIATIONS.—**Section 508 of the Public Health Service Act (42 U.S.C. 290aa-6) is amended by striking subsection (d).

(c) **NATIONAL DATA BASE.—**Section 508 of the Public Health Service Act, as amended by subsection (b) of this section, is amended by adding at the end the following new subsection:

“(d) The Director of the Prevention Office shall establish a national data base providing information on programs for the prevention of substance abuse. The data base shall contain information appropriate for use by public entities and information appropriate for use by private entities.”

(d) **REFERENCES.—**Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended—

(1) in section 508—

(A) in subsection (a), in the first sentence, by striking “(hereafter)” and all that follows and inserting “(hereafter referred to in this part as the ‘Prevention Office’)”; and

(B) in subsection (b), in the matter preceding paragraph (1), by striking “Office” and inserting “Prevention Office”; and

(2) in section 509, in the first sentence, by striking “Office” and inserting “Prevention Office”.

(e) **COMMUNITY PROGRAMS.—**Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by inserting after section 508 the following new section:

“COMMUNITY PROGRAMS

“SEC. 508A. (a) The Secretary, acting through the Director of the Prevention Office, shall—

“(1) provide assistance to communities to develop comprehensive long-term strategies for the prevention of substance abuse; and

“(2) evaluate the success of different community approaches toward the prevention of such abuse.

“(b) The Director of the Prevention Office shall ensure that strategies developed under subsection (a)(1) include strategies for reducing the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products.

“(c) For the purpose of carrying out subsection (a), there are authorized to be appropriated \$114,000,000 for fiscal year 1992, \$165,000,000 for fiscal year 1993, and \$215,000,000 for fiscal year 1994.”

SEC. 222. PREVENTION, TREATMENT, AND REHABILITATION MODEL PROJECTS FOR HIGH RISK YOUTH.

(a) **IN GENERAL.—**Section 509A of the Public Health Service Act (42 U.S.C. 290aa-8) is amended—

(1) redesignating subsections (c) through (f) as subsections (d) through (g), respectively; and

(2) by inserting after subsection (b) the following new subsection:

“(c) The Secretary shall ensure that projects under subsection (a) include projects to develop strategies for reducing the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such beverages or products.”

(b) **AUTHORIZATION OF APPROPRIATIONS.—**Section 509A of the Public Health Service Act, as amended by subsection (a) of this section, is amended by adding at the end the following new subsection:

“(h) For the purpose of carrying out this section, there are authorized to be appropriated \$60,000,000 for fiscal year 1992, \$80,000,000 for fiscal year 1993, and \$100,000,000 for fiscal year 1994.”

(c) **REFERENCES.—**Section 509A(a) of the Public Health Service Act (42 U.S.C. 290aa-8(a)) is amended by striking “Office” and inserting “Prevention Office”.

SEC. 223. STRIKING OF CERTAIN PROVISIONS; REVISIONS IN PROGRAM FOR PREGNANT AND POSTPARTUM WOMEN.

(a) **IN GENERAL.—**Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended—

(1) by striking section 509G; and

(2) by amending section 509F to read as follows:

“RESIDENTIAL TREATMENT PROGRAMS FOR PREGNANT AND POSTPARTUM WOMEN

“SEC. 509F. (a) **IN GENERAL.—**The Director of the Prevention Office shall make grants to public and nonprofit private entities for the purpose of providing to pregnant and postpartum women treatment for substance abuse through programs in which, during the course of receiving treatment—

“(1) the women, and any minor children of the women, reside in facilities provided by the programs;

“(2) the programs provide ongoing supervision of the women; and

“(3) the services described in subsection (d) are available to or on behalf of the women.

“(b) **AVAILABILITY OF SERVICES FOR EACH PARTICIPANT.—**A funding agreement under subsection (a) for an applicant is that, in the program operated pursuant to such subsection—

“(1) treatment services and each supplemental service will be available through the applicant, either directly or through agreements with other public or nonprofit private entities; and

"(2) the services will be made available to each woman admitted to the program.

"(c) INDIVIDUALIZED PLAN OF SERVICES.—A funding agreement under subsection (a) for an applicant is that—

"(1) in providing authorized services for an eligible woman pursuant to such subsection, the applicant will, in consultation with the women, prepare an individualized plan for the provision to the woman of the services; and

"(2) treatment services under the plan will include—

"(A) individual, group, and family counseling regarding substance abuse; and

"(B) follow-up services to assist the woman in preventing a relapse into such abuse.

"(d) REQUIRED SUPPLEMENTAL SERVICES.—In the case of an eligible woman, the services referred to in subsection (a)(3) are as follows:

"(1) Prenatal and postpartum health care.

"(2) Referrals for necessary hospital services.

"(3) For the infants and children of the woman—

"(A) pediatric health care, including treatment for any perinatal effects of maternal substance abuse and including screenings regarding the physical and mental development of the infants and children;

"(B) counseling and other mental health services, in the case of children; and

"(C) comprehensive social services.

"(4) Providing supervision of children during periods in which the woman is engaged in therapy or in other necessary health or rehabilitative activities.

"(5) Training in parenting.

"(6) Counseling on acquired immune deficiency syndrome.

"(7) Counseling on domestic violence and sexual abuse.

"(8) Counseling on obtaining employment, including the importance of graduating from a secondary school.

"(9) Reasonable efforts to preserve and support the family units of the women, including promoting the appropriate involvement of parents and others, and counseling the children of the women.

"(10) Planning for and counseling to assist reentry into society, both before and after discharge, including referrals to any public or nonprofit private entities in the community involved that provide services appropriate for the women and the children of the women.

"(11) Case management services, including—

"(A) assessing the extent to which authorized services are appropriate for the women and their children;

"(B) in the case of the services that are appropriate, ensuring that the services are provided in a coordinated manner; and

"(C) assistance in establishing eligibility for assistance under Federal, State, and local programs providing health services, mental health services, housing services, employment services, educational services, or social services.

"(e) MINIMUM QUALIFICATIONS OF GRANTEES.—

"(1) CERTIFICATION BY RELEVANT STATE AGENCY.—With respect to the principal agency of the State involved that administers programs relating to substance abuse, the Director may make a grant under subsection (a) to an applicant only if the agency has certified to the Director that—

"(A) the applicant has the capacity to carry out a program described in subsection (a);

"(B) the plans of the applicant for such a program are consistent with the policies of

such agency regarding the treatment of substance abuse; and

"(C) the applicant, or any entity through which the applicant will provide authorized services, meets all applicable State licensure or certification requirements regarding the provision of the services involved.

"(2) STATUS AS MEDICAID PROVIDER.—

"(A) Subject to subparagraphs (B) and (C), the Director may make a grant under subsection (a) only if, in the case of any authorized service that is available pursuant to the State plan approved under title XIX of the Social Security Act for the State involved—

"(i) the applicant for the grant will provide the service directly, and the applicant has entered into a participation agreement under the State plan and is qualified to receive payments under such plan; or

"(ii) the applicant will enter into an agreement with a public or nonprofit private entity under which the entity will provide the service, and the entity has entered into such a participation agreement plan and is qualified to receive such payments.

"(B)(i) In the case of an entity making an agreement pursuant to subparagraph (A)(ii) regarding the provision of services, the requirement established in such subparagraph regarding a participation agreement shall be waived by the Director if the entity does not, in providing health care services, impose a charge or accept reimbursement available from any third-party payor, including reimbursement under any insurance policy or under any Federal or State health benefits plan.

"(ii) A determination by the Director of whether an entity referred to in clause (i) meets the criteria for a waiver under such clause shall be made without regard to whether the entity accepts voluntary donations regarding the provision of services to the public.

"(C) With respect to any authorized service that is available pursuant to the State plan described in subparagraph (A), the requirements established in such subparagraph shall not apply to the provision of any such service by an institution for mental diseases to an individual who has attained 21 years of age and who has not attained 65 years of age. For purposes of the preceding sentence, the term 'institution for mental diseases' has the meaning given such term in section 1905(i) of the Social Security Act.

"(f) REQUIREMENT OF MATCHING FUNDS.—

"(1) IN GENERAL.—With respect to the costs of the program to be carried out by an applicant pursuant to subsection (a), a funding agreement under such subsection is that the applicant will make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is not less than—

"(A) \$1 for each \$9 of Federal funds provided for the first year of payments under the grant; and

"(B) \$1 for each \$3 of Federal funds provided in any subsequent year of payments under any such grant.

"(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(g) OUTREACH.—A funding agreement under subsection (a) for an applicant is that

the applicant will provide outreach services in the community involved to identify women who are engaging in substance abuse and to encourage the women to undergo treatment for such abuse.

"(h) ACCESSIBILITY OF PROGRAM; CULTURAL CONTEXT OF SERVICES.—A funding agreement under subsection (a) for an applicant is that—

"(1) the program operated pursuant to such subsection will be operated at a location that is accessible to low-income pregnant and postpartum women; and

"(2) authorized services will be provided in the language and the cultural context that is most appropriate.

"(i) CONTINUING EDUCATION.—A funding agreement under subsection (a) is that the applicant involved will provide for continuing education in treatment services for the individuals who will provide treatment in the program to be operated by the applicant pursuant to such subsection.

"(j) IMPOSITION OF CHARGES.—A funding agreement under subsection (a) for an applicant is that, if a charge is imposed for the provision of authorized services to on behalf of an eligible woman, such charge—

"(1) will be made according to a schedule of charges that is made available to the public;

"(2) will be adjusted to reflect the income of the woman involved; and

"(3) will not be imposed on any such woman with an income of less than 185 percent of the official poverty line, as established by the Director of the Office for Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

"(k) REPORTS TO DIRECTOR.—A funding agreement under subsection (a) is that the applicant involved will submit to the Director a report—

"(1) describing the utilization and costs of services provided under the grant;

"(2) specifying the number of women served, the number of infants served, and the type and costs of services provided; and

"(3) providing such other information as the Director determines to be appropriate.

"(l) REQUIREMENT OF APPLICATION.—The Director may make a grant under subsection (a) only if the applicant involved makes each of the agreements described in this section. Such a grant may be made only if an application for the grant is submitted to the Director containing such agreements, and the application is in such form, is made in such manner, and contains such other agreements and such assurances and information as the Director determines to be necessary to carry out this section.

"(m) EQUITABLE ALLOCATION OF GRANTS.—In making grants under subsection (a), the Director shall ensure that the grants are equitably allocated among the principal geographic regions of the United States, subject to the availability of qualified applicants for the grants.

"(n) DURATION OF GRANT.—The period during which payments are made to an entity from a grant under subsection (a) may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Director of the payments and subject to the availability of appropriations for the fiscal year involved to make the payments. This subsection may not be construed to establish a limitation on the number of grants under such subsection that may be made to an entity.

"(o) EVALUATIONS; DISSEMINATION OF FINDINGS.—The Director shall, directly or through

contract, provide for the conduct of evaluations of programs carried out pursuant to subsection (a). The Director shall disseminate to the States the findings made as a result of the evaluations.

"(p) REPORTS TO CONGRESS.—Not later than October 1, 1993 and every 2 years thereafter, the Director shall submit to the Congress a report describing programs carried out pursuant to this section. Each such report shall include any evaluations conducted under subsection (m) during the preceding fiscal year.

"(q) DEFINITIONS.—For purposes of this section:

"(1) The term 'authorized services' means treatment services and supplemental services.

"(2) The term 'eligible woman' means a woman who has been admitted to a program operated pursuant to subsection (a).

"(3) The term 'funding agreement under subsection (a)' means an agreement required in subsection (1) as a condition of receiving a grant under subsection (a).

"(4) The term 'treatment services' means treatment for substance abuse, including the counseling and services described in subsection (c)(2).

"(5) The term 'supplemental services' means the services described in subsection (d).

"(r) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—For the purpose of carrying out this section and section 509G, there are authorized to be appropriated \$100,000,000 for fiscal year 1992, \$125,000,000 for fiscal year 1993, and \$175,000,000 for fiscal year 1994.

"(2) TRANSFER.—In addition to the amounts authorized in paragraph (1) to be appropriated for the fiscal year involved, there is authorized to be appropriated for the fiscal year for the purpose described in such paragraph \$31,000,000 from the special forfeiture fund of the Director of the Office of National Drug Control Policy.

"(3) RULE OF CONSTRUCTION.—The amounts authorized in this subsection to be appropriated are in addition to any other amounts that are authorized to be appropriated and are available for the purpose described in paragraph (1)."

(b) PREVENTION PROGRAMS.—Part A of title V of the Public Health Service Act, as amended by subsection (a) of this section, is amended by adding at the end the following:

"PREVENTION PROGRAMS FOR PREGNANT AND POSTPARTUM WOMEN

"SEC. 509G. (a) The Secretary, acting through the Director of the Prevention Office, shall make grants to establish projects for prevention and education activities, and outpatient treatment, regarding the effects of drug and alcohol abuse on pregnant and postpartum women and their infants.

"(b) The Secretary shall evaluate projects carried out under subsection (a) and shall disseminate to appropriate public and private entities information on effective projects."

(c) TRANSITIONAL AND SAVINGS PROVISIONS.—

(1) SAVINGS PROVISION FOR COMPLETION OF CURRENT PROJECTS.—

(A) Subject to paragraph (2), in the case of any project for which a grant under former section 509F was provided for fiscal year 1991, the Secretary of Health and Human Services may continue in effect the grant for fiscal year 1992 and subsequent fiscal years, subject to the duration of any such grant not exceeding the period determined by the Secretary in first approving the grant.

(B) Subparagraph (A) shall apply with respect to a project notwithstanding that the

project is not eligible to receive a grant under current section 509F or 509G.

(2) LIMITATION ON FUNDING FOR CERTAIN PROJECTS.—With respect to the amounts appropriated for any fiscal year under current section 509F, any such amounts appropriated in excess of the amount appropriated for fiscal year 1991 under former section 509F shall be available only for grants under current section 509F.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term "former section 509F" means section 509F of the Public Health Service Act, as in effect for fiscal year 1991.

(B) The term "current section 509G" means section 509G of the Public Health Service Act, as in effect for fiscal year 1992 and subsequent fiscal years.

(C) The term "current section 509F" means section 509F of the Public Health Service Act, as in effect for fiscal year 1992 and subsequent fiscal years.

SEC. 224. TRAINING IN PROVISION OF TREATMENT SERVICES.

Part A of title V of the Public Health Service Act, as amended by section 223(b) of this Act, is amended by adding at the end the following new section:

"TRAINING IN PROVISION OF TREATMENT SERVICES FOR SUBSTANCE ABUSE

"SEC. 509H. (a) IN GENERAL.—The Director of the Prevention Office shall develop programs to increase the number of full-time substance abuse treatment professionals and the number of health professionals providing treatment services through the awarding of grants to appropriate public and nonprofit private entities, including agencies of State and local governments, hospitals, schools of medicine, schools of osteopathic medicine, schools of nursing, schools of social work, and graduate programs in marriage and family therapy.

"(b) PRIORITY.—In awarding grants under subsection (a), the Director of the Prevention Office shall give priority to projects that train full-time substance abuse treatment professionals and projects that will receive financial support from public entities for carrying out the projects.

"(c) HEALTH PROFESSIONS EDUCATION.—In awarding grants under subsection (a), the Secretary may make grants to health professions schools (including schools of nursing and allied health professions schools) and schools of social work for programs—

"(1) to train individuals in the diagnosis and treatment of substance abuse; and

"(2) to develop appropriate curricula and materials for the training described in paragraph (1).

"(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated \$26,000,000 for fiscal year 1992, \$28,000,000 for fiscal year 1993, and \$30,000,000 for fiscal year 1994."

PART III—OTHER PROVISIONS REGARDING SUBSTANCE ABUSE

SEC. 231. RESEARCH ON ALCOHOL ABUSE AND ALCOHOLISM.

Section 513(a) of the Public Health Service Act (42 U.S.C. 290bb-2(a)) is amended—

(1) by inserting "(other than section 512(c))" after "subpart";

(2) by striking "and" after "1987"; and

(3) by inserting before the period the following: "\$160,000,000 for fiscal year 1992, \$210,000,000 for fiscal year 1993, and \$310,000,000 for fiscal year 1994".

SEC. 232. RESEARCH ON DRUG ABUSE.

(a) IN GENERAL.—Section 515(a) of the Public Health Service Act (42 U.S.C. 290cc(a)) is amended—

(1) in paragraph (5), by striking "and" after the semicolon at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(7) the development and demonstration of new and improved methods of screening and early detection, referral, and diagnosis of individuals with a risk of drug abuse; and

"(8) the development and demonstration of new and improved methods for the dissemination of findings of research on drug abuse, and of information on the prevention and treatment of such abuse."

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 515 of the Public Health Service Act (42 U.S.C. 290cc) is amended by adding at the end the following new subsection:

"(c) For the purpose of carrying out this section, there are authorized to be appropriated \$293,000,000 for fiscal year 1992, \$330,000,000 for fiscal year 1993, and \$360,000,000 for fiscal year 1994."

(c) STRIKING OF CERTAIN AUTHORITIES.—Subpart 2 of part B of title V of the Public Health Service Act (290cc et seq.) is amended by striking sections 516 and 517.

SEC. 233. STUDY BY NATIONAL ACADEMY OF SCIENCES.

(a) IN GENERAL.—In the case of programs in the United States that provide both sterile hypodermic needles and bleach to individuals in order to provide for a reduction in the risk of the individuals contracting acquired immune deficiency syndrome or related conditions, the Secretary of Health and Human Services, acting through the Director of the National Institute on Drug Abuse, shall enter into a contract with a public or nonprofit private entity, subject to subsection (b), for the purpose of conducting a study to make determinations of the following:

(1) The extent to which the programs promote, directly or indirectly, the abuse of drugs through providing information or devices (or both) regarding the manner in which the adverse health consequences of such abuse can be minimized.

(2) In the case of individuals participating in the programs, the number of individuals who have engaged in the abuse of drugs prior to admission to the programs and the number of individuals who have not engaged in such abuse prior to such admission.

(3) The extent to which participation in the programs has altered any behaviors constituting a substantial risk of contracting acquired immune deficiency syndrome or hepatitis B, or of transmitting either of the diseases.

(4) The number of programs that provide referrals for the treatment of such abuse and the number of programs that do not provide such referrals.

(5) The extent to which programs safely dispose of used hypodermic syringes and needles.

(b) NATIONAL ACADEMY OF SCIENCES.—The Secretary shall request the National Academy of Sciences to enter into the contract under subsection (a) to conduct the study described in such subsection. If such Academy declines to conduct the study, the Secretary shall carry out such subsection through another public or nonprofit private entity.

(c) LIMITATION REGARDING EXISTING PROGRAMS.—The study required in subsection (a) may not be conducted with respect to programs established after the date of the enactment of this Act.

(d) DATE FOR COMPLETION.—The Secretary shall ensure that, not later than 18 months after the date of the enactment of this Act,

the study required in subsection (a) is completed and a report describing the findings made as a result of the study is submitted to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Labor and Human Resources of the Senate.

(e) DEFINITION.—For purposes of this section, the term "Secretary" means the Secretary of Health and Human Services.

(f) FUNDING.—Of the aggregate amounts appropriated under the Public Health Service Act for fiscal years 1992 and 1993 for research on drug abuse, the Secretary shall make available \$5,000,000 for conducting the study required in subsection (a).

SEC. 234. STUDY OF BARRIERS TO INSURANCE COVERAGE OF TREATMENT FOR SUBSTANCE ABUSE.

(a) STUDY.—The Secretary of Health and Human Services shall conduct a study of the barriers to insurance coverage for the treatment of substance abuse. The study shall include an assessment of the effect of managed care on the quality and financing of such treatment.

(b) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall complete the study required in subsection (a) and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of the study.

SEC. 235. STUDY ON FETAL ALCOHOL EFFECT AND FETAL ALCOHOL SYNDROME.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall enter into a contract with a public or nonprofit private entity to conduct a study on the prevalence of fetal alcohol effect and fetal alcohol syndrome in the general population of the United States and on the adequacy of Federal efforts to reduce the incidence of such conditions (including efforts regarding appropriate training for health care providers). The Secretary shall ensure that the study—

(1) describes diagnostic tools for identifying such conditions;

(2) compares the rate of each of such conditions with the rates of other drug-related conditions;

(3) evaluates the adequacy of available treatment for such conditions; and

(4) evaluates the plans of Federal agencies to conduct research on the conditions and determines the adequacy of such plans in relation to the impact on public health of the conditions.

(b) NATIONAL ACADEMY OF SCIENCES.—The Secretary shall request the National Academy of Sciences to enter into the contract under subsection (a) to conduct the study described in such subsection. If such Academy declines to conduct the study, the Secretary shall carry out such subsection through another public or nonprofit private entity.

(c) REPORT.—The Secretary shall ensure that, not later than 18 months after the date of the enactment of this Act, the study required in subsection (a) is completed and a report describing the findings made as a result of the study is submitted to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Labor and Human Resources of the Senate.

PART IV—CHILDREN OF SUBSTANCE ABUSERS

SEC. 241. ESTABLISHMENT OF PROGRAM OF SERVICES.

Title III of the Public Health Service Act (42 U.S.C. 301 et seq.) is amended by adding at the end the following new part:

"PART M—SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS

"SEC. 399D. GRANTS FOR SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS.

"(a) ESTABLISHMENT.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall make grants to public and nonprofit private entities for the purpose of carrying out programs to provide the services described in subsection (b) to children of substance abusers and to provide the applicable services described in subsection (c) to families in which a member is a substance abuser.

"(b) SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS.—The Secretary may make a grant under subsection (a) only if the applicant involved agrees to make available (directly or through agreements with other entities) to children of substance abusers each of the following services:

"(1) Periodic evaluation of children for developmental, psychological, and medical problems.

"(2) Primary pediatric care, consistent with early and periodic screening, diagnostic, and treatment services described in section 1905(r) of the Social Security Act.

"(3) Other necessary and mental health services.

"(4) Therapeutic intervention services for children, including provision of therapeutic child care.

"(5) Preventive counseling services.

"(6) Counseling related to the witnessing of chronic violence.

"(7) Referral to related services, and assistance in establishing eligibility for related services.

"(8) Additional developmental services that are consistent with the provision of early intervention services, as such term is defined in part H of the Individuals with Disabilities Education Act.

"(c) SERVICES FOR AFFECTED FAMILIES.—The Secretary may make a grant under subsection (a) only if, in the case of families in which a member is a substance abuser, the applicant involved agrees to make available (directly or through agreements with other entities) each of the following services, as applicable to the family member involved:

"(1)(A) Services to—

"(i) Accomplish early identification of families where substance abuse is present.

"(ii) Accomplish early identification of children affected by parental substance abuse.

"(iii) Provide counseling to substance abusers on the benefits and availability of substance abuse treatment services and services for children of substance abusers.

"(iv) Assist substance abusers in obtaining and using substance abuse treatment services and services for children of substance abusers.

"(v) Visit and provide support to substance abusers, especially pregnant women, who are receiving substance abuse treatment services or services for children of substance abusers.

"(B) The Secretary may make a grant under subsection (a) only if the applicant involved agrees that services under subparagraph (A) will, the program carried out under subsection (a), be provided by a public health nurse, social worker, or similar professional, or by a trained worker from the community supervised by a professional.

"(2) In the case of substance abusers:

"(A) Encouragement and, where necessary, referrals to participate in appropriate substance abuse treatment.

"(B) Assessment of adult roles other than parenting, including periodic evaluation of

social status, economic status, educational level, psychological condition, and skill level.

"(C) Primary health care and mental health services, including prenatal and post partum care for pregnant women.

"(D) Consultation and referral regarding subsequent pregnancies and life options, including education and career planning.

"(E) Where appropriate, counseling regarding family conflict and violence.

"(F) Remedial education services.

"(G) Referral to related services, and assistance in establishing eligibility for related services.

"(3) In the case of substance abusers, spouses of substance abusers, extended family members of substance abusers, caretakers of children of substance abusers, and other people significantly involved in the lives of substance abusers or the children of substance abusers:

"(A) An assessment of the strengths and service needs of the family and the assignment of a case manager who will coordinate services for the family.

"(B) Therapeutic intervention services, such as parental counseling, joint counseling sessions for families and children, and family therapy.

"(C) Child care or other care for the child to enable the parent to attend treatment or other activities and respite care services.

"(D) Parenting education services and parent support groups.

"(E) Support services, including, where appropriate, transportation services.

"(F) Where appropriate, referral of other family members to related services such as job training.

"(G) Aftercare services, including continued support through parent groups and home visits.

"(d) CONSIDERATIONS IN MAKING GRANTS.—

"(1) IN GENERAL.—In making grants under subsection (a), the Secretary shall ensure that the grants are reasonably distributed among the following types of entities:

"(A) Alcohol and drug treatment programs, especially those providing treatment to pregnant women and mothers and their children.

"(B) Public or private nonprofit entities that provide health or social services to disadvantaged populations, including community-based organizations, local public health departments, community action agencies, hospitals, community health centers, child welfare agencies, developmental disabilities service providers, and family resource and support programs, and that have—

"(i) expertise in applying the services to the particular problems of substance abusers and the children of substance abusers; and

"(ii) an affiliation or contractual relationship with one or more substance abuse treatment programs.

"(C) Consortia of public or private nonprofit entities that include at least one substance abuse treatment program.

"(D) Indian tribes, Indian organizations, and Alaska Native villages.

"(2) ADDITIONAL CONSIDERATIONS.—In making grants under subsection (a), the Secretary shall ensure that the grants are—

"(A) distributed to an adequate number of eligible entities that—

"(i) provide residential treatment to substance abusers and provide appropriate therapeutic services to meet the needs of children of substance abusers while they reside with their parents during treatment;

"(ii) provide in-home and community-based services on an out-patient basis or in a primary pediatric care setting; or

"(iii) provide residential care for the parent with the child participating in the provision of such care while residing with a caretaker, and provide outreach, supportive, and therapeutic services for the child and the caretaker;

"(B) distributed to give priority to areas with a high incidence of poverty and a high incidence of children of substance abusers, infant mortality, infant morbidity, or child abuse;

"(C) distributed to ensure that entities serving Native American and Native Hawaiian communities are represented among the grantees; and

"(D) equitably distributed between urban and rural States and among all geographic regions of the country.

"(e) FEDERAL SHARE.—The Federal share of a program carried out under subsection (a) shall be 90 percent. The Secretary shall accept the value of in-kind contributions made by the grant recipient as a part or all of the non-Federal share of grants.

"(f) EVALUATION.—The Secretary shall periodically conduct evaluations to determine the effectiveness of programs supported under subsection (a)—

"(1) in reducing the incidence of alcohol and drug abuse among substance abusers participating in the programs;

"(2) in preventing adverse health conditions in children of substance abusers;

"(3) in promoting better utilization of health and developmental services and improving the health, developmental, and psychological status of children receiving services under the program;

"(4) in improving parental and family functioning;

"(5) in reducing the incidence of out-of-home placement for children whose parents receive services under the program; and

"(6) in facilitating the reunification of families after children have been placed in out-of-home care.

"(g) REPORT.—The Secretary shall annually prepare and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report that contains a description of programs carried out under this section. At a minimum, the report shall contain—

"(1) information concerning the number and type of programs receiving grants;

"(2) information concerning the type and use of services offered;

"(3) information concerning—

"(A) the number and characteristics of families, parents, and children served;

"(B) the number of children served who remained with their parents during or after the period in which entities provided services under this section;

"(C) the number of children served who were placed in out-of-home care during the period in which entities provided services under this section;

"(D) the number of children described in subparagraph (C) who were reunited with their families; and

"(E) the number of children described in subparagraph (D) who were permanently placed in out-of-home care;

analyzed by the type of eligible entity described in subsection (e) that provided services;

"(4) an analysis of the access provided to, and use of, related services and alcohol and drug treatment through programs carried out under this section; and

"(5) a comparison of the costs of providing services through each of the types of eligible entities described in subsection (e).

"(h) DATA COLLECTION.—The Secretary shall periodically collect and report on information concerning the numbers of children in substance abusing families, including information on the age, gender and ethnicity of the children and the composition and income of the family.

"(i) REQUIREMENT OF APPLICATION.—The Secretary may not make any grant under this section unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(j) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated \$50,000,000 for each of the fiscal years 1992 through 1994."

PART V—MISCELLANEOUS PROVISIONS
SEC. 251. GRANTS FOR SMALL INSTRUMENTATION IN RESEARCH ON MENTAL HEALTH AND SUBSTANCE ABUSE.

Section 501(m)(5) of the Public Health Service Act (42 U.S.C. 290aa(m)(5)) is amended by striking "1991" and inserting "1994".

TITLE III—TRAUMA CENTERS AND DRUG-RELATED VIOLENCE

SEC. 301. ESTABLISHMENT OF PROGRAM OF GRANTS.

Title XII of the Public Health Service Act (42 U.S.C. 300d et seq.), as added by section 3 of Public Law 101-590 (104 Stat. 2915), is amended by adding at the end the following new part:

"PART D—TRAUMA CENTERS OPERATING IN AREAS SEVERELY AFFECTED BY DRUG-RELATED VIOLENCE

"SEC. 1241. GRANTS FOR CERTAIN TRAUMA CENTERS.

"(a) IN GENERAL.—The Secretary may make grants for the purpose of providing for the operating expenses of trauma centers that have incurred substantial uncompensated costs in providing trauma care in geographic areas with a significant incidence of violence arising from the abuse of drugs. Grants under this subsection may be made only to such trauma centers.

"(b) MINIMUM QUALIFICATIONS OF CENTERS.—

"(1) SIGNIFICANT INCIDENCE OF TREATING PENETRATION WOUNDS.—

"(A) The Secretary may not make a grant under subsection (a) to a trauma center unless the population of patients that has been served by the center for the period specified in subparagraph (B) includes a significant number of patients who were treated for wounds resulting from the penetration of the skin by knives, bullets, or other weapons.

"(B) The period specified in this subparagraph is the 2-year period preceding the fiscal year for which the trauma center involved is applying to receive a grant under subsection (a).

"(2) PARTICIPATION IN TRAUMA CARE SYSTEM OPERATING UNDER CERTAIN PROFESSIONAL GUIDELINES.—The Secretary may not make a grant under subsection (a) unless the trauma center involved is a participant in a system that—

"(A) provides comprehensive medical care to victims of trauma in the geographic area in which the trauma center is located;

"(B) is established by the State or political subdivision in which such center is located; and

"(C) has adopted guidelines for the designation of trauma centers, and for triage, transfer, and transportation policies, equiva-

lent to (or more protective than) the applicable guidelines developed by the American College of Surgeons or utilized in the model plan established under section 1213(c).

"SEC. 1242. PREFERENCES IN MAKING GRANTS.

"(a) IN GENERAL.—In making grants under section 1241(a), the Secretary shall give preference to any application—

"(1) made by a trauma center that, for the purpose specified in such section, will receive financial assistance from the State or political subdivision involved for each fiscal year during which payments are made to the center from the grant, which financial assistance is exclusive of any assistance provided by the State or political subdivision as a non-Federal contribution under any Federal program requiring such a contribution; or

"(2) made by a trauma center that, with respect to the system described in section 1241(b)(2) in which the center is a participant—

"(A) is providing trauma care in a geographic area in which the availability of trauma care has significantly decreased as a result of a trauma center in the area permanently ceasing participation in such system as of a date occurring during the 2-year period specified in section 1241(b)(1)(B); or

"(B) will, in providing trauma care during the 1-year period beginning on the date on which the application for the grant is submitted, incur uncompensated costs in an amount rendering the center unable to continue participation in such system, resulting in a significant decrease in the availability of trauma care in the geographic area.

"(b) FURTHER PREFERENCE FOR CERTAIN APPLICATIONS.—With respect to applications for grants under section 1241 that are receiving preference for purposes of subsection (a), the Secretary shall give further preference to any such application made by a trauma center for which a disproportionate percentage of the uncompensated costs of the center result from the provision of trauma care to individuals who are undocumented aliens.

"SEC. 1243. COMMITMENT REGARDING CONTINUED PARTICIPATION IN TRAUMA CARE SYSTEM.

"The Secretary may not make a grant under subsection (a) of section 1241 unless the trauma center involved agrees that—

"(1) the center will continue participation in the system described in subsection (b) of such section throughout the 3-year period beginning on the date that the center first receives payments under the grant; and

"(2) if the agreement made pursuant to paragraph (1) is violated by the center, the center will be liable to the United States for an amount equal to the sum of—

"(A) the amount of assistance provided to the center under subsection (a) of such section; and

"(B) an amount representing interest on the amount specified in subparagraph (A).

"SEC. 1244. GENERAL PROVISIONS.

"(a) APPLICATION.—The Secretary may not make a grant under section 1241(a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

"(b) LIMITATION ON DURATION OF SUPPORT.—The period during which a trauma center receives payments under section 1241(a) may not exceed 3 fiscal years, except that the Secretary may waive such requirement for the center and authorize the center to receive such payments for 1 additional fiscal year.

SEC. 1245. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, there are authorized to be appropriated \$50,000,000 for fiscal year 1992, \$75,000,000 for fiscal year 1993, and \$100,000,000 for fiscal year 1994."

SEC. 302. CONFORMING AMENDMENTS.

Title XII of the Public Health Service Act (42 U.S.C. 300d et seq.), as added by section 3 of Public Law 101-590 (104 Stat. 2915), is amended—

(1) in the heading for part C, by inserting "REGARDING PARTS A AND B" after "PROVISIONS";

(2) in section 1231, in the matter preceding paragraph (1), by striking "this title" and inserting "this part and parts A and B"; and

(3) in section 1232(a), by striking "this title" and inserting "parts A and B".

TITLE IV—NATIONAL COMMISSION ON ALCOHOL AND TOBACCO USE BY CHILDREN

SEC. 401. ESTABLISHMENT AND DUTIES OF COMMISSION.

The Secretary of Health and Human Services shall establish a commission to be known as the National Commission on Alcohol and Tobacco Use By Children.

SEC. 402. DUTIES.

The Commission shall—

(1) identify the factors that encourage the initial use of tobacco products and alcoholic beverages by children, and the factors that influence the duration and extent of such use;

(2) assess the direct and indirect health consequences of such use by children;

(3) examine the effect and adequacy of efforts by manufacturers of such products and beverages to discourage such use, including an assessment of any activities of the manufacturers that may appeal to children and may promote such use;

(4) examine the adequacy and effect of Federal, State and local laws to prevent such use; and

(5) develop recommendations on the policies that should be established by public and private entities in order to reduce such use.

SEC. 403. MEMBERSHIP.

(a) COMPOSITION.—

(1) IN GENERAL.—The Commission shall be composed of 19 members. Of such members—

(A) 5 shall be ex officio members designated in accordance with subsection (b);

(B) 4 shall be members of the Congress designated in accordance with subsection (c); and

(C) 10 shall be appointed in accordance with subsection (d) from among individuals who are not officers or employees of the Federal Government.

(2) VOTING MEMBERS.—Each member of the Commission shall be a voting member.

(b) EX OFFICIO MEMBERS.—The following officials shall serve as ex officio members of the Commission:

(1) The Secretary.

(2) The Surgeon General of the Public Health Service.

(3) The Director of the Centers for Disease Control.

(4) The Director of the Office of National Drug Control Policy.

(5) The Chairman of the Federal Trade Commission.

(c) CONGRESSIONAL MEMBERS.—The congressional members of the Commission shall be appointed as follows:

(1) The Speaker of the House of Representatives shall appoint 2 members from the Members of the House, after consideration of

the recommendations made by the Majority Leader and the Minority Leader of the House.

(2) The President Pro Tempore shall appoint 2 members from among the Members of the Senate, after consideration of the recommendations made by the Majority Leader and the Minority Leader of the Senate.

(d) APPOINTED MEMBERS.—The appointed members of the Commission shall be appointed by the Secretary, and shall be individuals who are specially qualified to serve as members of the Commission by virtue of the education, training, or experience of the individuals.

(e) TERMS.—

(1) IN GENERAL.—Each Member shall be appointed for the life of the Commission.

(2) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(f) BASIC PAY.—Members shall serve without pay.

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

(h) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(i) CHAIR.—The Secretary shall serve as the chair of the Commission.

(j) MEETINGS.—The Commission shall meet at the call of the Chairperson or a majority of its members.

SEC. 404. STAFF AND OTHER SUPPORT.

(a) IN GENERAL.—The Secretary shall appoint a director for the Commission. Such director shall be paid at a rate equal to the maximum rate of basic pay payable for GS-18 of the General Schedule under section 5332 of title 5, United States Code. The Secretary shall provide to the Commission such other staff, and such information and other assistance (including quarters, and experts and consultants) as may be necessary to carry out the duties of the Commission.

(b) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(c) STAFF OF FEDERAL AGENCIES.—Upon request of the Secretary, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of the agency to the Commission to assist the Commission in carrying out its duties under this Act.

SEC. 405. REPORT.

Not later than 18 months after the date on which the process of establishing the membership of the Commission in accordance with section 403 is completed, the Commission shall submit to the President and the Congress a report describing the findings and recommendations made by the Commission under section 402.

SEC. 406. TERMINATION.

The Commission shall terminate 6 months after the date on which the Commission submits its final report pursuant to section 405.

SEC. 407. DEFINITIONS.

For purposes of this title:

(1) The term "Commission" means the National Commission on Alcohol and Tobacco

Use by Children established under section 401.

(2) The term "Secretary" means the Secretary of Health and Human Services.

TITLE V—MISCELLANEOUS

SEC. 501. PHYSICIANS COMPARABILITY ALLOWANCE.

Section 1003 of the Anti-Drug Abuse Act of 1988 (21 U.S.C. 1502) is amended by adding at the end the following new subsection:

"(f) COMPENSATION OF DEPUTY DIRECTOR FOR DEMAND REDUCTION.—The position of Deputy Director for Demand Reduction, when occupied by a physician, shall be considered a Government physician for purposes of eligibility for the physicians comparability allowance, as defined in section 5948 of title 5, United States Code. For purposes of determining the amount of such allowance, such Deputy Director shall be deemed to have served as a Government physician for more than twenty-four months, and the amount necessary to deal with the recruitment and retention problem for such position shall be deemed to be \$20,000."

SEC. 502. SUBSTANCE ABUSE AMONG EMPLOYEES OF SMALL BUSINESSES.

Subpart 2 of part F of title V of the Public Health Service Act, as added by section 211 of this Act, is amended by adding at the end the following new section:

"SEC. 578. TREATMENT SERVICES FOR EMPLOYEES OF SMALL BUSINESSES.

"(a) IN GENERAL.—The Secretary may make grants to public and nonprofit private entities for the purpose of carrying out programs to assist business organizations that have 500 or fewer employees with the costs of providing to the employees of the organizations, and the families of the employees, prevention and treatment services regarding the abuse of alcohol and drugs (including counseling on interacting with individuals who engage in such abuse).

"(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out subsection (a), there is authorized to be appropriated \$3,000,000 for each of the fiscal years 1992 through 1994."

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the rule, the gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Virginia [Mr. BILEY] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation presently under consideration.

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

There was no objection.

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

Mr. Speaker, I am pleased to present to the House H.R. 3698. The purpose of H.R. 3698 is to revise and extend expiring substance abuse and mental health programs of the Alcohol, Drug Abuse and Mental Health Administration [ADAMHA].

The legislation includes provisions to:

First, establish separate State block grants for community mental health and substance abuse services;

Second, establish a program of financial assistance to trauma centers severely impacted by drug-related violence;

Third, authorize a program of demonstration grants to improve treatment of severely disturbed children and adolescents;

Fourth, establish an Office of Rural Mental Health within the National Institute of Mental Health;

Fifth, revise the allocation formula for community mental health service block grant funds to more accurately reflect the incidence of mental illness between States;

Sixth, strengthen accountability for State substance abuse block grant funds through preparation of State treatment plans;

Seventh, establish the Office for Treatment Improvement as an agency of ADAMHA;

Eighth, require States receiving substance abuse block grant funds to enact a law establishing 18 as the minimum age of sale for tobacco products;

Ninth, incorporate into substance abuse prevention programs strategies for reducing the use of tobacco products by underage youth; and

Tenth, establish a new Substance Abuse Treatment Capacity Expansion Program.

Existing categorical grant programs reauthorized by the legislation include: High-risk youth substance abuse prevention grants, community partnership substance prevention grants, pregnant and postpartum women substance abuse programs, substance abuse treatment demonstrations of national significance, substance abuse treatment waiting list reduction grants, National Institute on Alcohol Abuse and Alcoholism research, National Institute on Drug Abuse [NIDA] research, and small instrumentation grants for alcohol, drug abuse, and mental health research.

A new authorization of appropriations is provided for biomedical and behavioral research at the National Institute of Mental Health [NIMH].

Mr. Speaker, H.R. 3698 is critical to strengthening Federal drug and alcohol abuse demand reduction programs. Central to achieving this goal is revision of the Federal block grant program to bolster program accountability and assure fairness in the allocation of funds between States. The committee believes that the Alcohol, Drug Abuse and Mental Health Services block grant [ADMS] no longer provides an effective means of meeting the public health crisis which drug and alcohol abuse represent.

Mr. Speaker, there has been much talk about the drug crisis in this country—and the crisis it creates for the criminal justice system, for our law en-

forcement officials, in our schools, and at our border. Drug abuse touches peoples' lives in every city and every State—and it destroys them.

As chairman of the Subcommittee on Health and the Environment I submit to you that this crisis is a health crisis as well. Victims of the war on the streets overwhelm the doctors and nurses in our trauma centers. Drug-addicted women give birth to addicted babies and send infant mortality rates soaring. Inadequate numbers of treatment programs doom thousands of children to painful drug withdrawals in the cradle and a lifelong battle with disability.

The President's national drug control strategy has laid out the need for improved and expanded drug treatment programs. The President has asked for more drug treatment slots. He told the States to coordinate their services and better plan how they will spend their money. He asked for resources targeted at pregnant women to protect their babies and to get them off drugs.

Mr. Speaker, I note that the legislation contains changes from the committee-reported bill which reduce authorization levels to make the legislation more acceptable to the minority.

Mr. Speaker, I urge support for the legislation.

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

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

Mr. Speaker, despite significant strides that have been made in the reduction of illicit drug abuse, many problems associated with substance abuse still remain. Among the problems that continue to plague the country:

Each year an estimated 375,000 babies are born exposed to cocaine and other drugs;

Fetal alcohol syndrome [FAS] affects as many as 1 to 3 infants per 1,000 live births;

Nearly 50 percent of Federal prison inmates and 75 percent of State prison inmates have used drugs. In major cities, as many as 80 percent of those surveyed who were arrested for serious crimes tested positive for drug use;

IV drug use now accounts for almost a third of the people infected with AIDS and is the primary cause of transmission of AIDS to newborns. Over half of the heterosexuals infected with HIV have contracted the virus through sex with an IV drug user.

These few statistics demonstrate the need for an effective program of substance abuse treatment. In light of this, I am pleased that a compromise could be reached on the reauthorization of the Alcohol, Drug Abuse and Mental Health Administration [ADAMHA].

One of the major objections that the minority has had with this bill is that H.R. 3698 placed a number of onerous

set-asides, earmarks, and taps on the block grant to fund new categorical programs. This shifting of moneys from the block grant to set-asides and categorical grant programs significantly reduces the flexibility of States to address the critical needs of their populations. It takes the initiative away from local people who have the best grasp of their local environments and shifts it to Federal bureaucrats.

To increase State flexibility in administering the block grant we have made the following compromises with the majority:

First, the permanent 2-percent tap on the substance abuse block grant to fund the pregnant and postpartum women grant program has been limited to 2 years;

Second, the 25-percent tap on the substance abuse block grant for programs for pregnant women will end in 1995;

Third, the tap on the substance abuse block grant for small employers will become a stand alone categorical grant program;

Fourth, the \$40 million waiting list reduction program has been dropped; and

Fifth, services and evaluation research will now become a permissible use of funds for the research component of both the mental health and substance abuse block grants.

Also, I am pleased to state that we have been able to compromise on the overall funding levels of this bill. For fiscal year 1993, the bipartisan compromise reduces authorization levels compared to the full committee bill by \$310 million. And for the 3-year authorization period of the bill authorization limits have been reduced by \$705 million.

Finally, I am pleased that at full committee we were able to work out a compromise regarding tobacco use by underage youth. This compromise discourages tobacco use by underage youth by requiring that States receiving substance abuse block grant funds enact a law prohibiting the sale or distribution of tobacco products to those under the age of 18. States will be required to enforce such laws in a manner that can reasonably be expected to reduce the extent to which tobacco products are available to underage youths.

Mr. Speaker, I ask my colleagues to support this bill.

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

Mr. WAXMAN. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. COLEMAN], and, in so doing, I want to acknowledge his contribution to this legislation with regard to the trauma centers that are part of the bill.

Mr. COLEMAN of Texas. Mr. Speaker, I thank the gentleman from California for yielding this time to me, and I rise today to thank the chairman, Mr.

WAXMAN, for his support of efforts by myself and my colleague, Mr. LOWERY, to provide Federal assistance for trauma centers that are struggling under the additional burden of providing care for undocumented persons. Many of these hospitals, including R.E. Thomason General Hospital in El Paso are already in crisis as they attempt to deal with the effects of increased drug and gang-related violence, and the increasing number of uninsured. But that crisis has been worsened by the Federal Government, which has asked these hospitals to also provide trauma care to undocumented persons in our country as a result of the Federal Government's immigration policy. That is unfair; the taxpayers of El Paso County and San Diego should not have to shoulder the burden of this Federal policy alone.

In 1985, Thomason Hospital in El Paso was placed under a court order that forbid them from asking any questions to determine whether patients who came into the emergency room were U.S. citizens. The lawsuit behind this court order has recently been settled, but Thomason Hospital is still understandably reluctant to serve as an agent of the immigration service. Despite this lack of hard numbers, however, some estimates place the number of Thomason patients who are undocumented as high as 20 percent. Thomason Hospital continues to fulfill its mission: to serve the medically needy residents of El Paso County. It fulfills that mission as best it can, by using its limited resources to provide desperately needed care, not by asking questions to collect immigration data. I support that mission, and I am pleased to see that the Federal Government is finally going to shoulder a part of its responsibility and play its role in supporting that mission as well.

□ 1350

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise today in support of H.R. 3698, the Community Mental Health and Substance Abuse Services Improvement Act.

I would like to commend the distinguished chairman of the Health Subcommittee, the gentleman from California [Mr. WAXMAN], for introducing this important measure, and the distinguished chairman of the Energy and Commerce Committee, the gentleman from Michigan [Mr. DINGELL] and the ranking minority member, the gentleman from New York [Mr. LENT] and the gentleman from Virginia [Mr. BLILEY], the acting ranking minority member for their efforts in bringing this important issue to the floor.

H.R. 3698 reauthorizes the Alcohol, Drug Abuse and Mental Health Administration [ADAMHA]. ADAMHA provides services for the chronically men-

tally ill, severely mentally disturbed children and adolescents, and mentally ill senior citizens through grant programs.

Additional grants are allocated for prevention, treatment, and rehabilitation programs and other activities to deal with alcohol and drug abuse.

Mr. Speaker, substance abuse and mental illness are matters of great concern to our Nation. The drug scourge has claimed countless victims; our citizens are being caught in the drug dealers crossfire, substance abuse addicts are dying of overdoses, and innocent babies born addicted to crack cocaine are dying only after a few short days of life. A recent household survey indicates that 37 percent of Americans aged 12 and older have used one or more illicit drugs in their lifetimes. In addition, nearly 18 million aged 18 and older have problems related to alcohol abuse and alcoholism. Obviously there is a critical need for the rehabilitation and treatment programs provided by ADAMHA as part of our Nation's drug control strategy.

ADAMHA's services in caring for those afflicted with mental illness are also critical. The National Institute of Mental Health [NIMH] estimates that more than 1 percent of the adult population of the United States have serious mental illnesses, such as schizophrenia, severe forms of depression, psychosis, dementia, and others. In order for these individuals to maintain productive lives they must be given proper and adequate treatment.

Mr. Speaker, it is vital that the Alcohol Drug Abuse and Mental Health Administration be reauthorized. Accordingly, I urge the full support of this measure by my colleagues.

Mr. WAXMAN. Mr. Speaker, I yield 3 minutes to my friend and colleague and fellow Californian, the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I rise in support of H.R. 3698, the Community Mental Health and Substance Abuse Services Improvement Act, especially the provisions to improve the Nation's mental health system. I am particularly pleased to speak on behalf of the Children's and Communities' Mental Health Systems Improvement Act, which I originally introduced with the support of my colleagues—both Democrats and Republicans alike.

I want to thank Mr. WAXMAN, chairman of the Subcommittee on Health and the Environment for his continued and determined support and leadership on behalf of children, and for incorporating this bill into the very important legislation we are considering today. I also want to thank the National Mental Health Association for its leadership in the development of this legislation on behalf of children and youth with mental health problems.

SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES DOCUMENTS LACK OF APPROPRIATE SERVICES FOR MILLIONS OF EMOTIONALLY TROUBLED YOUTH

The history of the Select Committee on Children, Youth, and Families, which I formerly chaired, has been to take on the issues no one else wanted—the significant, yet unspoken concerns about our most vulnerable youth and their families. Perhaps the most disturbing issue that emerged was the dismal lack of attention paid to emotionally troubled children.

Despite years of silence about children with mental health problems, their presence is not unfamiliar. We know them as children who are too aggressive or too withdrawn, who have learning problems in school, or who will get into trouble with the law. Now we know that for many children these are not just passing phases of childhood, but serious mental health problems that will persist into adulthood.

But even when families seek guidance or needed services, there are few places to turn. The select committee, in its investigation of child welfare, juvenile justice, and mental health systems, found that economic and social trends are fueling a collapse in children's services.

The state of children's mental health services in particular is a national disgrace. As many as 80 percent of the 7 to 9 million children with emotional disturbances get inappropriate mental health services, or no services at all.

OFFICE OF TECHNOLOGY ASSESSMENT CONFIRMS CHILDREN UNSERVED OR TOO OFTEN PLACED IN INAPPROPRIATE PSYCHIATRIC HOSPITALS

The report on adolescent health released last year by the Congressional Office of Technology Assessment found that as many as one out of five adolescents experience diagnosable mental disorders, and that while many do not get any treatment at all, psychiatric hospitalization of teens has been escalating.

SELECT COMMITTEE DOCUMENTS CHILDREN WITH MENTAL HEALTH PROBLEMS LOST IN CHILD WELFARE, EDUCATION, MENTAL HEALTH, AND JUVENILE JUSTICE SYSTEMS

When treatment options are absent, a vast number of youth are placed out-of-home in foster care or wind up in the juvenile justice system—often lost in a system that can't even track them, let alone treat them.

At a hearing of the Select Committee on Children, Youth, and Families on children's mental health services, this issue was brought home by Governor Wilder of Virginia, who testified that these children:

*** bounce from agency to agency; from foster home to group home to institution; and from funding stream to funding stream. They are often defined by the system whose door they happen to enter: a welfare child, a juvenile justice child, a school system child, or a mental health child *** but these children are often the same child.

Virginia identified 14,000 names of children in the child welfare, mental

health, education, and juvenile justice systems. These 14,000 names, however, represented only 4,993 children, because the same children were being shuffled from one agency to another without appropriate followup.

COMPREHENSIVE, COMMUNITY-BASED SYSTEMS WORK AND SAVE MONEY BUT THEY ARE FEW AND UNDERSUPPORTED

Most tragic is the scarcity of community-based, family intervention services, which remain few and undersupported. In California, as many as 1 million children may have serious mental health problems, but as few as 6 percent receive mental health services in the State's public programs.

Despite the lack of services in California, there is a model that provides evidence that community-based services are successful and save money. The California model system of care was developed during the mid-1980's in Ventura County. As a result of State legislation, the model has been disseminated to three additional California counties—San Mateo, Santa Cruz, and Riverside.

The California model is designed to create service plans and case management procedures that serve adolescents with severe emotional disorders. These plans seek to integrate services related to mental health care, social services, education, and juvenile justice.

Data from the three demonstration counties in the California model indicate that placement in group homes and private hospitals declined significantly. Based on the cost-savings generated by these counties, the State of California might have saved \$171 million over 2 years in the cost of group homes alone, had the entire State adopted the model.

We also received testimony about two demonstration efforts in North Carolina which are developing community based services for children with mental health problems. The first provides a full continuum of child mental health services with an emphasis on alternatives to inpatient and residential treatment for children in military families. During Operation Desert Storm, even at the height of demand for services, the availability of community based alternatives resulted in declining hospitalizations.

The second, a Robert Wood Johnson Foundation demonstration project in rural North Carolina, is proving that even when the population is sparse and distances are great, it is possible to successfully coordinate and tailor mental health and related services for emotionally troubled youth.

Such efforts, however, are few and far between. Across the Nation, limited and overloaded mental health systems are serving only the most seriously ill youth. The alternatives for the rest are most costly and inappropriate institutionalization, foster care, or residential placements that only exacerbate the problem.

Barbara Huff, the parent of a child with a serious mental health problem and also the organizer of the first parent support group in Kansas, testified about the severe emotional and financial stress that her family has experienced, and the lack of treatment options and supportive services. She described the anguish of being told that she had to relinquish custody of her child in order to obtain State funded services.

Another parent, Dixie Jordan, told the committee:

For many of us * * * the choice exists between denying a child needed mental health treatment * * * or sending the child to a hospital or institutional setting for treatment, recognizing that the psychic trauma from separation from family and familiar surroundings may be more damaging than the original problem.

As a native American, Ms. Jordan told the committee that children who are ethnically, linguistically, culturally, or racially different are frequently overidentified or underidentified as having a serious emotional disorder. In Minnesota, native American children are overrepresented by 300 percent in special education programs for children with emotional or behavioral problems according to Jordan.

Today, I was joined by my colleagues Mrs. SCHROEDER and Senator INOUE in releasing a report, "State of Native American Youth Health," prepared by the adolescent health program at the University of Minnesota in conjunction with the Indian Health Service. Interviews with over 14,000 American Indian and Alaskan Native youths across the country found that they experience significant mental health problems. While about 6 percent reported very significant levels of emotional distress, 21 percent of females, and 12 percent of males reported ever having attempted suicide. Over half of these youth had attempted suicide more than once.

FEDERAL RESPONSE TO DATE LIMITED

The Federal response has been virtually no response at all. The current Alcohol, Drug and Mental Health Services block grant provides only token resources for seriously ill children. The National Institute of Mental Health has shifted its emphasis from direct services and improved State coordination to more and better research. Scientific inquiry is important, but without improved and expanded services, we won't keep troubled youth out of jail or adult psychiatric wards.

That is why I am especially pleased, Mr. Speaker, that the Children's and Communities' Mental Health Systems Improvement Act has been incorporated into the bill under consideration today. This legislation builds on the successful models I discussed earlier and would establish a program of grants to States and other political subdivisions on a matching basis to provide community based, comprehen-

sive mental health services to children and youth with severe emotional disturbances.

Given the unique and often neglected problems of native American youth and their families, I am very gratified that this bill will permit Indian tribes to be suitable grant applicants. As Dixie Jordan informed the Select Committee, "culturally appropriate services" and the need for cultural sensitivity when identifying and diagnosing children need more than lip service. And family and community involvement in setting the context is critical if minority children are to receive appropriate diagnoses and services. For native American children who live on reservations, their families and their communities are in the best position to determine appropriate treatments.

CONCLUSION

A major achievement of the select committee, of which I am most proud, was in bringing these issues out into the open. For too long, the stigma of emotional disturbance prevented many parents from seeking help.

This legislation represents an important first step. And it will be a good first step, because there are model programs out there that work to build on. But this new grant program will need to become the framework on which we develop a system of comprehensive, community based mental health services around the country—not just in Ventura County or in North Carolina—but in every community where there is a need.

I urge my colleagues to support this bill, Mr. Speaker, so that with our continued vigilance on behalf of children with emotional disturbances, families who now seek help will be able to find it.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I rise in support of H.R. 3698, the Community Mental Health and Substance Abuse Services Improvement Act, legislation to replace the current Alcohol, Drug Abuse, and Mental Health Services block grant with two separate block grants, one for Substance Abuse Services and one for Mental Health Services. Our investment in the war on drugs has had a negative impact on mental health funding; the separate block grants are intended to correct the funding disparities that have developed.

I am particularly pleased that the legislation includes a provision to provide for residential substance abuse treatment for pregnant women, a bill introduced by my friend and colleague, Congressman DURBIN; I am an original cosponsor of the legislation.

The failure to provide residential treatment has had a tragic impact on our Nation. We are experiencing an epidemic of drug-exposed infants. An esti-

mated 375,000 drug-affected babies are born every year, many with serious medical problems. The cost of providing medical treatment and foster care for these children is far greater than the cost of residential substance abuse treatment for pregnant women. Hospital care for drug-affected newborns alone totaled \$121 million in Maryland in 1989. The cost of providing hospital and foster care services through age 5 for the 9,000 cocaine-exposed children in only eight major cities in 1989 totaled \$500 million. This cost does not include special education programs and services needed after the age of 5.

And yet, two-thirds of the hospitals surveyed in 1989 by the Select Committee on Children, Youth, and Families reported that they had no place to refer pregnant addicts for treatment. This bill authorizes grants for residential treatment, providing these women with the services needed to regain control over their lives, and preventing damage to their children. Society would benefit from the contributions of these women and their children, and we would avoid the enormous costs of caring for addicted infants.

H.R. 3698 also reauthorizes a number of demonstration projects to fund innovative programs of treatment and outreach that are critical in our efforts to prevent the spread of HIV disease, as well as to provide substance abuse treatment where it is most needed. This demonstration project funding has been one of the only means of reaching women at high risk of contracting HIV. This program must be supported and expanded.

Mr. Speaker, I commend Chairman WAXMAN and the members of the subcommittee for their efforts, and I urge my colleagues to join me in supporting this legislation.

□ 1400

Mr. WAXMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. SYNAR], a very important member of the subcommittee who has made an important contribution to this legislation.

Mr. SYNAR. Mr. Speaker, alcohol and drug use is a serious problem in our country. Abusers of these substances account for a substantial amount of the violent crime. Until we treat drug and alcohol addictions, we will be fighting a losing battle against the war on drugs and the violence spawned by drug use. This bill gives our States resources to help those in need of treatment.

This bill deserves support for another very critical reason. Every day 3,000 teenagers try a product that contains an addicting drug. This is not harmless experimentation as some would suggest. Use of this product leads to a lifelong addiction that is responsible for over 400,000 deaths each year. The product? Tobacco. In 1982 the U.S. Public

Health Service concluded that cigarette smoking is the most widespread example of drug dependence in this country.

Tobacco use is a serious health threat. The U.S. Surgeon General reports that people over age 25 who ever smoked will incur total lifetime medical care costs of \$501 billion. The estimated average lifetime medical costs for a smoker exceed those for a non-smoker by over \$6,000.

It is also a contributing factor to illicit drug use. Children who try cigarettes are at greater risk of experimenting with other marijuana and crack cocaine according to the presidentially appointed National Commission on Drug-Free Schools, among others who have studied this problem.

H.R. 3698 takes important steps in the fight to eliminate tobacco use among adolescents. It requires every State to enact laws prohibiting the sale of tobacco products to youths under 18. More importantly, it requires that these laws be enforced—something that is not being done today. Finally, the bill requires that drug education and prevention programs teach young people about the dangers of tobacco and alcohol use. Such action is necessary to counter the suggestive and misleading messages youth receive through tobacco industry advertising campaigns.

Mr. Speaker, with these remarks I commend this report, congratulate the gentleman from California [Mr. WAXMAN] and the gentleman from Virginia [Mr. BLILEY] for their outstanding work, and ask Members to support H.R. 3698.

Mr. BLILEY. Mr. Speaker, I wish to thank the gentleman from Oklahoma [Mr. SYNAR] for his kind words.

Mr. WAXMAN. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from Virginia [Mr. MORAN] to speak on this legislation.

Mr. Speaker, I wish to acknowledge the enormous contribution to the legislation of the gentleman from Virginia. We have labored over this bill for some years, and in a previous Congress we heard from the mayor of Alexandria, who is now a colleague of ours. At that time he urged upon us a provision of this bill, which at this time is incorporated in the legislation, a national drug treatment demonstration for the National Capital Area.

Mr. MORAN. Mr. Speaker, I wish to thank the gentleman from California [Mr. WAXMAN] very much for those kind words, but it is we who are now and have attempted to govern the localities throughout this country that have been beset by the problem of substance abuse who must acknowledge and thank the gentleman for his leadership and hard work for several years. We know that we can come to the gentleman from California [Mr. WAXMAN], and in fact the gentleman would re-

spond with the type of bill that we have today.

Mr. Speaker, I would like to thank the competent and diligent committee staff, as well as the ranking minority member of the committee, the gentleman from Virginia [Mr. BLILEY].

Mr. Speaker, I obviously rise in support of H.R. 3698 today, because it is a terribly important bill.

Among many other programs, H.R. 3698 would specifically fund the establishment of a model program in the Washington metropolitan region for providing comprehensive treatment services for substance abuse.

The committee has aptly chosen Washington, DC for this demonstration project because the substance abuse problem here is so acute. The Washington metropolitan region greatly exceeds national averages of incidence of both alcohol use and drug abuse. Conservative estimates for the number of DC residents needing drug and alcohol treatment, using federally approved formulas, are 62,191 and 328,000 respectively. This great demand for services has overwhelmed the ability of local government to provide drug and alcohol treatment and, as a result, a majority of residents in the area must wait more than 4 weeks to be admitted to a treatment program.

Mr. Speaker, the first and most important thing that has to happen after somebody has become addicted to drugs is they have to make that decision within themselves that they are going to break the habit. They have to be willing to go to treatment. If they are forced into treatment or they go without a commitment, that treatment is not going to work. What we are seeing is that in the District of Columbia if a person makes that decision to seek that treatment, they then have to wait a month before we can provide that treatment. If we cannot respond to people when they need help and when they are willing to accept treatment, we lose the opportunity and the situation just becomes exacerbated. That is what is happening throughout this country.

The legislation being considered today would greatly assuage this problem by establishing a model treatment program in the Washington metropolitan area. Such a program would ensure, to the extent practical, that all individuals seeking drug and alcohol abuse treatment can be provided with this important service. By also providing education and employment assistance for patients, this program would go a long way toward ending the cycle of unemployment and limited opportunities that often cause individuals to fall into substance abuse.

The Washington metropolitan region greatly needs this program as the entire Nation needs the other provisions contained in this important bill. I urge my colleagues to join me in passing this terribly important bill.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. POSHARD].

□ 1410

Mr. POSHARD. Mr. Speaker, I rise in strong support of H.R. 3698, the Community Mental Health and Substance Abuse Services Improvement Act. While all the components of the bill are vitally needed, I am especially pleased that the bill contains the provisions of my bill, H.R. 2237, to establish an Office of Rural Mental Health within the National Institute of Mental Health. It authorizes a new program of rural mental health demonstration grants which will initiate methods of delivering basic mental health outreach services to rural Americans, a concept that is long overdue for millions of people who most often must suffer in silence because of the alarming lack of such health benefits.

In southern Illinois, the vast majority of residents are nowhere near a community mental health center, and many of them are a long drive from even the nearest hospital. Unfortunately, many people see mental health as separate and less important than physical care, so mental health services are the first to be cut when budget reductions are considered.

My interest in rural mental health began a number of years ago when hundreds of farm families began losing their farms—devastating circumstances to those whose land had been held for generations. However, independence and self-reliance are admirable traits of farmers and rural populations in general, so that there remains a stigma attached to the need and acceptance of mental and emotional help. Because of this very real pain rural citizens have been suffering, several residents of my district established the Farm Resource Center. That program provides rural residents with stress management services, outreach counseling and operates a toll-free hotline that offers counseling and referral services. Programs like the Farm Resource Center are indispensable in assisting our rural citizens and H.R. 3698 recognizes this critical need. Hopefully, with more mental health outreach programs, the sometimes overwhelming problems our rural residents face can be alleviated and resolved without ending in tragedy.

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

Mr. Speaker, the bill before us is the work of the Subcommittee on Health and the Environment. The members of that subcommittee deserve credit for this legislation, as do others who have offered their own bills on various aspects of this legislation, which are incorporated in the bill before us.

I want to single out the gentleman from Virginia [Mr. BLILEY] for the very constructive way that he worked with

us to overcome the differences which were really not all that significant but required some discussion in this legislation.

I want to also thank the staff people who worked on it, Rip Forbes, who has worked on this legislation for a number of years, along with Howard Cohen, representing the minority.

Mr. WYDEN. Mr. Speaker, the cost of substance abuse in the workplace has been estimated to be as high as \$140 billion a year in lost productivity.

The national drug strategy over 4 years ago named the drug-free workplace as a top priority in its blueprint for the multibillion-dollar per year Federal war on drugs.

After a lengthy investigation last year, my Subcommittee on Regulation, Business Opportunities and Energy found that Federal support for reducing drug abuse in our Nation's small businesses is mere cheerleading. Substance abuse in small businesses is a health care problem of forest fire proportions, but the Federal Government is doing far too little in response.

For small businesses, the result of this neglect is inescapable; for workers who abuse drugs, America's small businesses are becoming the employers of last resort.

This legislation, H.R. 3968, the Community Mental Health and Substance Abuse Services Act, contains a modest, but potentially dynamic provision that will provide small businesses with a much needed boost toward establishing effective and humane drug-free workplace policies.

This provision would establish a \$3 million grant program for States to apply toward the creation of innovative projects for small businesses to educate their employees about the dangers of drug abuse and help find treatment for workers who are abusing drugs.

According to drug treatment and labor-management experts, big businesses have gotten very good at screening out drug-abusing applicants. Those drug-troubled workers are falling into the ranks of small business. The fact is that if millions of these workers cannot get help in the small business sector, they will not get help at all.

In many cases, the small business owners, trying to meet a payroll are forced to deal simultaneously with the shrapnel of the drug war: overdoses, alcoholism, and suicide. Other business owners, justifiably concerned over the workplace safety hazards presented by drug abusers have adopted a "find 'em and fire 'em" policy, which mean additional hidden costs, such as higher unemployment insurance, lost production time, and greater employee training expenses.

Two out of three substance abusers in this Nation have jobs, and well over half of our work force is in the small business sector. Yet less than .0002 percent of the administration's drug war budget goes for direct assistance, demand reduction programs targeted to the workplace.

This legislation is a modest step in the right direction for bringing the national priority of a drug-free society to millions of workers employed by small businesses.

Mr. LOWERY of California. Mr. Speaker, I would like to take this opportunity to thank the

manager, Mr. WAXMAN, for working with me on incorporating my bill, H.R. 4285, the Trauma Care Center Alien Compensation Act of 1992, into the pending measure before the House today. I am also glad that he agrees with me that the Federal Government should shoulder its share of the burden that the undocumented alien population is placing on our Nation's trauma care centers. Along those lines, I extend my thanks to the gentleman from Texas [Mr. COLEMAN] for not only being an original cosponsor of my measure, but helping me raise the awareness in the Congress of this problem which has existed for quite some time.

I introduced this same measure last Congress with the intention of assisting State and local governments in the maintenance and improvement of regional systems in trauma care. Based upon recent Congressional Budget Office [CBO] estimates of the undocumented alien population and the Census Bureau's estimates of yearly growth in this targeted population, approximately 6 million undocumented aliens and alien workers will be potential users of America's health care systems in 1992. Of the 6 million undocumented aliens present in the country, approximately 1.8 million will utilize some form of health care services available to the population at large, and that 40 percent of the costs incurred will be attributable to emergency medical services.

My legislation establishes a program of formula grants to compensate in whole or in part, certain trauma care centers for unreimbursed costs incurred by treating undocumented aliens. The bill provides for \$50 million in each of fiscal years 1993-96 to trauma care centers which show they incurred at least 15 percent of their unreimbursed trauma care costs from undocumented aliens. Under this provision, trauma care centers must prove that they attempted to track down the patient to recover the costs. But once they have demonstrated to the Secretary of Health and Human Services that a genuine effort at recouping the costs of trauma care provided has been attempted, assistance from the Federal Government will be provided. While the formula may be subject to change, it is estimated that the 15 percent figure will address the most dramatic needs of the various trauma care centers throughout the country enabling them to keep their doors open. I would like to draw the attention of the gentleman from Texas [Mr. COLEMAN] and assure him that while I understand the hospitals in his district may be a bit gun shy from asking general questions regarding resident status, I have been informed by the Government Accounting Office that the list of questions they provided the Congress back in September 1987 are legal and not subject to challenge. I would like to stress that I am not advocating now, nor have I ever, asked trauma care doctors to ask these questions at the time of injury. My philosophy has always been to treat now, and when the patient has been stabilized, ask the questions later.

This problem is not a new one. In 1977, the House Committee on Interstate and Foreign Commerce, and the House Subcommittee on Health and Environment held hearings on five separate pieces of legislation which would have authorized the Public Health Service to provide financial assistance to medical facili-

ties for trauma and medical emergency treatments provided to indigent and undocumented aliens. On September 11, 1985, the House Subcommittee on Immigration, Refugees, and International Law held similar hearings on this exact issue.

I do not think it is necessary for me to stand here on the floor and praise the virtues of trauma centers and the role they play in saving lives. Without immediate treatment, many trauma patients die within the first hour of sustaining their injury. States such as California and Florida have set up trauma network systems to ensure that state-of-the-art surgical services would be available during the critical 60-minute period in which trauma patients must receive medical treatment or quite possibly die. The importance of trauma facilities in saving lives has been proven.

However, the financial viability of trauma centers is under tremendous strain. My legislation is but one response to the plea for Federal assistance from various hospitals and trauma care centers throughout the country. While undocumented aliens are not the sole reason for the untimely closing and financing problems facing many of our Nation's trauma care centers, this segment of our population receives approximately 18 percent of our Nation's uncompensated emergency care.

In September 1987, the GAO issued a report stating that:

[F]or many years undocumented aliens have also been a cause for public concern both because they are violating the law and because of the social problems believed to be associated with their presence.

I am pleased that the Committee on Energy and Commerce found that there is a proper role for the Federal Government to assist State and local governments with the costs of providing uncompensated trauma care to undocumented aliens. The costs of providing emergency medical services to undocumented aliens are increasing the already heavy burden shouldered by county taxpayers. Cities such as San Diego, Los Angeles, Houston, Tucson, Miami, Orlando, El Paso, and Las Cruces are treating a growing number of uninsured, undocumented trauma patients. This is an unfortunate direct result of the Federal Government's inability to control our borders and a failure to implement an effective immigration policy. The closing of over 60 trauma care centers in recent years is clear and convincing evidence to me and the committee that time for Federal assistance is now.

I realize that a larger financial problem exists in the arena of trauma care throughout the Nation. However, it is my belief that a limited measure at this time makes more economic sense in light of today's budget environment. Before I close, I wish to thank the chairman of the Energy and Commerce Committee, Mr. DINGELL; the chairman of the Subcommittee on Health and Environment, Mr. WAXMAN; the ranking member, Mr. LENT, and the members of this distinguished committee for their cooperation. I respectfully urge the House conferees to ensure the integrity and viability of this amendment during the Senate-House conference and look forward to its speedy enactment into law.

Mr. CARDIN. Mr. Speaker, I rise to support H.R. 3698, the Community Mental Health and

Substance Abuse Services Improvement Act. I applaud the efforts of the chairman of the full committee, Mr. DINGELL, and the subcommittee, Mr. WAXMAN.

I note, however, that this bill does not contain a very important provision contained in the Senate counterpart of this bill, S. 1306, the Alcohol, Drug Abuse, and Mental Health Administration Reorganization Act. I strongly urge my colleagues who will serve on the conference committee to accept the Senate position regarding the Medication Development Program.

The Medication Development Program will provide a statutory framework for the administration's ongoing efforts in pharmacotherapy and provide a long-term commitment to drug addiction research which will attract the talent and resources to rid our society of this scourge. Specifically, this program will encourage and promote expanded research programs, investigations, experiments, and studies into the development and use of medications to treat drug addiction. It is also designed to establish more research facilities, as well as reporting on other agencies' activities regarding the development and use of pharmacotherapeutic treatments for drug addiction. This program will also collect, analyze, and distribute pertinent data regarding the development and use of pharmacotherapeutic treatments for drug addiction, and the results of this testing will be published for widespread use. Training will be supported in the fundamental sciences and clinical disciplines related to the pharmacotherapeutic treatment of drug abuse, including training stipends and fellowships. And finally, this program will coordinate the activities conducted under this section with related activities conducted within the related National Institutes and their directors.

Presently, the Medication Development Program is funded at less than one-half the level of similar programs conducted at the National Institute on Allergy and Infectious Disease. Without a long-term funding commitment to this program, we cannot hope to attract the Nation's top medical scientists to the pharmacotherapy field. There are more hardcore cocaine addicts in America today than there were in 1988. Now is the time to stop this life threatening trend, and the Medication Development Program is an excellent first step.

Mr. Speaker, I urge my colleagues to support H.R. 3698 and to accept this vital provision from S. 1306 in conference.

Mr. DURBIN. Mr. Speaker, this bill contains two important provisions that I would like to call attention to. First, the bill revises the demonstration grant program for substance-abusing pregnant and post-partum women to emphasize comprehensive residential treatment services. I would like to thank the chairman of the subcommittee, Mr. WAXMAN, for working with me in the revision of this program.

Second, the bill contains a provision creating a National Commission on Alcohol and Tobacco Use By Children, for which I would like to thank the gentleman from Ohio, Mr. ECK-ART.

Nationwide, 375,000 babies are born each year who were exposed to illegal drugs before birth—1 out of every 10 newborns. According to the inspector general of the Department of

Health and Human Services, the total cost for just eight major cities of providing initial hospital care plus subsequent foster care, special education, and other social services before these children reach age 5, is \$1.5 billion each year.

For many addicted pregnant women, the only effective treatment is a comprehensive program in a residential setting that provides counseling, child care, room and board for the women and their children, and other services. This type of residential program provides the necessary support system to allow the women to stop their drug use and focus on their recovery.

Tragically, pregnant women are among those least likely to receive comprehensive residential treatment. For example, a survey of 78 treatment programs in New York City found that more than half excluded all pregnant women. Of the programs that did accept pregnant women, less than half provided or arranged for prenatal care and only two made provision for the clients' children. None of the programs that provided residential treatment accepted pregnant women addicted to crack.

Similarly, only 18 percent of California's 366 publicly funded drug treatment programs treat women and only 4 percent can accommodate their children.

This bill will provide new hope for addicted pregnant women and drug-exposed infants by establishing a grant program to offer them the opportunity for comprehensive treatment in a residential setting, and allow their children to reside in the facility with them. This grant program and a related prevention program are jointly authorized at a funding level of \$100 million in 1992, \$125 million in 1993, and \$175 million in 1994, plus potential funds from the special drug asset forfeiture fund.

The bill also establishes a National Commission on Alcohol and Tobacco Use By Children. Over the past few years, it has become very apparent that our Nation's cigarette manufacturers rely on our children to replace their customers who die of tobacco-related diseases. Every day, more than 3,000 children take up the tobacco habit for the first time, and 90 percent of new smokers begin smoking before the age of 21.

Since children are not permitted to buy tobacco, it is a tragedy that so many of them choose to use tobacco products. They are too young to make an informed decision, yet the addictive nature of cigarettes makes it difficult for them to give up the habit when they become more knowledgeable about the terrible effects of smoking on their health.

The Commission will investigate this problem; assess the adequacy of Federal, State, and local laws to prevent the use of these products by children; examine the ways that manufacturers either discourage or promote the use of their products by children; and report to Congress on the policies that should be established to reduce that use. I look forward to the deliberations and recommendations of this Commission.

Mr. Speaker, I support this bill and look forward to the enactment of these provisions.

Mr. SHARP. Mr. Speaker, I appreciate my colleague bringing this issue before us today. Mental health and substance abuse treatment needs deserve a prominent place in our discussion of the overall health of our Nation.

In my State of Indiana, the network of mental health and substance abuse providers are working diligently with limited funds to meet the vast need across the State. I am concerned because this legislation proposes an increase in the total authorization but a decrease in funding for my State and others.

This is not the first time the allocation formula has reduced the funding to Indiana and other States. In the past, the size of the program increased at such a rate or there were provisions included so that no State experienced a decline in real funding. That is not the case this year. Reduction in block-grant amounts to Indiana will result in cuts in successful programs. Now is not the time to turn clients away from successful treatment.

I have received a list of particularly valuable programs in Indiana that are threatened by this bill. It includes outreach team services for 300 homeless persons disabled by serious mental illness in Indianapolis, Fort Wayne, Evansville, South Bend, Gary, East Chicago, and Muncie and psychosocial rehabilitation which includes counseling and life skills training for 500 people disabled by serious mental illness in Michigan City, Gary, Anderson, and Richmond.

A provision to hold the funding level to the fiscal year 1991 amount would allow States to continue their current level of services, and any new amounts could be distributed according to the Senate formula. The Senate version of this bill includes a hold harmless to fiscal year 1991, and I strongly support this provision.

Also, I would like to make note a provision that is vital to States that would be adversely affected by the proposed split in the existing block-grant program. The bill allows a State to transfer funding from substance abuse programs to mental health programs or vice versa up to the fiscal year 1991 level of spending for the entire 3-year life of the bill. This will help my State and others that otherwise would lose a substantial portion of mental health funding or substance abuse treatment funding because of the split between the two parts of the existing block grant.

Again, I am pleased to reauthorize these substance abuse treatment and mental health programs. I urge my colleagues to join me in my request for a hold harmless provision to fiscal year 1991 so that an increased authorization does not result in decreased real funding for any State.

Mr. McMILLEN of Maryland. Mr. Speaker, I rise in support of H.R. 3698, the Community Mental Health and Substance Abuse Service Improvement Act of 1991. I applaud the efforts of the chairman of the full Energy Commerce Committee, Mr. DINGELL, and the chairman of the Health and Environment Subcommittee, Mr. WAXMAN.

Although I support the bill as reported from committee, I strongly encourage the conference to consider two provisions contained in the Senate-passed counterpart of this bill, which I believe will allow this country to take great strides in combating the problem of substance abuse addiction.

Specifically, I am asking my colleagues to give serious consideration to accepting the Medication Development Program, and the National Substance Abuse Research Centers which are contained in S. 1306.

The Medication Development Program will provide the long-term commitment necessary to address the serious problem of drug abuse. It will encourage and promote expanded research programs, investigations, experiments, and studies into the development and use of medications to treat drug addiction. It is designed to establish more research facilities necessary for basic research.

The second program that I encourage the conference to consider adopting is the creation of the National Substance Abuse Research Centers. This will allow funding to academic institutions to train predoctoral and postdoctoral students regarding research on substance abuse.

Again, I commend the committee on this excellent bill. I urge my colleagues to consider the benefits of these extremely important drug abuse treatment and research related programs.

Mr. TOWNS. Mr. Speaker, with the passage of H.R. 3698, today, we are taking the first step toward authorizing programs which will support increases in substance abuse treatment programs. This is particularly important for populations like pregnant women who have heretofore been denied access to treatment services. The legislation also recognizes the importance of alcoholism as a serious substance abuse problem and encourages States to train emergency medical personnel in the provision of appropriate services to the mentally ill.

In addition, the amendment language to permit a patent extension for the drug, Ansaid, will restore market exclusivity for a drug which has the potential to assist patients with various kinds of inflammatory ailments. In 1982, the Upjohn Co. had every reason to believe that they would be able to receive FDA approval for marketing Ansaid within a 2-year period. At that time, the average approval time was approximately 2 years for this type of drug. Because Upjohn did not receive approval until 1988, it has lost a large measure of the exclusive marketing period that it had relied on to recoup its investment in the development and research of Ansaid.

In general, every effort should be made to ensure that companies can rely on a reasonable mechanism for obtaining a return on their research and development dollars. Today's legislation restores some measure of confidence for those drug companies who are relying on a timely FDA approval process to protect their investments.

Mr. THOMAS of Wyoming. Mr. Speaker, I rise in support for reauthorization of the alcohol, drug abuse, and mental health services block grant. The program adds another level of defense to our communities as they continue the fight against drug abuse with treatment and prevention.

I especially want to thank Chairman WAXMAN and ranking minority member, Mr. DANNEMEYER, for including my bill, the rural drug abuse amendment, into H.R. 3698. The amendment provides local agencies with the authority to design their own substance abuse programs—a necessary step since they sit on the frontline and need this flexibility. Currently, States must spend 50 percent of their drug abuse block grant funds on intravenous needle use and my amendment reduces that

mandate to 25 percent to meet the needs of rural States.

While this particular set-aside was successfully reduced, it wouldn't be fair to rural areas to ignore the other burdensome programs added to H.R. 3698. The increased micro-management of this bill, coupled by the urban-weighted formula, doesn't enhance basic treatment centers commonly found in rural States, like Wyoming.

It's a recognized fact that rural practitioners must be generalists and services must be generic. Rural areas simply don't have the population to justify a specialized approach, and I hope this will be given serious consideration by the House and Senate conferees.

Mr. SANDERS. Mr. Speaker, I am very concerned about some changes being made as part of the reauthorization of the Alcohol, Drug Abuse, and Mental Health Services block grant, H.R. 3698, which we are dealing with today under suspension of the rules. It is my understanding that the committee replaced the Alcohol, Drug Abuse, and Mental Health Services block grant with two new grant programs in an effort to reflect the different at-risk groups receiving funding. I also understand that the impact of the war on drugs has resulted in many States choosing substance abuse over mental health in terms of funding, and the separate block grants are seen as a way to guarantee that certain dollars are spent on mental health.

In Vermont, however, this is not the case. The State of Vermont has not deprived mental health of needed dollars but has funded mental health and substance abuse equally. In fact, Vermont is a leader in the country in reforming and restructuring both its child and adult mental health systems. So while I appreciate the total amount of dollars allocated to Vermont in the combined grant programs, splitting the grant program in two will be very injurious to mental health programs in Vermont. Vermont's mental health funding will be slashed by 71 percent, from \$2,010,718 to \$646,445. A vital component of this legislation will allow the Governors a 3-year discretionary period, in which they can determine the proportions of the dollars going to these two block grant programs. This 3-year period is not only essential in the case of Vermont, but I would ask that the conference committee consider making this discretionary period indefinite.

I would also ask that the conference reconsider an aspect of the bill that will force States to cut community services to both adults and children in order to create funding for the Child Mental Health Competitiveness Program. As the State of Vermont Agency for Human Services has correctly pointed out, by asking the States to finance the Child Mental Health Program through current State allocations we are truly robbing Peter to pay Paul.

Mr. RANGEL. Mr. Speaker, I rise in support of H.R. 3698, the Community Mental Health and Substance Abuse Services Improvement Act, although I do so with some reservations.

This bill would reauthorize important drug abuse prevention programs administered by the Alcohol, Drug Abuse and Mental Health Administration [ADAMHA] in the Department of Health and Human Services. The authorization for many of these programs expired at the end of fiscal year 1991.

Drug abuse continues to exact an enormous toll on our Nation. Although some studies indicate that casual drug use may be declining, we have yet to make any inroads in reducing serious and addictive drug use which are responsible for the most costly consequences of the drug scourge. In fact, current surveys show that serious drug abuse is up, and these surveys often leave out those groups most likely to be experiencing the highest rates of drug use—the homeless, the unemployed, runaways, school dropouts, and criminal offenders. I can think of no other social problem in our country today that is so tied to the wholesale disintegration of families and communities in cities and towns across our Nation as drug abuse. We are witnessing an explosion in the number of children—the future of our country—who are born exposed to cocaine and other harmful drugs. Drug abuse is fueling the AIDS epidemic and also plays a major role in the spread of tuberculosis, a disease we thought we had conquered, and other infectious diseases. The increase in drug overdoses and drug-related injuries, violence, and medical problems is overburdening the Nation's emergency medical services and straining a public health care system that is already deteriorating in the face of the AIDS epidemic and the medical demands of 37 million uninsured and 100 million underinsured Americans. Jurisdictions throughout the country report sharp increases in rates of child abuse and neglect and spousal abuse cases related to drugs. Richard Darman, the director of the President's Office of Management and Budget, estimates that drug abuse costs our society \$300 billion a year in terms of lost revenues, lost productivity, and increased governmental spending for prisons, law enforcement, health care, welfare, and other services.

No where is the impact of drug abuse more severe than in my city and my State, New York. Roughly, half of the heroin addicts in the United States reside in New York. In the city, the addict population, including intravenous [IV] and non-IV users, is estimated to be between 500,000 and 600,000. At least 14,000 babies are born to addicted mothers in New York City each year, and substance abuse is a contributing, if not the primary, factor in 25 percent of all child abuse and neglect cases in the city. Up to 80 percent of the city's large and growing homeless population have a substance abuse problem, an estimated 140,000 of 12 to 17-year-olds abuse drugs, 50 to 60 percent of the IV drug users in New York are already infected with the AIDS virus and an additional 200,000–300,000 non-IV users, especially crack addicts, are at high risk for acquiring AIDS because of high-risk sexual behavior as a result of sex-for-drugs transactions. Unemployment in New York remains well above the national average, an estimated 14 percent of the city's population is receiving public assistance, and the rate of tuberculosis in New York City is five times the national average and growing. The drug abuse problem in New York City is strongly associated with each of these problems, sometimes as cause, sometimes as effect.

For these reasons, I am pleased that H.R. 3698 would continue a number of important programs to meet critical substance abuse needs including block grants to States; sub-

stance abuse treatment programs for pregnant and post partum women; a variety of treatment demonstration projects targeted to special needs such as crisis cities, high-risk populations, outreach to IV drug users at risk of AIDS, treatment campuses, and treatment linked to primary health care and vocational training; community partnership prevention grants; programs for high-risk youth; prisons treatment programs; and funding for drug abuse research and training activities.

In addition, H.R. 3698 incorporates a number of other provisions requested by the administration to implement its national drug control strategy. The bill includes a State maintenance of effort requirement for the substance abuse block grant and a new requirement for statewide treatment and prevention plans to increase the States' accountability for use of block grant funds. These provisions are not controversial and have passed the House several times in the past only to get bogged down because they were attached to other, highly controversial measures. The bill also authorizes a new treatment capacity expansion program requested by the administration last year and authorizes \$68 million for this initiative in fiscal year 1992, \$70 million for 1993, and \$72 million for 1994. This program is also not controversial but Congress was not able to act on the administration's request last year in time for the program to be considered for full funding. With the need for substance abuse treatment far exceeding available capacity, I hope this program will be authorized in time for the Appropriations Committee to fully fund it this year.

This bill also authorizes a new grant program to help defray the uncompensated costs incurred by trauma centers for care provided to victims of drug-related violence, a measure I have supported for years, and it establishes a new program of Federal grants to provide services to children of substance abusers.

While I support much of what is in the bill, I do have a number of concerns about some of its provisions. The bill replaces the existing Alcohol, Drug Abuse and Mental Health Services [ADMS] block grant with two separate block grants: The substance Abuse Prevention and Treatment block grant and the Community Mental Health Services block grant. As a result of this split, the proportion of Federal funds going to support substance abuse and mental health services in New York will shift. Mental health services will receive an increase of about \$10 million, while substance abuse services will receive a corresponding cut of about \$10 million. I recognize the need for more attention to mental health needs, but I am concerned that an arbitrary shift of \$10 million will severely undermine substance abuse services at a time when serious substance abuse problems in New York are destroying whole communities and segments of the State's population. H.R. 3698 allows States to shift funds between the two new block grants for up to 3 years to offset losses in substance abuse or mental health as a result of splitting the current block grant. But, with States throughout the country, including New York, facing severe budget constraints, I am concerned that this transitional authority will not be enough to prevent severe degradation of substance abuse services in New York.

Moreover, new set-asides and other requirements in the substance abuse block grant will further restrict the State's flexibility to tailor substance abuse services to meet identified needs.

In addition, the new substance abuse block grant in H.R. 3698 fails to retain the current ban that prohibits States from using ADMS block grant funds for needle exchange programs. I am extremely concerned about this omission for a number of reasons. First, there is no evidence that needle exchange programs reduce the incidence of HIV infection. Some recent studies, such as the New Haven needle exchange project reported last summer, claim that needle exchange programs can reduce the spread of AIDS. I have asked GAO for an independent evaluation of such claims to see if there is anything new that would warrant a reconsideration of Federal policy. At this time, however, I remain opposed to any Federal plan or program that would give drug users the tools to continue to injecting drugs and exposing them to all the attendant risks, not just of AIDS, but overdoses, death, and other serious health and social problems. The policy change incorporated in this bill is premature.

Moreover, I strongly object to the notion that Federal funds provided for drug treatment could be diverted to needle exchange programs. At a time when treatment capacity is woefully inadequate to meet the need for drug treatment services, I am appalled that Federal drug treatment dollars might be used to encourage some drug users to continue injecting drugs while addicts who desperately need and want treatment to stop using drugs are being turned away. Our Nation would be better served, and public health better protected, by making effective, comprehensive drug treatment available for all who need and want it than by squandering our scarce Federal treatment resources on ill-conceived needle exchange programs.

Notwithstanding my concerns, I urge Members to support H.R. 3698. Authorization of these important substance abuse programs has been delayed long enough. The Senate has already passed an ADAMHA reauthorization bill. It is time we sent this bill to conference so that the differences between the House and Senate can be ironed out. I am hopeful that the conference report will address the concerns I have raised in a more satisfactory fashion than the current House bill.

Mr. SMITH of Florida. Mr. Speaker, I support H.R. 3698, but I do so with reservations.

According to the Florida Department of Health and Rehabilitative Services, the new funding formula in the bill will reduce Florida's funds by more than \$1.2 million. Floridians needing alcohol, drug abuse, and mental health services will be unable to receive assistance if the funding formula is changed.

I hope that the conference committee will be able to achieve a more reasonable and equitable allocation formula that at least minimizes the adverse impact H.R. 3698 would have on Florida. It simply is not fair to reduce funds when the local need is increasing. This hardly is the way to combat the war against drug abuse.

Nevertheless, H.R. 3698 contains many needed and admirable initiatives that must be

funded. I, therefore, commend the committee for its efforts.

Mr. FORD of Michigan. Mr. Speaker, I rise in general support of H.R. 3698, the Community Mental Health and Substance Abuse Services Improvement Act. I do so, however, with reservations concerning its potential impact on certain programs authorized by, and within the jurisdiction of, the Committee on Education and Labor. These concerns regard the impact of the new "grants for services for children of substance abusers" added to the Public Health Services Act by section 241 of the bill on programs serving children with disabilities and other children with special education needs. These concerns have been the subject of several staff discussions. I have outlined them in a letter I have sent to the chairman of the Committee on Energy and Commerce, the Hon. JOHN DINGELL and which I now enter into the RECORD.

The letter basically reflects our understanding that the inclusion of this program does not, in any way, alter or affect the services to be provided, the beneficiaries eligible, or the funds otherwise available under programs authorized by the Committee on Education and Labor. It also clarifies that programs and services not required under such programs, but deemed necessary to meet the requirements of this new act, would be funded by grants received pursuant to this new authority. Further, no public authority will, by virtue of receipt of a grant under this new program, be required to change programs under the jurisdiction of the Committee on Education and Labor to provide services not otherwise required.

I have been assured that such is the intent of the bill, and this understanding is reflected in the portion of the committee's report explaining section 241 of the bill.

COMMITTEE ON EDUCATION AND LABOR,
Washington, DC, March 24, 1992.
Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce,
U.S. House of Representatives, Washington,
DC.

DEAR MR. CHAIRMAN: I am writing concerning H.R. 3698, the Community Mental Health and Substance Abuse Services Improvement Act of 1991, which was ordered reported recently by the Committee on Energy and Commerce.

During the full committee mark-up, an amendment was adopted which would amend title III of the Public Health Service Act by adding a new Part M relating to grants for services for children of substance abusers (SFC program). This amendment raises two concerns.

First, the amendment could be construed to require the provision of direct and related services not now mandated for eligible children and families. In some cases these services would be drawn from programs under the jurisdiction of the Committee on Education and Labor, and this would reduce the funds otherwise available under those programs.

Second, the amendment (new section 399D(b)(1) and (2)) requires, as a condition of receiving a grant, the provision of services to a new class of eligible recipients, essentially at-risk children. It is probable that the bulk of these services would be provided under Part H of the Individuals With Disabilities Education Act, which would otherwise be potentially reducing funds available under that program.

Based on discussions between our staffs, it is my understanding the Committee on Energy and Commerce does not intend the creation of this new program to affect, in any way, the services provided, beneficiaries eligible, or funds otherwise available under programs under the jurisdiction of the Committee on Education and Labor. To the extent a grantee under the proposed SFC program determines that a service not required under a program under the jurisdiction of the Committee on Education and Labor is necessary, the funds for that service shall be provided by the SFC program. Finally, the fact that a public entity receives a SFC program grant does not require that public entity to provide services under programs under the jurisdiction of the Committee on Education and Labor if those services are otherwise discretionary.

If the above accurately reflects the understandings reached by our staffs, I would appreciate your confirming this understanding. Thank you for your cooperation and assistance.

With kind regards,
Sincerely,

WILLIAM D. FORD,
Chairman.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. COOPER). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 3698, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1306) to amend title V of the Public Health Service Act to revise and extend certain programs, to restructure the Alcohol, Drug Abuse and Mental Health Administration, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1306

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "Alcohol, Drug Abuse, and Mental Health Administration Reorganization Act of 1991".

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

- Sec. 1. Short title; table of contents.
Sec. 2. References.

TITLE I—ADMINISTRATION AND INSTITUTES

Subtitle A—Restructuring

Sec. 101. Restructuring.

"PART A—ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

"Subpart 1—Establishment and General Duties

"Sec. 501. Alcohol, Drug Abuse and Mental Health Services Administration.

"Sec. 502. General duties and activities with respect to substance abuse and mental health.

"Subpart 2—Substance Abuse Prevention and Treatment Programs and Mental Health Services

"Sec. 505. Substance abuse prevention and treatment projects for high risk youth.

"Sec. 506. Projects for reducing the incidence of substance abuse among pregnant and postpartum women and their children.

"Sec. 507. Treatment projects of national significance.

"Sec. 508. Grants for substance abuse treatment in state and local criminal justice systems.

"Sec. 509. Treatment and prevention services training.

"Sec. 510. Substance abuse treatment capacity expansion program.

"Sec. 511. Other services programs.

"Sec. 512. Community partnership grants.

"Sec. 513. Establishment of grant program for demonstration projects.

"Subpart 3—Administrative Provisions

"Sec. 515. Advisory council.

"Sec. 516. Peer review for services grants.

"Sec. 517. Applications and Native American governing units.

"Sec. 518. Procedures for misconduct.

"Sec. 519. Experts and consultants.

"Sec. 520. Office for special populations.

"Sec. 520A. Office of women's health services.

Sec. 102. National Institutes.

"Subpart 14—National Institutes on Alcohol Abuse and Alcoholism, on Drug Abuse and of Mental Health

"CHAPTER 1—ESTABLISHMENT AND GENERAL DUTIES

"Sec. 464I. National Institute on Alcohol Abuse and Alcoholism.

"Sec. 464J. National Institute on Drug Abuse.

"Sec. 464K. National Institute of Mental Health.

"CHAPTER 2—RESEARCH PROGRAMS

"Sec. 464L. Mental health and substance abuse research.

"Sec. 464M. National mental health and substance abuse education programs.

"Sec. 464N. National substance abuse research centers.

"Sec. 464O. Medication development program.

Subtitle B—Miscellaneous Provisions

Sec. 111. Miscellaneous provisions.

"PART C—MISCELLANEOUS PROVISIONS RELATING TO SUBSTANCE ABUSE AND MENTAL HEALTH

"Sec. 541. Technical assistance to state and local agencies.

"Sec. 542. Substance abuse among government and other employees.

"Sec. 543. Admission of substance abusers to private and public hospitals and outpatient facilities.

"Sec. 544. Confidentiality of records.

"Sec. 545. Data collection.

"Sec. 546. Public health emergencies.

- Subtitle C—Transfer Provisions
- Sec. 121. Transfers.
- Sec. 122. Delegation and assignment.
- Sec. 123. Transfer and allocations of appropriations and personnel.
- Sec. 124. Incidental transfers.
- Sec. 125. Effect on personnel.
- Sec. 126. Savings provisions.
- Sec. 127. Separability.
- Sec. 128. Transition.
- Sec. 129. References.

- Subtitle D—Conforming Amendments
- Sec. 131. Conforming amendments.
- Sec. 132. Additional conforming amendments.

- Subtitle E—Miscellaneous provisions
- Sec. 141. Alternative sources of funding for certain grantees.
- Sec. 142. Peer review.
- Sec. 143. Budgetary authority.
- Sec. 144. Substance abuse training and research.
- Sec. 145. Mental Health Services.
- Sec. 146. Grants for certain trauma centers.
- Sec. 147. Drug salvager compensation program.
- Sec. 148. Sense of the Senate concerning certain reporting requirements.

TITLE II—REAUTHORIZATION AND IMPROVEMENT OF ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICE BLOCK GRANT PROGRAM

- Sec. 201. Reauthorization of block grant.
- Sec. 202. Revision of block grant formula.
- Sec. 203. Use of unobligated funds by States.
- Sec. 204. Revision of intravenous drug set-aside.
- Sec. 205. Use of allotments.
- Sec. 206. Maintenance of effort.
- Sec. 207. Requirement of statewide substance abuse prevention and treatment plans.
- Sec. 208. Repeals.
- Sec. 209. Technical amendment.

TITLE III—CHILDREN OF SUBSTANCE ABUSERS

- Sec. 301. Short title.
- Sec. 302. Findings and purposes.
- Subtitle A—Services for Children of Substance Abusers
- Sec. 311. Services.
- Subtitle B—Grants for Home-Visiting Services for At-Risk Families
- Sec. 321. Short title.
- Sec. 322. Grants for home-visiting services for at-risk families.

TITLE IV—CHILDHOOD MENTAL HEALTH

- Sec. 401. Short title.
- Sec. 402. Purpose.
- Sec. 403. Establishment of program of grants to States with respect to comprehensive mental health services for children with serious emotional disturbance.

TITLE V—STUDIES

- Sec. 501. Study on private sector development of pharmacotherapeutics.
- Sec. 502. Study on medications review process reform.
- Sec. 503. Sense of Congress.
- Sec. 504. Report by the Institute on Medicine.
- Sec. 505. Definition of serious mental illness.
- Sec. 506. Provision of mental health services to individuals in correctional facilities.
- Sec. 507. Study of barriers to treatment coverage.

- Sec. 508. Report on fetal alcohol syndrome.
- Sec. 509. Report on research.

SEC. 2. REFERENCES.

Except as otherwise provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 201 et seq.).

TITLE I—ADMINISTRATION AND INSTITUTES

Subtitle A—Restructuring

SEC. 101. RESTRUCTURING.

Title V (42 U.S.C. 290aa et seq.) is amended—

- (1) by redesignating parts C through E as parts B through D, respectively; and
- (2) by striking out parts A and B and inserting in lieu thereof the following new part:

“PART A—ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION
“Subpart 1—Establishment and General Duties

“SEC. 501. ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION.

“(a) ESTABLISHMENT.—There is hereby established, as an agency of the Service, the Alcohol, Drug Abuse and Mental Health Services Administration.

“(b) ADMINISTRATOR, ASSOCIATE ADMINISTRATORS AND OTHER ENTITIES.—

“(1) ADMINISTRATOR.—The Alcohol, Drug Abuse and Mental Health Services Administration shall be headed by an Administrator (hereinafter in this title referred to as the ‘Administrator’) who shall be appointed by the President by and with the advice and consent of the Senate.

“(2) ASSOCIATE ADMINISTRATORS FOR SUBSTANCE ABUSE AND FOR MENTAL HEALTH.—The Administrator with the approval of the Secretary, shall appoint an Associate Administrator for Substance Abuse and an Associate Administrator for Mental Health.

“(3) OTHER ENTITIES.—The Administrator with the approval of the Secretary, may establish and prescribe the functions of such offices and entities within the Administration as are necessary to administer the activities to be carried out through the Administration, including the establishment of an Office for Substance Abuse Prevention, an Office for Treatment Improvement, an Office for Mental Health Services and an Office for Evaluations and Statistics.

“(c) COMPREHENSIVE PROGRAM.—The Administrator shall establish and implement a comprehensive program to improve the provision of treatment, rehabilitation, and related services to individuals with substance abuse and mental illness and emotional disorders, improve prevention, promote mental health and protect the legal rights of individuals with mental illnesses and individuals who are substance abusers. The Administrator shall carry out the administrative and financial management, policy development and planning, evaluation, knowledge development, and public information functions that are required for the implementation of such program.

“(d) GRANTS FOR SERVICES.—

“(1) PURPOSE.—It is the purpose of the program established under this subsection to support the provision of substance abuse treatment, rehabilitation, prevention, and related services, to encourage others to provide such services and to further the application of knowledge to meet prevention, rehabilitation, treatment, and other related serv-

ice needs. All programs conducted under this subsection shall include focus, to the extent appropriate, on both the mental health and substance abuse needs of the individuals to be served.

“(2) ESTABLISHMENT.—The Secretary, acting through the Administrator, shall establish and implement a program to award grants to, and enter into cooperative agreements and contracts with, public and non-profit private entities for the conduct, promotion, and coordination of demonstration projects, evaluation and service system assessments, and other activities relative to the provision of treatment, rehabilitation, prevention, and related services.

“(e) EMPLOYEES.—The Administrator, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees as are necessary to administer the programs and authorities to be carried out through the Administration.

“(f) OTHER SERVICES.—The Administrator may accept voluntary and uncompensated services.

“(g) PARTICIPATION.—The programs to be carried out through the Administration shall be administered so as to encourage the broadest possible involvement of professionals, paraprofessionals, and other knowledgeable participants.

“(h) PEER REVIEW GROUPS AND ADVISORY COMMITTEES.—The Administrator shall, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, establish such technical and scientific peer review groups as are needed to carry out the requirements of section 516, establish program advisory committees pursuant to section 515, and pay members of such groups and committees, except that officers and employees of the United States shall not receive additional compensation for services as members of such groups or committees. The Federal Advisory Committee Act shall not apply to the duration of a peer review group appointed under this subsection.

“SEC. 502. GENERAL DUTIES AND ACTIVITIES WITH RESPECT TO SUBSTANCE ABUSE AND MENTAL HEALTH.

“(a) DEFINITION.—For purposes of this section, the term ‘treatment, rehabilitation, prevention, and related services’ means primary prevention services, treatment of substance abuse, mental illness, or emotional disorders and services to rehabilitate persons with mental or substance abuse disorders, to promote mental health and improve individual functioning, and to assure needed care and support.

“(b) DUTIES.—The Administrator shall—
“(1) engage in activities that will support the improvement and provision of, and encourage others to provide treatment, rehabilitation, prevention, and related services, including the development of national mental health and substance abuse goals;

“(2) conduct activities to obtain and provide data and other information with respect to programs that provide treatment, rehabilitation, prevention, and related services;

“(3) collaborate with the appropriate Directors of the institutes of the National Institutes of Health to assure that research programs are conducted by such institutes with appropriate information obtained and maintained with the knowledge and experience of service programs under this title, and to assure that knowledge developed through research programs is appropriately applied through service programs;

"(4) in cooperation with the Centers for Disease Control, the Health Resource Services Administration and the National Institute on Drug Abuse, develop educational materials and intervention strategies to reduce the risks of acquired immune deficiency syndrome among intravenous drug abusers, and to develop appropriate mental health services for individuals with such disease;

"(5) conduct training, technical assistance, data collection, and evaluation activities with respect to programs that provide treatment and prevention services;

"(6) collaborate with the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health to promote and conduct evaluations of the process, outcomes, and community impact of treatment and prevention services and systems of services in order to identify the manner in which such services can most effectively be provided;

"(7) collaborate with the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health to promote and conduct the dissemination and implementation of research findings that will improve the delivery and effectiveness of treatment and prevention services;

"(8) collaborate with the National Institute on Aging to promote and evaluate mental health services for older Americans in need of such services through resource centers for long term care as authorized in section 412 of the Older Americans Act;

"(9) engage in activities to encourage the adoption of, and provide technical assistance to student assistance programs and employee assistance programs, especially those associated with small business;

"(10) in consultation with the States and provider associations, carry out activities to educate communities on the need for providing treatment and prevention services within such communities;

"(11) engage in activities to encourage public and private entities that provide health insurance to provide benefits for treatment, rehabilitation, and prevention services;

"(12) promote the increased integration of treatment, rehabilitation, and prevention services into the mainstream of the health care system of the United States;

"(13) develop and disseminate guidelines on the financing, organization and provision of treatment and prevention services;

"(14) establish a clearinghouse for substance abuse and mental health information to assure the widespread dissemination of such information to States, political subdivisions, educational agencies and institutions, treatment and prevention service providers, and the general public;

"(15) administer the block grant program authorized in section 1911, and the programs authorized in sections 1916B, 1924 and 1928;

"(16) carry out the programs established in sections 505 to 513, and the program established in part D, and in administering such programs, assure that—

"(A) all grants that are awarded for the provision of services are subject to performance and outcome evaluation studies; and

"(B) all grants awarded to entities other than States are awarded only after consultation with the appropriate State agency;

"(17) prepare and submit an annual report to the Secretary and the appropriate committees of Congress describing and assessing the collaborative activities conducted with the National Institutes of Health;

"(18) promote the coordination of service programs conducted by the Administration and similar programs conducted by other departments, agencies, organizations, and individuals that are or may be related to the problems of individuals suffering from mental illnesses and substance abuse, including liaisons with the Social Security Administration, Health Care Financing Administration, and other programs of the Department, as well as liaisons with the Department of Education, Department of Justice, and other Federal Departments and offices as appropriate;

"(19) promote policies and programs at Federal, State, and local levels and in the private sector that foster independence and protect the legal rights of persons disabled by mental illness or substance abuse, including carrying out the provisions of the Protection and Advocacy of Mentally Ill Individuals Act (42 U.S.C. 10801 et seq.);

"(20) carry out the program of Projects to Aid the Transition from Homelessness and demonstration programs for persons who are homeless, as authorized under the Stewart B. McKinney Homeless Assistance Act;

"(21) carry out responsibilities for the Human Resource Development program, and programs of clinical training for professional and paraprofessional personnel; and

"(22) conduct services-related assessments, including evaluations of the organization and financing of care, self-help and consumer-run programs, mental health economics, mental health service systems, rural mental health, and improve the capacity of State to conduct evaluations of publicly funded mental health programs.

"(c) GRANTS AND CONTRACTS.—The Administrator may make grants and enter into contracts and cooperative agreements in carrying out the activities described in subsection (b).

"(d) APPLICATIONS.—Applications for grants under this part shall be in such form, shall contain such information, and shall be submitted at such time as the Secretary may prescribe.

"(e) EQUITABLE DISTRIBUTION.—To the extent feasible, the Secretary in awarding grants under this part, shall award such grants in all regions of the United States, and shall ensure the distribution of grants under this part among urban and rural areas.

"(f) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated \$150,000,000 for fiscal year 1992 and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"Subpart 2—Substance Abuse Prevention and Treatment Programs and Mental Health Services

"SEC. 505. SUBSTANCE ABUSE PREVENTION AND TREATMENT PROJECTS FOR HIGH RISK YOUTH.

"(a) AUTHORITY.—The Secretary, acting through the Administrator, shall make grants to public and nonprofit private entities for projects to prevent and treat substance abuse among youth at high risk of substance abuse.

"(b) PRIORITY.—

"(1) CHILDREN.—In making grants for substance abuse prevention projects under this section, the Secretary shall give priority to applications for projects directed at children of substance abusers, latchkey children, children at risk of abuse or neglect, preschool children eligible for services under the Head Start Act, children at risk of dropping out of school, children at risk of becoming adolescent parents, children placed in foster care

or at risk of such placement, and children who do not attend school and who are at risk of being unemployed.

"(2) PROJECTS ADDRESSING CERTAIN RELATIONSHIPS.—In making grants for substance abuse treatment projects under this section, the Secretary shall give priority to projects which address the relationship between substance abuse and physical child abuse, sexual child abuse, emotional child abuse, dropping out of school, unemployment, delinquency, pregnancy, violence, suicide, or mental health problems.

"(3) COMMUNITY BASED ORGANIZATIONS.—In making grants under this section, the Secretary shall give priority to applications from community based organizations for projects with comprehensive coordinated services for the prevention or treatment of substance abuse by high risk youth that may be replicated.

"(c) APPLICATION.—In order to receive a grant for a project under this section for a fiscal year, a public or nonprofit private entity shall submit an application to the Secretary.

"(d) YOUTH AT HIGH RISK OF SUBSTANCE ABUSE.—For purposes of this section, the term 'youth at high risk of substance abuse' means an individual who has not attained the age of 21 years, who is at high risk of becoming, or who has become, a substance abuser, and who—

"(1) is identified as a child of a substance abuser;

"(2) is a victim of physical, sexual, or psychological abuse;

"(3) has dropped out of school;

"(4) has become pregnant;

"(5) is economically disadvantaged;

"(6) has committed a violent or delinquent act;

"(7) has experienced mental health problems;

"(8) has attempted suicide;

"(9) has experienced long-term physical pain due to injury; or

"(10) has experienced chronic failure in school.

"(e) LIMITATION.—Programs which receive assistance under this section shall not promote or encourage homosexual or heterosexual sexual activity programs receiving assistance under this section are intended to reduce substance abuse among all youth at risk of substance abuse; however, no youth shall be deemed at risk of substance abuse solely on the basis of the youth's sexual behavior.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$75,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"SEC. 506. PROJECTS FOR REDUCING THE INCIDENCE OF SUBSTANCE ABUSE AMONG PREGNANT AND POSTPARTUM WOMEN AND THEIR CHILDREN.

"(a) GRANTS.—The Secretary, acting through the Administrator, shall make grants to public and nonprofit private entities for the purpose of carrying out projects to provide to pregnant and postpartum women and their children prevention, education, and treatment services regarding substance abuse.

"(b) PRIORITY.—

"(1) IN GENERAL.—In making grants under subsection (a), the Secretary shall give priority to any qualified applicant that agrees to provide treatment services.

"(2) FURTHER PRIORITY.—

"(A) NUMBER OF SERVICES PROVIDED.—In the case of any applicant for a grant under

subsection (a) that is receiving priority under paragraph (1), the Administrator shall give further priority to the applicant commensurate with the number of different services described in subparagraph (B) that will be provided through the applicant and commensurate with the quality of such services. For purposes of the preceding sentence, such services may be provided directly by the applicant or through arrangements with other public or nonprofit private entities.

"(B) SERVICES.—The services referred to in subparagraph (A) are—

"(i) outreach services in the community involved to encourage women who are abusing alcohol or drugs to undergo treatment for such abuse;

"(ii) primary health care, including prenatal and postpartum health care for women who are undergoing treatment for such abuse;

"(iii) for the children of such women, pediatric health care and comprehensive social services;

"(iv) child care, transportation, and other support services regarding such treatment;

"(v) as appropriate, referrals to facilities for necessary hospital services;

"(vi) employment counseling;

"(vii) counseling on parenting skills and nutrition;

"(viii) appropriate follow-up services to assist in preventing relapses;

"(ix) case management services, including assistance in establishing eligibility for assistance under Federal, State, and local programs providing health services, mental health services, or social services;

"(x) reasonable efforts to preserve and support the family unit, including promoting the appropriate involvement of parents and others, and counseling the children of women receiving services pursuant to this subsection; and

"(xi) housing in the course of treatment under circumstances that permit the children of the women to reside with their mothers.

"(c) ACCESSIBILITY AND LANGUAGE CONTEXT.—The Administrator may not make a grant under subsection (a) unless the applicant for the grant agrees, with respect to the services provided pursuant to subsection (a), to—

"(1) provide services at locations accessible to low-income pregnant and postpartum women;

"(2) provide services in the cultural context that is most appropriate; and

"(3) ensure that individuals providing services are able to effectively communicate with the women and their children, directly or through interpreters.

"(d) HEALTH SERVICE COVERED BY STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT.—

"(1) REQUIREMENT.—Subject to paragraph (2), the Administrator may not make a grant under subsection (a) unless, in the case of any health service under subsection (b)(2)(B) that is covered by the State plan approved under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) for the State in which the service will be provided—

"(A) the applicant for the grant will provide the health service directly, and the applicant has entered into a participation agreement under the State plan and is qualified to receive payments under such plan; or

"(B) the applicant for the grant has entered into a contract with an entity under which the entity will provide the health service, and the entity has entered into such a participation agreement and is qualified to receive such payments.

"(2) WAIVER REGARDING PARTICIPATION AGREEMENTS.—

"(A) NO CHARGE OR REIMBURSEMENT.—In the case of an entity making an agreement under paragraph (1)(B) regarding the provision of health services under subsection (a), the requirement established in such paragraph regarding a participation agreement shall be waived by the Secretary if the organization does not, in providing health services, impose a charge or accept reimbursement available from any third-party payor, including reimbursement under any insurance policy or under any Federal or State health benefits program.

"(B) DETERMINATION.—A determination by the Secretary of whether an entity referred to in subparagraph (A) meets the criteria for a waiver under such subparagraph shall be made without regard to whether the organization accepts voluntary donations regarding the provision of services to the public.

"(e) IMPOSITION OF CHARGES.—The Administrator may not make a grant under subsection (a) unless the applicant for the grant agrees that, if a charge is imposed for the provision of services or activities under the grant, such charge—

"(1) will be made according to a schedule of charges that is made available to the public;

"(2) will be adjusted to reflect the income and resources of the woman involved; and

"(3) will not be imposed on any woman with an income of less than 100 percent of the official poverty line, as established by the Director of the Office for Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)).

"(f) REQUIREMENT OF NON-FEDERAL CONTRIBUTIONS.—

"(1) IN GENERAL.—The Administrator may not make a grant under subsection (a) unless the applicant for the grant agrees, with respect to the costs to be incurred by the applicant in carrying out the purpose described in such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than—

"(A) \$1 for each \$9 of Federal funds provided for each of the first 5 years of payments under the grant; and

"(B) \$1 for each \$3 of Federal funds provided in any subsequent year of such payments if the grant is renewed pursuant to subsection (h).

"(2) TYPE OF CONTRIBUTION.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(g) LIMITATIONS AND WAIVER.—

"(1) LIMITATIONS.—The Administrator may not, except as provided in paragraph (2), make a grant under subsection (a) unless the applicant for the grant agrees that the grant will not be expended—

"(A) to provide inpatient services, except with respect to residential treatment for alcohol and drug abuse provided in settings other than hospitals;

"(B) to make cash payments to intended recipients of services under the program involved;

"(C) to purchase real property or major medical equipment; or

"(D) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(2) WAIVER.—If the Administrator finds that the purpose of the program involved cannot otherwise be carried out, the Director may, with respect to an otherwise qualified grantee, waive the restriction established in paragraph (1)(C).

"(h) PAYMENTS.—The period during which payments are made by the Administrator under a grant under subsection (a) may not exceed 5 years, but the Administrator may renew the grant.

"(i) COLLABORATION WITH OTHER FEDERAL AGENCIES AND WITH STATES.—The Administrator shall collaborate with all other relevant Federal agencies on issues relating to maternal substance abuse, including relevant institutes within the National Institutes of Health, the Bureau of Maternal and Child Health and Health Resources Development, the Indian Health Service, the Bureau of Indian Affairs, the Bureau of Health Care Delivery and Assistance, and the Administration for Children and Families. Such collaboration may be accomplished through the establishment of interagency task forces, as appropriate. The Administration shall collaborate with the States to ensure that grants awarded under this section are coordinated with other treatment efforts undertaken within each State.

"(j) NONDISCRIMINATION.—The Secretary may not, in the awarding of grants under subsection (a), discriminate against applicants that propose or provide residential or outpatient treatment to substance abusing pregnant and postpartum women that receive treatment by order of a court or other appropriate public agency, subject to the availability of qualified applicants.

"(k) ANNUAL REPORTS.—The Administrator may not make a grant under subsection (a) unless the applicant for the grant agrees—

"(1) to include in the report the number of women served, the number of children served, the utilization rates, and the type and costs of services provided to women and their children; and

"(2) to include in the report such other information as the Secretary determines to be appropriate; and

"(3) to prepare the report in such form, and to submit the report at such time and in such manner, as the Secretary determines to be necessary.

"(l) REPORT.—Not later than October 1, 1993 and every 3 years thereafter, the Administrator shall submit to the appropriate committees of Congress a report describing programs carried out pursuant to this section.

"(m) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this section, \$75,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"(2) RESIDENTIAL TREATMENT.—Of the amounts appropriated in each fiscal year under paragraph (1), the Secretary shall make available not less than \$10,000,000 in each such fiscal year to award grants for the establishment of projects in which addicted mothers in residential drug abuse treatment facilities are permitted to have their children reside with them during the course of such treatment, or in which residential services are provided for mothers and their children while the mother participates in outpatient drug abuse treatment.

"(n) DEFINITION.—For purposes of this section, the term 'post-partum' means the 12-month period following the delivery of a child.

"SEC. 507. TREATMENT PROJECTS OF NATIONAL SIGNIFICANCE.

"(a) GRANTS FOR TREATMENT IMPROVEMENT.—The Administrator shall award grants to public and nonprofit private entities for the purpose of establishing projects that will improve the provision of substance abuse treatment services.

"(b) NATURE OF PROJECTS.—Grants under subsection (a) may be awarded for—

"(1) projects that focus on providing treatment to adolescents, minorities, female addicts and their children, the residents of public housing projects, or substance abusers in rural areas;

"(2) projects that provide substance abuse treatment and vocational training in exchange for public service;

"(3) projects that provide treatment services and which are operated by public and nonprofit private entities receiving grants under section 329, 330 or 340;

"(4) projects that provide substance abuse treatment to women with children in the setting in which such children receive primary pediatric care or in which such women receive primary health care;

"(5) 'treatment campus' projects that—
"(A) serve a significant number of individuals simultaneously;

"(B) provide residential drug treatment;

"(C) provide patients with ancillary social services and referrals to community-based aftercare, including psychosocial rehabilitation, peer support and group homes; and

"(D) provide services on a voluntary basis; or

"(6) projects to determine the long-term efficacy of the projects described in this section.

"(c) PREFERENCES IN MAKING GRANTS.—In awarding grants under subsection (a), the Administrator shall give preference to projects that—

"(1) demonstrate a comprehensive approach to the problems associated with substance abuse and provide evidence of broad community involvement and support; or

"(2) initiate and expand programs for the provision of treatment services (including renovation of facilities, but not construction) in localities in which, and among populations for which, there is a public health crisis as a result of the inadequate availability of such services.

"(d) DURATION OF GRANTS.—Projects funded under subsection (a) shall be for a period of at least 3 years, but in no event to exceed 5 years, and may be renewed after competitive application.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$50,000,000 for fiscal year 1992, and such sums as may be necessary in each of the fiscal years 1993 and 1994.

"SEC. 508. GRANTS FOR SUBSTANCE ABUSE TREATMENT IN STATE AND LOCAL CRIMINAL JUSTICE SYSTEMS.

"(a) IN GENERAL.—The Secretary, acting through the Administrator, shall establish a program to provide grants to public and nonprofit private entities that provide drug and alcohol treatment services to individuals under criminal justice supervision.

"(b) ELIGIBILITY.—In awarding grants under subsection (a), the Administrator shall ensure that the grants are reasonably distributed among—

"(1) projects that provide treatment services to individuals who are incarcerated in prisons, jails, or community correctional settings; and

"(2) projects that provide treatment services to individuals who are not incarcerated, but who are under criminal justice super-

vision because of their status as pretrial releasees, post-trial releasees, probationers, parolees, or supervised releasees.

"(c) PRIORITY.—In awarding grants under subsection (a), the Administrator shall give priority to programs commensurate with the extent to which such programs provide, directly or in conjunction with other public or private nonprofit entities, one or more of the following—

"(1) a continuum of offender management services as individuals enter, proceed through, and leave the criminal justice system, including identification and assessment, drug and alcohol treatment, pre-release counseling and pre-release referrals with respect to housing, employment and treatment;

"(2) comprehensive treatment services for juvenile offenders;

"(3) comprehensive treatment services for female offenders, including related services such as violence counseling, parenting and child development classes, and perinatal care;

"(4) outreach services to identify individuals under criminal justice supervision who would benefit from substance abuse treatment and to encourage such individuals to seek treatment; or

"(5) treatment services that function as an alternative to incarceration for appropriate categories of offenders or that otherwise enable individuals to remain under criminal justice supervision in the least restrictive setting consistent with public safety.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$50,000,000 for fiscal year 1992, and such sums as may be necessary in each of the fiscal years 1993 and 1994.

"SEC. 509. TREATMENT AND PREVENTION SERVICES TRAINING.

"(a) IN GENERAL.—The Secretary, acting through the Administrator, shall develop programs to increase the number of substance abuse treatment and prevention providers and the number of health professionals providing treatment and prevention services as a component of primary health care. Such programs shall include the awarding of grants, contracts or cooperative agreements to appropriate public and nonprofit private entities, including agencies of State and local governments, provider associations, hospitals, schools of medicine, schools of osteopathic medicine, schools of nursing, schools of public health, schools of chiropractic services, schools of social work, graduate programs in family therapy, and graduate programs in clinical psychology.

"(b) USE OF AMOUNTS.—Amounts awarded under subsection (a) shall be utilized to—

"(1) train individuals in the diagnosis, treatment and prevention of substance abuse; and

"(2) to develop appropriate curricula and materials for the training described in paragraph (1);

"(c) PRIORITY.—In awarding grants under subsection (a), the Administrator shall give priority to applicants that train full-time substance abuse treatment providers.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$50,000,000 for fiscal year 1992, and such sums as may be necessary in each of the fiscal years 1993 and 1994.

"SEC. 510. SUBSTANCE ABUSE TREATMENT CAPACITY EXPANSION PROGRAM.

"(a) CAPACITY EXPANSION PROJECTS.—

"(1) ESTABLISHMENT.—The Secretary, acting through the Administrator, shall award grants to States for the purpose of assisting

such States to expand their substance abuse treatment capacity.

"(2) STATE ELIGIBILITY.—The Secretary shall award grants under paragraph (1) to States in which the demand for substance abuse treatment services exceeds the capacity of entities operating in those States to provide such services. In making such determination concerning demand, the Secretary shall consider indicators of capacity shortage, such as a high prevalence of substance abuse, a high crime rate, a high rate of acquired immune deficiency syndrome among intravenous drug users, waiting lists at treatment facilities within a State, and any other criteria that the Secretary determines are appropriate.

"(3) PRIORITY.—In awarding grants under this section, the Secretary shall develop criteria to assess the extent to which States are utilizing non-Federal funds to expand treatment capacity, and shall give priority to such States commensurate with the per capita expenditure of such funds and may establish such other priorities as appropriate.

"(4) USE OF GRANTS.—Grants awarded under this section shall be used directly for the provision of treatment services, except that the Secretary may authorize the use of grant funds to renovate or improve property to make such property suitable for use as a treatment facility if the Secretary determines, with respect to a prospective grantee, that inadequate facilities are a significant barrier to capacity expansion. Grants awarded under this section may not be used to purchase real property.

"(5) SUPPLEMENTATION OF FUNDING.—Projects funded under paragraph (1) shall supplement, not supplant, existing or planned substance abuse treatment services in a State.

"(b) REQUIREMENT OF NON-FEDERAL CONTRIBUTIONS.—

"(1) IN GENERAL.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees, with respect to the costs to be incurred by the applicant in carrying out the purpose described in such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than—

"(A) \$1 for each \$9 of Federal funds provided for each of the first 5 years of payments under the grant; and

"(B) \$1 for each \$3 of Federal funds provided in any subsequent year of such payments if the grant is renewed pursuant to subsection (c).

"(2) TYPE OF CONTRIBUTION.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(c) PAYMENTS.—The period during which payments are made by the Secretary under a grant under subsection (a) may not exceed 5 years, but the Secretary may renew the grant.

"(d) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this section \$100,000,000 for the fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"(2) AVAILABILITY.—Funds appropriated in accordance with paragraph (1) shall remain available until expended.

"SEC. 511. OTHER SERVICES PROGRAMS.

"(a) AIDS OUTREACH GRANTS.—The Secretary, acting through the Administrator and in consultation with the National Institute on Drug Abuse and the Health Resources and Services Administration, may make grants to, or enter into contracts with, public and nonprofit private entities to support projects to carry out outreach activities to intravenous drug abusers and their sexual partners with respect to preventing exposure to, and the transmission of, the etiologic agent for acquired immune deficiency syndrome and encouraging intravenous drug abusers to seek treatment for such abuse.

"(b) GRANTS FOR THE BENEFIT OF HOMELESS INDIVIDUALS.—The Secretary, acting through the Administrator, may make grants to, and enter into contracts and cooperative agreements with, community-based public and private nonprofit entities for the purpose of developing and expanding mental health and substance abuse treatment services for homeless individuals. In carrying out this subsection, the Administrator shall consult with the Administrator of the Health Resources and Services Administration and with the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health.

"(c) TERM OF GRANT.—No entity may receive grants under subsection (a) or (b) for more than 5 years although such grants may be renewed.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$150,000,000 for fiscal year 1992, and such sums as may be necessary in each of the fiscal years 1993 and 1994.

"(e) LIMITATION.—None of the funds expended under this section shall be used for carrying out any program for the distribution of sterile needles for the hypodermic injection of any illegal drug.

"SEC. 512. COMMUNITY PARTNERSHIP GRANTS.

"(a) GRANTS.—The Secretary, acting through the Administrator, may make grants to communities—

"(1) for the development of comprehensive long-term strategies for the prevention of substance abuse; and

"(2) to evaluate the success of different community approaches towards the prevention of substance abuse.

"(b) APPLICATION.—To be eligible to receive a grant under this section, a community shall prepare and submit to the Secretary an application at such time, in such manner and containing such information as the Secretary may require.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$130,000,000 for fiscal year 1992, and such sums as may be necessary in each of the fiscal years 1993 and 1994.

"SEC. 513. ESTABLISHMENT OF GRANT PROGRAM FOR DEMONSTRATION PROJECTS.

"(a) SERIOUSLY MENTALLY ILL INDIVIDUALS, AND CHILDREN AND ADOLESCENTS WITH SERIOUS EMOTIONAL AND MENTAL DISTURBANCES.—

"(1) IN GENERAL.—The Secretary, acting through the Administrator, may make grants to public and nonprofit private entities for—

"(A) mental health services demonstration projects for the planning, coordination, implementation, evaluation and improvement of community services (including outreach and consumer-run self-help services) for seriously mentally ill individuals and their families, seriously emotionally and mentally disturbed children and youth and their families, and seriously mentally ill homeless and elderly individuals;

"(B) demonstration projects for the prevention of youth suicide, except that such projects shall not promote, condone, justify, or advocate suicide or provide instruction in methods of suicide;

"(C) demonstration projects for the improvement of the recognition, assessment, treatment and clinical management of depressive disorders;

"(D) demonstration projects for programs to prevent the occurrence of sex offenses, and for the provision of treatment and psychological assistance to the victims of sex offenses; and

"(E) demonstration projects for programs to provide mental health services to victims of family violence.

"(2) MENTAL HEALTH SERVICES.—Mental health services provided under paragraph (1)(A) should encompass a range of delivery systems designed to permit individuals to receive treatment in the most therapeutically appropriate, least restrictive setting. Grants shall be awarded under such paragraph for—

"(A) demonstration programs and evaluations concerning such services; and

"(B) systems improvements to assist States and local entities to develop appropriate comprehensive mental health systems for adults with serious long-term mental illness and children and adolescents with serious emotional and mental disturbance.

"(b) INDIVIDUALS AT RISK OF MENTAL ILLNESS.—

"(1) GRANTS.—The Secretary, acting through the Administrator, may make grants to States, political subdivisions of States, and private nonprofit agencies for prevention services demonstration projects for the provision of prevention services for individuals who, in the determination of the Secretary, are at risk of developing mental illness.

"(2) TYPES OF DEMONSTRATIONS.—Demonstration projects under paragraph (1) may include—

"(A) prevention services for populations at risk of developing mental illness, particularly displaced workers, those confined in correctional facilities, young children, and adolescents;

"(B) the development and dissemination of education materials;

"(C) the sponsoring of local, regional, or national workshops or conferences;

"(D) the conducting of training programs with respect to the provision of mental health services to individuals described in paragraph (1); and

"(E) the provision of technical assistance to providers of such services.

"(c) LIMITATION ON DURATION OF GRANT.—The Secretary may make a grant under subsection (a) or (b) for not more than five consecutive one-year periods.

"(d) LIMITATION ON ADMINISTRATIVE EXPENSES.—The Secretary may not make a grant under subsection (a) or (b) to an applicant unless the applicant agrees that not more than 10 percent of such a grant will be expended for administrative expenses.

"(e) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) IN GENERAL.—For the purposes of carrying out this section, there are authorized to be appropriated \$40,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"(2) RURAL AREAS.—Of the amounts appropriated pursuant to paragraph (1), the Secretary shall make available 15 percent for demonstration projects to carry out the purpose of this section in rural areas.

"Subpart 3—Administrative Provisions

"SEC. 515. ADVISORY COUNCIL.

"(a) APPOINTMENT.—

"(1) IN GENERAL.—The Secretary acting through the Administrator, shall appoint one or more advisory councils for the Alcohol, Drug Abuse and Mental Health Services Administration (hereinafter referred to in this part as the 'Administration'). Such an advisory council shall advise, consult with, and make recommendations to the Administrator concerning matters relating to the activities carried out by and through the Administration and the policies respecting such activities.

"(2) DUTIES.—An advisory council appointed under paragraph (1)—

"(A)(i) shall review applications for grants and cooperative agreements for services or training and for which advisory council approval is required under section 516(c)(2), and recommend for approval applications for projects which show promise of improving the provision of treatment and prevention services; and

"(ii) may review any grant, contract, or cooperative agreement proposed to be made or entered into by the Administration;

"(B) may appoint subcommittees and convene workshops and conferences; and

"(C) may prepare reports.

"(b) COMPOSITION.—

"(1) IN GENERAL.—An advisory council appointed under subsection (a) shall consist of nonvoting ex officio members and not more than 12 members appointed by the Secretary.

"(2) EX OFFICIO MEMBERS.—The ex officio members of an advisory council shall consist of—

"(A) the Secretary and the Administrator (or the designees of such officers); and

"(B) such additional officers or employees of the United States as the Secretary determines necessary for the advisory council to effectively carry out its functions.

"(3) APPOINTMENT OF MEMBERS.—The members of an advisory council who are not ex officio members shall be appointed as follows:

"(A) Nine of the members shall be appointed by the Secretary from among the leading representatives of the fields of substance abuse and mental health treatment and prevention and two of such members shall be individuals who have received substance abuse or mental health treatment.

"(B) Three of the members shall be appointed by the Secretary from the general public and shall include leaders in fields of public policy, public relations, law, health policy, economics, and management.

"(4) COMPENSATION AND EXPENSES.—Members of an advisory council who are officers or employees of the United States shall not receive any compensation for service on an advisory council. The other members of an advisory council shall receive, for each day (including travel time) they are engaged in the performance of the functions of an advisory council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule.

"(c) TERM OF OFFICE.—

"(1) IN GENERAL.—The term of office of an appointed member of an advisory council shall be 4 years, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term and the Secretary shall make appointments to an advisory council in such manner as to ensure that the terms of the members do not all expire in the same year. A member may serve after the expiration of the member's term until a successor has taken office.

"(2) REAPPOINTMENTS.—A member who has been appointed for a term of 4 years may not

be reappointed to an advisory council before 2 years from the date of expiration of such term of office.

"(3) VACANCIES.—If a vacancy occurs on an advisory council among the appointed members, the Secretary shall make an appointment to fill the vacancy within 90 days from the date the vacancy occurs.

"(d) CHAIRPERSON.—The chairperson of an advisory council shall be selected by the Secretary from among the members. The term of office of chairperson shall be 2 years.

"(e) MEETINGS.—An advisory council shall meet at the call of the chairperson or upon the request of the Administrator but at least 3 times each fiscal year. The location of the meetings of an advisory council shall be subject to the approval of the Administrator.

"(f) ADMINISTRATION.—The Administrator shall designate a member of the staff of the Administration to serve as the Executive secretary of an advisory council. The Administrator shall make available to an advisory council such staff, information, and other assistance as it may require to carry out its functions, and shall provide orientation and training for new members of an advisory council to provide them with such information and training as may be appropriate for their effective participation in the functions of an advisory council.

"SEC. 516. PEER REVIEW FOR SERVICES GRANTS.

"(a) PROVISION.—The Secretary, after consultation with the Administrator, shall by regulation require appropriate peer review of services, and services training, grants, cooperative agreements, and contracts to be administered through the Administration.

"(b) MEMBERSHIP.—The members of any peer review group established under such regulations shall be individuals who by virtue of their training or experience are eminently qualified to perform the review functions of the group and not more than one-fourth of the members of any peer review group established under such regulations shall be officers or employees of the United States.

"(c) REQUIREMENTS BASED ON AMOUNTS.—

"(1) UNDER \$50,000.—If the direct cost of a grant, cooperative agreement, or contract to be made does not exceed \$50,000, the Secretary may make such grant, cooperative agreement, or contract only if such grant, cooperative agreement, or contract is recommended after technical and scientific peer review required by regulations under subsections (a) and (b).

"(2) OVER \$50,000.—If the direct cost of a grant, cooperative agreement, or contract (described in subsection (a)) to be made exceeds \$50,000, the Secretary may make such grant, cooperative agreement, or contract only if such grant, cooperative agreement, or contract is recommended—

"(A) after peer review required by regulations under subsections (a) and (b); and

"(B) by the advisory council established under section 515.

"SEC. 517. APPLICATIONS AND NATIVE AMERICAN GOVERNING UNITS.

"(a) APPLICATIONS.—Except as otherwise specifically provided, grants under this title may be made only to public and nonprofit private entities that prepare and submit to the administering entity an application for such grant that—

"(1) with respect to carrying out the purpose for which the assistance is to be provided, provides assurances of compliance satisfactory to the Secretary; and

"(2) is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary de-

termines to be necessary to carry out the purpose of the program under which the application is submitted.

"(b) NATIVE AMERICAN GOVERNING UNITS.—For purposes of this title, Native American governing units and agencies shall be considered public entities.

"SEC. 518. PROCEDURES FOR MISCONDUCT.

"The Administrator shall establish a process for the prompt and appropriate response to information regarding misconduct in connection with projects, to be administered by the Administrator, for which funds have been made available under this title. Such process shall include procedures for the receiving of reports of such information from recipients of funds under this title and taking appropriate action with respect to such misconduct and violations.

"SEC. 519. EXPERTS AND CONSULTANTS.

"(a) AUTHORITY TO OBTAIN.—The Administrator may obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of service) the services of not more than 20 experts or consultants who have scientific or professional qualifications. Such experts and consultants shall be obtained for the Administration and each of the agencies of such.

"(b) COMPENSATION AND EXPENSES.—

"(1) IN GENERAL.—Experts and consultants whose services are obtained under subsection (a) shall be paid or reimbursed for their expenses associated with traveling to and from their assignment location in accordance with sections 5724, 5724(a)(1), 5724(a)(3), and 5726(c) of title 5, United States Code.

"(2) AGREEMENTS.—Expenses specified in paragraph (1) may not be allowed in connection with the assignment of an expert or consultant whose services are obtained under subsection (a), unless and until the expert or consultant agrees in writing to complete the entire period of assignment or one year, whichever is shorter, unless separated or re-assigned for reasons beyond the control of the expert or consultant that are acceptable to the Secretary. If the expert or consultant violates the agreement, the money spent by the United States for the expenses specified in paragraph (1) is recoverable from the expert or consultant as a debt of the United States. The Secretary may waive in whole or in part a right of recovery under this subparagraph.

"SEC. 520. OFFICE FOR SPECIAL POPULATIONS.

"(a) ESTABLISHMENT.—The Administrator shall establish, within the Administration, an Office for Special Populations.

"(b) DIRECTOR.—

"(1) DESIGNATION.—The Administrator shall designate a Director for Special Populations for the Office established under subsection (a).

"(2) DUTIES.—The Secretary, acting through the Director for Special Populations shall—

"(A) develop and coordinate policies and programs to assure increased emphasis on the needs of adolescents, children, individuals with disabilities, minority populations and the elderly with respect to substance abuse and mental health;

"(B) develop a plan to increase the provision of treatment and prevention services to adolescents, children, individuals with disabilities, minority populations and the elderly; and

"(C) support and develop programs designed to counteract discrimination against adolescents, children, individuals with disabilities, minority populations and the elderly in the fields of substance abuse and mental health services.

"(c) ANNUAL REPORT.—The Secretary shall periodically report to the appropriate committees of Congress concerning the actions taken by the Administrator under this section.

"(d) NATIVE AMERICANS.—For purposes of this section, the term 'minority populations' shall include Native Americans.

"SEC. 520A. OFFICE OF WOMEN'S HEALTH SERVICES.

"(a) ESTABLISHMENT AND GENERAL PROVISIONS.—

"(1) IN GENERAL.—There is established within the Office of the Administrator an office to be known as the Office of Women's Health Services (hereafter in this section referred to as the 'Office'). The Office shall be headed by a director, who shall be appointed by the Administrator.

"(2) PURPOSE.—The Director of the Office shall ensure that women's health and mental health services are identified and addressed by the Alcohol, Drug Abuse, and Mental Health Administration.

"(3) COORDINATING COMMITTEE.—

"(A) In carrying out subsection (a)(2), the Director of the Office shall establish a committee to be known as the Coordinating Committee for Research on Women's Health (hereafter in this paragraph referred to as the 'Coordinating Committee').

"(B) The Coordinating Committee shall be composed of the Directors of the agencies of the Alcohol, Drug Abuse, and Mental Health Administration (or the designees of the Directors).

"(C) The Director of the Office shall serve as the chair of the Coordinating Committee.

"(E) The Coordinating Committee shall, with respect to women's health and mental health services—

"(i) identify the need for such services, and make an estimate each fiscal year of the funds needed to adequately support the services;

"(ii) identify needs regarding the coordination of services, including with respect to intramural and extramural multidisciplinary projects and programs;

"(iii) encourage the agencies of the Alcohol, Drug Abuse, and Mental Health Services Administration to support such services; and

"(iv) determine the extent to which women are represented among senior physicians and scientists of the Alcohol, Drug Abuse, and Mental Health Services Administration and of entities conducting services with funds provided by such Administration, and as appropriate, carry out activities to increase the extent of such representation.

"(4) ADVISORY COMMITTEE.—

"(A) In carrying out subsection (a)(2), the Director of the Office shall establish an advisory committee to be known as the Advisory Committee for Women's Health Services (hereafter in this paragraph referred to as the 'Advisory Committee').

"(B) The Advisory Committee shall be composed of not more than 18 individuals who are not officers or employees of the Federal Government. The Director of the Office shall make appointments to the Advisory Committee from among physicians, practitioners, scientists, and other health professionals, whose clinical practice, specialization, or professional expertise includes a significant focus on women's health and mental health conditions.

"(C) The Director of the Office shall serve as the chair of the Advisory Committee.

"(D) The Advisory Committee shall—

"(i) advise the Director of the Office on appropriate activities to be undertaken by the agencies of the Alcohol, Drug Abuse, and

Mental Health Administration with respect to—

“(I) women’s health and mental health services, including services relating to menopause, premenstrual syndrome, postpartum depression, and other conditions related to the reproductive system, and including depression, attacks of panic, and eating disorders; and

“(II) women’s health and mental health services which require a multidisciplinary approach;

“(ii) report to the Director of the Office on publicly and privately supported women’s health and mental health services; and

“(iii) provide recommendations to the Director of the Office regarding activities of the Office.

“(E)(i) The Advisory Committee shall prepare a biennial report describing the activities of the Committee, including findings made by the Committee regarding—

“(I) the extent of expenditures made for women’s health and mental health research by the agencies of the Alcohol, Drug Abuse, and Mental Health Services Administration; and

“(II) the level of funding needed for women’s health and mental health research.

“(ii) The report required in subparagraph (A) shall be submitted to the Administrator for inclusion in the report required in subsection (c).

“(b) NATIONAL DATA SYSTEM AND CLEARINGHOUSE.—

“(1) DATA SYSTEM.—

“(A) The Administrator shall establish a single data system for the collection, storage, analysis, retrieval, and dissemination of information regarding women’s health and mental health research. Information from the data system shall be available through information systems available to health care professionals and providers, researchers, and members of the public.

“(B) The data system established under subparagraph (A) shall include a registry of clinical trials of experimental treatments that have been developed for women’s health and mental health research. Such registry shall include information on subject eligibility criteria, sex, age, ethnicity or race, and the location of the trial site or sites. Principal investigators of such clinical trials shall provide this information to the registry within 30 days after it is available. Once a trial has been completed, the principal investigator shall provide the registry with information pertaining to the results, including potential toxicities or adverse effects associated with the experimental treatment or treatments evaluated.

“(2) CLEARINGHOUSE.—The Administrator, in consultation with the Director of the Office and the National Library of Medicine, shall establish, maintain, and operate a program to provide information on women’s health and mental health services.

“(c) BIENNIAL REPORT.—Not later than February 1, 1994, and February 1 of every second year thereafter, the Director of the Office shall, with respect to women’s health and mental health services, submit to the Congress a report—

“(1) describing and evaluating the progress made during the preceding 2 fiscal years in research and treatment conducted or supported by the Alcohol, Drug Abuse, and Mental Health Services Administration;

“(2) summarizing and analyzing expenditures made by the agencies of such Administration (including the Office) during the preceding 2 fiscal years; and

“(3) making such recommendations for legislative and administrative initiatives as the

Director of the Office determines to be appropriate.

“(d) DEFINITIONS.—For purposes of this section:

“(1) WOMEN’S HEALTH AND MENTAL HEALTH CONDITIONS.—

“(A) Except as provided in subparagraph (B), the term ‘women’s health and mental health conditions’, with respect to women of all age, ethnic, and racial groups, means all diseases, disorders, and other conditions (including with respect to mental health)—

“(i) unique to or more prevalent in women; or

“(ii) with respect to which there has been insufficient services involving women.

“(B) The term ‘women’s health and mental health conditions’ does not include a disease, disorder, or other condition unless the condition—

“(i) relates to alcohol, drug abuse, or mental health; or

“(ii) relates to another condition with respect to which the Alcohol, Drug Abuse, and Mental Health Services Administration is authorized, by a provision of law other than this section, to provide services.

“(2) WOMEN’S HEALTH AND MENTAL HEALTH SERVICES.—The term ‘women’s health and mental health services’ means services for women’s health and mental health conditions.

“(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated \$20,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 through 1995. The authorization of appropriations established in the preceding sentence shall be in addition to any other amounts authorized to be appropriated for providing and supporting women’s health and mental health services.”.

SEC. 102. NATIONAL INSTITUTES.

(a) NATIONAL INSTITUTES OF HEALTH.—Section 401(b)(1) (42 U.S.C. 281(b)(1)) is amended by adding at the end thereof the following new subparagraphs:

“(N) The National Institute on Alcohol Abuse and Alcoholism.

“(O) The National Institute on Drug Abuse.

“(P) The National Institute of Mental Health.”.

(b) ORGANIZATION.—Part C of title IV (42 U.S.C. 285 et seq.) is amended by adding at the end thereof the following new subpart:

“Subpart 14—National Institutes on Alcohol Abuse and Alcoholism, on Drug Abuse and of Mental Health

“CHAPTER 1—ESTABLISHMENT AND GENERAL DUTIES

“SEC. 464I. NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM.

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—There is established within the National Institutes of Health, the National Institute on Alcohol Abuse and Alcoholism (hereafter in this section referred to as the ‘Institute’) to administer the programs and authorities relating to alcohol abuse and alcoholism assigned to the Director of such Institute by this Act.

“(2) COMPREHENSIVE PROGRAMS.—The Director of the Institute shall develop and conduct a comprehensive research program on the cause, diagnosis, epidemiology, prevention and treatment of alcohol abuse and alcoholism, including services research. The Director of the Institute shall carry out the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities.

“(3) PURPOSE.—The general purpose of the Institute is the conduct and support of biomedical, behavioral, epidemiological, social, and clinical research, including health services research, research training, health information dissemination, and other research with respect to the etiology, prevention, treatment, and consequences of alcohol abuse and alcoholism.

“(b) DIRECTOR.—

“(1) IN GENERAL.—The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

“(2) EMPLOYEES.—The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the programs to be carried out through the Institute, and may obtain the services of not more than 10 expert consultants in accordance with the terms and conditions provided for in section 402(d).

“(c) PARTICIPATION.—The programs to be carried out through the Institute shall be administered so as to encourage the broadest possible participation of professionals and paraprofessionals in the fields of medicine, science, the social sciences, and other related disciplines.

“(d) REPORTS.—The Director shall, every 3 years, prepare and submit to Congress a report containing—

“(1) current information concerning the health consequences of using alcoholic beverages;

“(2) a description of current research findings made with respect to alcohol abuse and alcoholism; and

“(3) such recommendations for legislation and administrative action as the Director considers appropriate.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$200,000,000 for fiscal year 1992, and such sums as may be necessary in each of the fiscal years 1993 through 1996.

“SEC. 464J. NATIONAL INSTITUTE ON DRUG ABUSE.

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—There is established within the National Institutes of Health the National Institute on Drug Abuse (hereinafter in this section referred to as the ‘Institute’) to administer the programs and authorities relating to drug abuse assigned to the Director of such Institute by this Act.

“(2) COMPREHENSIVE PROGRAMS.—The Director of the Institute shall develop and conduct a comprehensive research program on the cause, diagnosis, epidemiology, prevention and treatment of drug abuse, including services research. The Director of the Institute shall carry out the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities.

“(3) PURPOSE.—The general purpose of the Institute is the conduct and support of biomedical, behavioral, epidemiological, social, and clinical research, including health services research, research training, health information dissemination, and other research with respect to the etiology, prevention, treatment, and consequences of drug abuse.

“(b) DIRECTOR.—

“(1) IN GENERAL.—The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

“(2) EMPLOYEES.—The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are nec-

essary to administer the programs and authorities to be carried out through the Institute, and may obtain the services of not more than 10 expert consultants in accordance with the terms and conditions provided for in section 402(d).

"(c) PARTICIPATION.—The programs of the Institute shall be administered so as to encourage the broadest possible participation of professionals and paraprofessionals in the fields of medicine, science, the social sciences, and other related disciplines.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$400,000,000 for fiscal year 1992, and such sums as may be necessary in each of the fiscal years 1993 through 1996.

"SEC. 464K. NATIONAL INSTITUTE OF MENTAL HEALTH.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established within the National Institutes of Health the National Institute of Mental Health (hereinafter in this part referred to as the 'Institute') to administer the programs and authorities of the Director with respect to mental health.

"(2) COMPREHENSIVE PROGRAM.—The Director of the Institute, shall develop and conduct a comprehensive research program on the cause, diagnosis, epidemiology, prevention and treatment of mental illness, including services research. The Director of the Institute shall carry out the administrative and financial management, policy development and planning, evaluation, and public information functions which are required for the implementation of such programs and authorities. The research program established under this paragraph shall include support for biomedical and behavioral neuroscience and shall be designed to further the treatment and prevention of mental illness, the promotion of mental health, and the study of the psychological, social and legal factors that influence behavior.

"(3) PURPOSE.—The general purpose of the Institute is the conduct and support of research, research training, mental health information dissemination, and other research with respect to the cause, diagnosis, prevention, treatment, and consequences of mental disorders, and the promotion of mental health.

"(b) DIRECTOR.—

"(1) IN GENERAL.—The Institute shall be under the direction of a Director who shall be appointed by the Secretary.

"(2) EMPLOYEES.—The Director, with the approval of the Secretary, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the programs and authorities to be carried out through the Institute, and may obtain the services of not more than 20 expert consultants in accordance with the terms and conditions provided for in section 402(d).

"(c) PARTICIPATION.—The programs to be carried out through the Institute shall be administered so as to encourage the broadest possible participation of professionals and paraprofessionals in the fields of medicine, science, the social sciences, and other related disciplines.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$600,000,000 for fiscal year 1992, and such sums as may be necessary in each of the fiscal years 1993 through 1996.

CHAPTER 2—RESEARCH PROGRAMS

"SEC. 464L. MENTAL HEALTH AND SUBSTANCE ABUSE RESEARCH.

"(a) IN GENERAL.—The Secretary, acting through the Directors of the National Insti-

tute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health, may make grants to, and enter into cooperative agreements and contracts with, public and nonprofit private entities for the conduct of, promotions of, coordination of, research, investigation, experiments, demonstrations, clinical trials and studies relative to the cause, diagnosis, treatment, control, epidemiology, and prevention of mental illness and substance abuse.

"(b) AUTHORITY TO CARRY OUT ACTIVITIES.—In carrying out the programs described in subsection (a), the Secretary, acting through each Director, is authorized to—

"(1) collect and disseminate through publications and other appropriate means (including the development of curriculum materials), information as to, and the practical application of, the research and other activities under the program;

"(2) make available research facilities of the Public Health Service to appropriate public authorities, and to health officials and scientists engaged in special study;

"(3) secure from time to time and for such periods as the Directors deem advisable, the assistance and advice of experts, scholars, and consultants;

"(4) promote the coordination of appropriate research programs conducted by the Directors, and similar programs conducted by other departments, agencies, organizations, and individuals, including the Centers for Disease Control and all National Institutes of Health research activities;

"(5) conduct intramural programs of biomedical, behavioral, epidemiological, and social research, including research involving human subjects, each of which is—

"(A) located in an institution capable of providing all necessary medical care for such human subjects, including complete 24-hour medical diagnostic services by or under the supervision of physicians, acute and intensive medical care, including 24-hour emergency care, psychiatric care, and such other care as is determined to be necessary for individuals suffering from substance abuse; and

"(B) associated with an accredited medical or research training institution;

"(6) for purposes of study, admit and treat at institutions, hospitals, and stations of the Public Health Service, persons not otherwise eligible for such treatment;

"(7) provide to health officials, scientists, and appropriate public and other nonprofit institutions and organizations, technical advice and assistance on the application of statistical and other scientific research methods to experiments, studies, and surveys in health and medical fields;

"(8) conduct research directly or through grants and contracts concerning the development of new and improved medications for the treatment of the diseases within the Institute's mission;

"(9) enter into contracts under this subpart without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5);

"(10) collaborate with the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration to ensure that research programs are appropriately informed with the knowledge and experience obtained through service programs, and to assure that knowledge developed through research programs is appropriately applied through service programs;

"(11) collaborate with the Administrator of the Alcohol, Drug Abuse and Mental Health

Services Administration to promote the study of the outcomes of treatment, rehabilitation, and prevention services in order to identify the manner in which such services can most effectively be provided;

"(12) collaborate with the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration to promote the dissemination and implementation of research findings that will improve the delivery and effectiveness of treatment, rehabilitation, and prevention services;

"(13) prepare and submit an annual report to the Secretary and the appropriate committees of Congress describing and assessing the collaborative activities conducted with the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse, and the National Institute of Mental Health; and

"(14) adopt such additional means as the Directors determines necessary or appropriate to carry out the purposes of this section.

"SEC. 464M. NATIONAL MENTAL HEALTH AND SUBSTANCE ABUSE EDUCATION PROGRAMS.

"The Secretary, acting through the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health, shall establish National Mental Health and Substance Abuse Education Programs for the purpose of—

"(1) disseminating by publication and other appropriate means, information concerning improved methods of treating substance abusers and individuals with mental health problems and improved methods of assisting the families of such individuals; and

"(2) supporting, by grant, contract, or otherwise, programs of training and education with respect to the causes, diagnosis, and treatment of, and research concerning, substance abuse and mental health problems.

"SEC. 464N. NATIONAL SUBSTANCE ABUSE RESEARCH CENTERS.

"(a) DESIGNATION.—The Secretary, acting through the Directors of the National Institute on Alcohol Abuse and Alcoholism and the National Institute on Drug Abuse, may designate National Substance Abuse Research Centers for the purpose of interdisciplinary research relating to substance abuse and other biomedical, behavioral, and social issues. No entity may be designated as a Center unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be submitted in such manner and contain such information as the Secretary may reasonably require. The Secretary may not approve such an application unless—

"(1) the application contains or is supported by reasonable assurances that—

"(A) the applicant has the experience, or capability, to conduct, through biomedical, behavioral, social, and related disciplines, long-term research on substance abuse and to provide coordination of such research among such disciplines;

"(B) the applicant has available to it sufficient facilities (including laboratory, reference, and data analysis facilities) to carry out the research plan contained in the application;

"(C) the applicant has facilities and personnel to provide training in the prevention and treatment of substance abuse;

"(D) the applicant has the capacity to train predoctoral and postdoctoral students for careers in research on substance abuse;

"(E) the applicant has the capacity to conduct courses on substance abuse and re-

search on substance abuse problems for undergraduate and graduate students, and medical and osteopathic, nursing, social work, and other specialized graduate students; and

“(F) the applicant has the capacity to conduct programs of continuing education in such medical, legal, and social service fields as the Secretary may require.

“(2) FIVE-YEAR PLAN.—The application contains a detailed 5-year plan for research relating to substance abuse.

“(b) GRANTS.—The Secretary shall, under such conditions as the Secretary may reasonably require, make annual grants to Centers which have been designated under this section. No funds provided under a grant under this subsection may be used for the purchase of any land or the purchase, construction, preservation, or repair of any building. For the purposes of the preceding sentence, the term ‘construction’ has the meaning given that term by section 702(2).

“(c) TYPES OF CENTERS.—Grants under this section may be awarded to entities that specialize in the study of either alcohol or drug abuse or both.

“SEC. 4640. MEDICATION DEVELOPMENT PROGRAM.

“(a) ESTABLISHMENT.—There is established in the National Institute on Drug Abuse a Medication Development Program through which the Director of such Institute shall—

“(1) conduct periodic meetings with the Commissioner of Food and Drugs to discuss measures that may facilitate the approval process of drug abuse treatments;

“(2) encourage and promote (through grants, contracts, international collaboration, or otherwise) expanded research programs, investigations, experiments, and studies, into the development and use of medications to treat drug addiction;

“(3) establish or provide for the establishment of research facilities;

“(4) report on the activities of other relevant agencies relating to the development and use of pharmacotherapeutic treatments for drug addiction;

“(5) collect, analyze, and disseminate data useful in the development and use of pharmacotherapeutic treatments for drug addiction and collect, catalog, analyze, and disseminate through international channels, the results of such research;

“(6) directly or through grants, contracts, or cooperative agreements, support training in the fundamental sciences and clinical disciplines related to the pharmacotherapeutic treatment of drug abuse, including the use of training stipends, fellowships, and awards where appropriate; and

“(7) coordinate the activities conducted under this section with related activities conducted within the National Institute on Alcohol Abuse and Alcoholism, the National Institute of Mental Health, and other appropriate institutes and shall consult with the Directors of such Institutes.

“(b) DUTIES OF DIRECTOR.—In carrying out the activities described in subsection (a), the Director—

“(1) shall collect and disseminate through publications and other appropriate means, information pertaining to the research and other activities under this section;

“(2) shall make grants to or enter into contracts and cooperative agreements with individuals and public and private entities to further the goals of the program;

“(3) shall, in accordance with other provisions of Federal law, through grants, contracts, or cooperative agreements acquire, construct, improve, repair, operate, and maintain pharmacotherapeutic centers, laboratories, and other necessary facilities and equipment, and such other property as the Director determines necessary to carry out the purposes of this subpart;

“(4) may accept voluntary and uncompensated services;

“(5) may accept gifts, or donations of services, money, or property, real, personal, or mixed, tangible or intangible; and

“(6) shall take necessary action to ensure that all channels for the dissemination and exchange of scientific knowledge and information are maintained between the Administration and the other scientific, medical, and biomedical disciplines and organizations nationally and internationally.

“(c) REPORT TO OFFICE OF NATIONAL DRUG CONTROL POLICY.—

“(1) IN GENERAL.—Not later than December 31, 1991, and each December 31 thereafter, the Director shall submit to the Office of National Drug Control Policy established under section 1002 of the Anti-Drug Abuse Act of 1988 (21 U.S.C. 1501) a report, in accordance with paragraph (3), that describes the objectives and activities of the program assisted under this section.

“(2) INCORPORATION.—The Director of National Drug Control Policy shall incorporate, by reference or otherwise, each report submitted under this subsection in the National Drug Control Strategy submitted the following February 1 under section 1005 of the Anti-Drug Abuse Act of 1988 (21 U.S.C. 1504).

“(d) REVIEW OF GRANTS.—The Director shall provide for the proper scientific review of all research grants, cooperative agreements, and contracts made or entered into under this section.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section—

- “(1) \$70,000,000 for fiscal year 1992;
- “(2) \$85,000,000 for fiscal year 1993;
- “(3) \$100,000,000 for fiscal year 1994;
- “(4) \$110,000,000 for fiscal year 1995; and
- “(5) \$130,000,000 for each of the fiscal years 1996 through 2000.

“(f) DEFINITION.—As used in this section, the term ‘pharmacotherapeutics’ means medications used to treat the symptoms and disease of drug abuse, including medications to—

- “(1) block the effects of abused drugs;
- “(2) reduce the craving for abused drugs;
- “(3) moderate or eliminate withdrawal symptoms;
- “(4) block or reverse the toxic effect of abused drugs;
- “(5) prevent, under certain conditions, the initiation of drug abuse; or
- “(6) prevent relapse in persons who have been detoxified from drugs of abuse.”.

Subtitle B—Miscellaneous Provisions

SEC. 111. MISCELLANEOUS PROVISIONS.

Part C (42 U.S.C. 290dd et seq.) (as redesignated by section 101(1)) is further amended to read as follows:

“PART C—MISCELLANEOUS PROVISIONS RELATING TO SUBSTANCE ABUSE AND MENTAL HEALTH

“SEC. 541. TECHNICAL ASSISTANCE TO STATE AND LOCAL AGENCIES.

“(a) AUTHORITY.—At the request of any State, the Secretary, acting through the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration, shall, to the extent feasible, make available technical assistance for—

- “(1) collecting data and developing and improving systems for data collection;
- “(2) program management, accountability, and evaluation;

“(3) certification, accreditation, or licensure of treatment facilities and personnel;

“(4) monitoring compliance by hospitals and other facilities with the requirements of section 543; and

“(5) improving the scope of health insurance and other public or private third party coverage offered in the State for mental health and substance abuse services.

“(b) COORDINATION.—Technical assistance provided under this section shall be provided in a manner which will improve coordination between activities supported under this title.

“(c) DUTIES OF ADMINISTRATOR.—In carrying out this section, the Administrator may—

“(1) provide technical assistance, including advice and consultation relating to local programs, technical and professional assistance, and, where deemed necessary, use of task forces of public officials or other persons assigned to work with State and local governments, to analyze and identify State and local problems and assist in the development of plans and programs to meet the problems so identified;

“(2) convene conferences of State, local, and Federal officials, and such other persons as the Administrator shall designate; and

“(3) draft and make available to State and local governments model legislation with respect to State and local substance abuse and mental health programs and activities.

“SEC. 542. SUBSTANCE ABUSE AMONG GOVERNMENT AND OTHER EMPLOYEES.

“(a) PROGRAMS AND SERVICES.—

“(1) DEVELOPMENT.—The Secretary, acting through the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration, shall be responsible for fostering substance abuse prevention and treatment programs and services in State and local governments and in private industry.

“(2) MODEL PROGRAMS.—

“(A) IN GENERAL.—Consistent with the responsibilities described in paragraph (1), the Secretary, acting through the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration, shall develop a variety of model programs suitable for replication on a cost-effective basis in different types of business concerns and State and local governmental entities.

“(B) DISSEMINATION OF INFORMATION.—The Secretary, acting through the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration, shall disseminate information and materials relative to such model programs to the State agencies responsible for the administration of substance abuse prevention, treatment, and rehabilitation activities and shall, to the extent feasible provide technical assistance to such agencies as requested.

“(b) DEPRIVATION OF EMPLOYMENT.—

“(1) PROHIBITION.—No person may be denied or deprived of Federal civilian employment or a Federal professional or other license or right solely on the grounds of prior substance abuse.

“(2) APPLICATION.—This subsection shall not apply to employment in—

- “(A) the Central Intelligence Agency;
- “(B) the Federal Bureau of Investigation;
- “(C) the National Security Agency;
- “(D) any other department or agency of the Federal Government designated for purposes of national security by the President; or

“(E) in any position in any department or agency of the Federal Government, not referred to in subparagraphs (A) through (D), which position is determined pursuant to regulations prescribed by the head of such

agency or department to be a sensitive position, except that the Rehabilitation Act of 1973 shall, if otherwise applicable, apply to an individual holding such position.

"(c) CONSTRUCTION.—This section shall not be construed to prohibit the dismissal from employment of a Federal civilian employee who cannot properly function in his employment.

"SEC. 543. ADMISSION OF SUBSTANCE ABUSERS TO PRIVATE AND PUBLIC HOSPITALS AND OUTPATIENT FACILITIES.

"(a) NONDISCRIMINATION.—Substance abusers who are suffering from medical conditions shall not be discriminated against in admission or treatment, solely because of their substance abuse, by any private or public general hospital, or outpatient facility (as defined in section 1633(6)) which receives support in any form from any program supported in whole or in part by funds appropriated to any Federal department or agency.

"(b) REGULATIONS.—

"(1) IN GENERAL.—The Secretary shall issue regulations for the enforcement of the policy of subsection (a) with respect to the admission and treatment of substance abusers in hospitals and outpatient facilities which receive support of any kind from any program administered by the Secretary. Such regulations shall include procedures for determining (after opportunity for a hearing if requested) if a violation of subsection (a) has occurred, notification of failure to comply with such subsection, and opportunity for a violator to comply with such subsection. If the Secretary determines that a hospital or outpatient facility subject to such regulations has violated subsection (a) and such violation continues after an opportunity has been afforded for compliance, the Secretary may suspend or revoke, after opportunity for a hearing, all or part of any support of any kind received by such hospital from any program administered by the Secretary. The Secretary may consult with the officials responsible for the administration of any other Federal program from which such hospital or outpatient facility receives support of any kind, with respect to the suspension or revocation of such other Federal support for such hospital or outpatient facility.

"(2) DEPARTMENT OF VETERANS AFFAIRS.—The Secretary of Veterans Affairs, acting through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations prescribed by the Secretary under paragraph (1) to the provision of hospital care, nursing home care, domiciliary care, and medical services under such title 38 to veterans suffering from substance abuse. In prescribing and implementing regulations pursuant to this paragraph, the Secretary shall, from time to time, consult with the Secretary of Health and Human Services in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which they each prescribe.

"SEC. 544. CONFIDENTIALITY OF RECORDS.

"(a) REQUIREMENT.—Records of the identity, diagnosis, prognosis, or treatment of any patient which are maintained in connection with the performance of any program or activity relating to substance abuse education, prevention, training, treatment, rehabilitation, or research, which is conducted, regulated, or directly or indirectly assisted by any department or agency of the United States shall, except as provided in subsection

(e), be confidential and be disclosed only for the purposes and under the circumstances expressly authorized under subsection (b).

"(b) PERMITTED DISCLOSURE.—

"(1) CONSENT.—The content of any record referred to in subsection (a) may be disclosed in accordance with the prior written consent of the patient with respect to whom such record is maintained, but only to such extent, under such circumstances, and for such purposes as may be allowed under regulations prescribed pursuant to subsection (g).

"(2) METHOD FOR DISCLOSURE.—Whether or not the patient, with respect to whom any given record referred to in subsection (a) is maintained, gives written consent, the content of such record may be disclosed as follows:

"(A) To medical personnel to the extent necessary to meet a bona fide medical emergency.

"(B) To qualified personnel for the purpose of conducting scientific research, management audits, financial audits, or program evaluation, but such personnel may not identify, directly or indirectly, any individual patient in any report of such research, audit, or evaluation, or otherwise disclose patient identities in any manner.

"(C) If authorized by an appropriate order of a court of competent jurisdiction granted after application showing good cause therefor, including the need to avert a substantial risk of death or serious bodily harm. In assessing good cause the court shall weigh the public interest and the need for disclosure against the injury to the patient, to the physician-patient relationship, and to the treatment services. Upon the granting of such order, the court, in determining the extent to which any disclosure of all or any part of any record is necessary, shall impose appropriate safeguards against unauthorized disclosure.

"(c) USE OF RECORDS IN CRIMINAL PROCEEDINGS.—Except as authorized by a court order granted under subsection (b)(2)(C), no record referred to in subsection (a) may be used to initiate or substantiate any criminal charges against a patient or to conduct any investigation of a patient.

"(d) APPLICATION.—The prohibitions of this section continue to apply to records concerning any individual who has been a patient, irrespective of whether or when such individual ceases to be a patient.

"(e) NONAPPLICABILITY.—The prohibitions of this section do not apply to any interchange of records—

"(1) within the Armed Forces or within those components of the Department of Veterans Affairs furnishing health care to veterans; or

"(2) between such components and the Armed Forces.

The prohibitions of this section do not apply to the reporting under State law of incidents of suspected child abuse and neglect to the appropriate State or local authorities.

"(f) PENALTIES.—Any person who violates any provision of this section or any regulation issued pursuant to this section shall be fined not more than \$500 in the case of a first offense, and not more than \$5,000 in the case of each subsequent offense.

"(g) REGULATIONS.—Except as provided in subsection (h), the Secretary shall prescribe regulations to carry out the purposes of this section. Such regulations may contain such definitions, and may provide for such safeguards and procedures, including procedures and criteria for the issuance and scope of orders under subsection (b)(2)(C), as in the judgment of the Secretary are necessary or

proper to effectuate the purposes of this section, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

"(h) APPLICATION TO DEPARTMENT OF VETERANS AFFAIRS.—The Secretary of Veterans Affairs, acting through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations prescribed by the Secretary of Health and Human Services under subsection (g) of this section to records maintained in connection with the provision of hospital care, nursing home care, domiciliary care, and medical services under such title 38 to veterans suffering from substance abuse. In prescribing and implementing regulations pursuant to this subsection, the Secretary of Veterans Affairs shall, from time to time, consult with the Secretary of Health and Human Services in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which they each prescribe.

"SEC. 545. DATA COLLECTION.

"(a) REQUIREMENT.—The Secretary, acting through the Administrator and the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health, as appropriate, shall collect data each year on the national incidence and prevalence of the various forms of mental illness and substance abuse.

"(b) MENTAL HEALTH.—With respect to the activities under subsection (a) relating to mental health, the Secretary shall ensure that such activities include, at a minimum, the collection of data on—

"(1) the number and variety of public and nonprofit private treatment programs;

"(2) the number and demographic characteristics of individuals receiving treatment through such programs;

"(3) the type of care received by such individuals; and

"(4) such other data as may be appropriate.

"(c) SUBSTANCE ABUSE.—

"(1) IN GENERAL.—With respect to the activities under subsection (a) relating to substance abuse, the Secretary shall ensure that such activities include, at a minimum, the collection of data on—

"(A) the number of individuals admitted to the emergency rooms of hospitals as a result of substance abuse;

"(B) the number of deaths occurring as a result of substance abuse;

"(C) the number and variety of public and private nonprofit treatment programs, including the number and type of patient slots available;

"(D) the number of individuals seeking treatment through such programs, the number and demographic characteristics of individuals receiving such treatment, the percentage of individuals who complete such programs, and, with respect to individuals receiving such treatment, the length of time between an individual's request for treatment and the commencement of treatment;

"(E) the number of such individuals who return for treatment after the completion of a prior treatment in such programs and the method of treatment utilized during the prior treatment;

"(F) the number of individuals receiving public assistance for such treatment programs;

"(G) the costs of the different types of treatment modalities for drug and alcohol abuse and the aggregate relative costs of

each such treatment modality provided within a State in each fiscal year;

"(H) to the extent of available information, the number of individuals receiving treatment for alcohol or drug abuse who have private insurance coverage for the costs of such treatment;

"(I) the extent of substance abuse among high school students and among the general population; and

"(J) the number of alcohol and drug abuse counselors and other substance abuse treatment personnel employed in public and private treatment facilities.

"(2) SURVEYS.—Annual surveys shall be carried out in the collection of data under this section. Summaries and analyses of the data collected shall be made available to the public and nonconfidential data files shall be made available to qualified researchers.

"(d) SPECIFIC STUDIES.—The Secretary, acting through the Directors of the National Institute on Alcohol Abuse and Alcoholism and the National Institute on Drug Abuse, as appropriate, shall award grants under this section on a competitive basis to qualified entities to support—

"(1) epidemiological studies of infants and the families of infants with fetal cocaine syndrome and fetal alcohol syndrome; and

"(2) longitudinal studies of infants and the families of infants afflicted with such syndromes.

"(e) UNIFORM CRITERIA.—After consultation with the States, provider associations, and appropriate national organizations, the Administrator and the Directors shall develop uniform criteria for the collection of data, using the best available technology, pursuant to this section.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$25,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"SEC. 546. PUBLIC HEALTH EMERGENCIES.

"(a) REQUIREMENTS.—If the Secretary determines, after consultation with the Administrator, the Commissioner of Food and Drugs, or the Director of the Centers for Disease Control, that a disease or disorder within the jurisdiction of the Administration constitutes a public health emergency, the Secretary, acting through the Administrator—

"(1) shall expedite the review by advisory councils and by peer review groups of applications for grants for services concerning such disease or disorder or proposals for contracts for such services;

"(2) shall exercise the authority in section 3709 of the Revised Statutes (41 U.S.C. 5) respecting public exigencies to waive the advertising requirements of such section in the case of proposals for contracts for such services;

"(3) may provide administrative supplemental increases in existing grants and contracts to support new services relevant to such disease or disorder; and

"(4) shall disseminate, to health professionals and the public, information on the cause, prevention, and treatment of such disease or disorder that has been developed under this section.

The amount of an increase in a grant or contract provided under paragraph (3) may not exceed one-half the original amount of the grant or contract.

"(b) REPORT.—Not later than 90 days after the end of a fiscal year, the Secretary shall report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Re-

sources of the Senate on actions taken under subsection (a) in such fiscal year if any actions were taken under such subsection in such fiscal year."

Subtitle C—Transfer Provisions

SEC. 121. TRANSFERS.

(a) ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION.—Except as specifically provided otherwise in this Act or an amendment made by this Act, there are transferred to the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration all service related functions which the Administrator of the Alcohol, Drug Abuse and Mental Health Administration exercised before the date of the enactment of this Act and all related functions of any officer or employee of the Alcohol, Drug Abuse and Mental Health Administration.

(b) NATIONAL INSTITUTES.—Except as specifically provided otherwise in this Act or an amendment made by this Act, there are transferred to the appropriate Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health, through the Director of the National Institutes of Health, all research related functions which the Administrator of the Alcohol, Drug Abuse and Mental Health Administration exercised before the date of the enactment of this Act and all related functions of any officer or employee of the Alcohol, Drug Abuse, and Mental Health Administration.

(c) ADEQUATE PERSONNEL AND RESOURCES.—The transfers required under this subtitle shall be effectuated in a manner that ensures that the Alcohol, Drug Abuse and Mental Health Services Administration has adequate personnel and resources and that the National Institutes of Health have adequate personnel and resources to enable the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health to carry out their respective functions.

SEC. 122. DELEGATION AND ASSIGNMENT.

(a) ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION.—Except where otherwise expressly prohibited by law, the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration may delegate any of the functions transferred to the Administrator by this subtitle and any function transferred or granted to the Administrator after the date of enactment of this Act to such officers and employees of the Alcohol, Drug Abuse and Mental Health Services Administration as the Administrator may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Administrator under this section or under any other provision of this subtitle shall relieve the Administrator of responsibility for the administration of such functions.

(b) NATIONAL INSTITUTES.—Except where otherwise expressly prohibited by law, the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health may delegate any of the functions transferred to the Directors by this subtitle and any function transferred or granted to the Directors after the date of enactment of this Act to such officers and employees of such Institutes as the Directors may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of

functions by the Directors under this section or under any other provision of this subtitle shall relieve the Directors of responsibility for the administration of such functions.

SEC. 123. TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.

(a) ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION.—Except as otherwise provided in the Public Health Service Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred to the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration by this subtitle, subject to section 1531 of title 31, United States Code, shall be transferred to the Alcohol, Drug Abuse and Mental Health Services Administration. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(b) NATIONAL INSTITUTES.—Except as otherwise provided in the Public Health Service Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred to the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health by this subtitle, subject to section 1531 of title 31, United States Code, shall be transferred to the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

SEC. 124. INCIDENTAL TRANSFERS.

The Secretary of Health and Human Services is authorized to make such determinations as may be necessary with regard to the functions transferred by this subtitle, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subtitle and the Public Health Service Act. Such Secretary shall provide for the termination of the affairs of all entities terminated by this subtitle and for such further measures and dispositions as may be necessary to effectuate the purposes of this subtitle.

SEC. 125. EFFECT ON PERSONNEL.

(a) IN GENERAL.—Except as otherwise provided by this subtitle and the Public Health Service Act, the transfer pursuant to this subtitle of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of transfer of such employee under this subtitle.

(b) EXECUTIVE SCHEDULE POSITIONS.—Any person who, on the day preceding the effective date of this Act, held a position com-

compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Alcohol, Drug Abuse and Mental Health Services Administration to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

SEC. 126. SAVINGS PROVISIONS.

(a) EFFECT ON PREVIOUS DETERMINATIONS.—All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges that—

(1) have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred by this subtitle; and

(2) are in effect on the date of enactment of this Act;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director of the National Institutes of Health, or the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration, as appropriate, a court of competent jurisdiction, or by operation of law.

(b) CONTINUATION OF PROCEEDINGS.—

(1) IN GENERAL.—The provisions of this subtitle shall not affect any proceedings, including notices of proposed rule making, or any application for any license, permit, certificate, or financial assistance pending on the date of enactment of this Act before the Department of Health and Human Services, which relates to the Alcohol, Drug Abuse and Mental Health Administration or the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse, or the National Institute of Mental Health, or any office thereof with respect to functions transferred by this subtitle. Such proceedings or applications, to the extent that they relate to functions transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made under such orders, as if this Act had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration or the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health by a court of competent jurisdiction, or by operation of law. Nothing in this subsection prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subtitle had not been enacted.

(2) REGULATIONS.—The Secretary of Health and Human Services is authorized to issue regulations providing for the orderly transfer of proceedings continued under paragraph (1).

(c) EFFECT ON LEGAL ACTIONS.—Except as provided in subsection (e)—

(1) the provisions of this subtitle do not affect actions commenced prior to the date of enactment of this Act; and

(2) in all such actions, proceedings shall be had, appeals taken, and judgments rendered

in the same manner and effect as if this Act had not been enacted.

(d) NO ABATEMENT OF ACTIONS OR PROCEEDINGS.—No action or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Health and Human Services with respect to functions transferred by this subtitle shall abate by reason of the enactment of this Act. No cause of action by or against the Department of Health and Human Services with respect to functions transferred by this subtitle, or by or against any officer thereof in his official capacity, shall abate by reason of the enactment of this Act. Causes of action and actions with respect to a function transferred by this subtitle, or other proceedings may be asserted by or against the United States or the Administrator of the Alcohol, Drug Abuse and Mental Health Administration or the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse, and the National Institute of Mental Health, as may be appropriate, and, in an action pending when this Act takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(e) SUBSTITUTION.—If, before the date of enactment of this Act, the Department of Health and Human Services, or any officer thereof in the official capacity of such officer, is a party to an action, and under this subtitle any function of such Department, Office, or officer is transferred to the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration or the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health, then such action shall be continued with the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration or the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health, as the case may be, substituted or added as a party.

(f) JUDICIAL REVIEW.—Orders and actions of the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration or the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health in the exercise of functions transferred to the Administrator or the Directors by this subtitle shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the Administrator of the Alcohol, Drug Abuse and Mental Health Administration or the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse, and the National Institute of Mental Health, or any office or officer thereof, in the exercise of such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this subtitle shall apply to the exercise of such function by the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration or the Directors.

SEC. 127. SEPARABILITY.

If a provision of this subtitle or its application to any person or circumstance is held invalid, neither the remainder of this Act nor the application of the provision to other persons or circumstances shall be affected.

SEC. 128. TRANSITION.

With the consent of the Secretary of Health and Human Services, the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration and the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health are authorized to utilize—

(1) the services of such officers, employees, and other personnel of the Department with respect to functions transferred to the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration and the Director of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health by this subtitle; and

(2) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this subtitle.

SEC. 129. REFERENCES.

Reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to the Alcohol, Drug Abuse and Mental Health Administration or to the Administrator of the Alcohol, Drug Abuse and Mental Health Administration shall be deemed to refer to the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration.

Subtitle D—Conforming Amendments

SEC. 131. CONFORMING AMENDMENTS.

(a) TITLE V.—Title V is amended—

(1) in section 521 (42 U.S.C. 290cc-21), by striking "Director of the National Institute of Mental Health" and inserting in lieu thereof "Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration";

(2) in section 528 (42 U.S.C. 290cc-28)—

(A) by striking "the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse" and inserting in lieu thereof "and the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration" in subsection (a); and

(B) by striking "National Institute of Mental Health" and inserting in lieu thereof "Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration" in subsection (c);

(3) in section 530 (42 U.S.C. 290cc-30), by striking "the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse" and inserting in lieu thereof "and the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration"; and

(4) in section 561(a) (42 U.S.C. 290ff), by striking "National Institute of Drug Abuse" and inserting in lieu thereof "Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration".

(b) TITLE XIX.—Part B of title XIX (42 U.S.C. 300x et seq.) is amended in section 1911 (42 U.S.C. 300x) (as such section is amended by section 201) by adding at the end thereof the following new subsection:

"(c) The Secretary shall carry out this part through the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration.";

(c) GENERAL PUBLIC HEALTH SERVICE ACT AMENDMENTS.—The Act (42 U.S.C. 201 et seq.) is amended—

(1) in section 227 (42 U.S.C. 236)—

(A) by striking out “, and the the Alcohol, Drug Abuse, and Mental Health Administration” in subsection (c)(2);

(B) by striking out “, the the Alcohol, Drug Abuse, and Mental Health Administration” in subsection (c)(3);

(C) by striking out “and the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration” in subsection (e); and

(D) by striking out “and the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration” in subsection (e);

(2) in section 319(a) (42 U.S.C. 247d(a)), by striking out “the Alcohol, Drug Abuse, and Mental Health Administration” and inserting in lieu thereof “the Alcohol, Drug Abuse, and Mental Health Services Administration”;

(3) in section 487(a)(1) (42 U.S.C. 288(a)(1))—
(A) by striking out “and the Alcohol, Drug Abuse, and Mental Health Administration” in subparagraph (A)(1); and

(B) by striking out “or the Alcohol, Drug Abuse, and Mental Health Administration” in the matter immediately following subparagraph (B); and

(4) in section 489(a)(2) (42 U.S.C. 288b(a)(2)), by striking out “and institutes under the Alcohol, Drug Abuse, and Mental Health Administration”.

(d) OTHER LAWS.—

(1) Section 4 of the Orphan Drug Amendments of 1985 (42 U.S.C. 236 note) is amended—

(A) in subsection (b), by striking out “the Alcohol, Drug Abuse, and Mental Health Administration”;

(B) in subsection (c)—

(i) by striking out “the Alcohol, Drug Abuse, and Mental Health Administration,” in the matter preceding paragraph (1); and

(ii) by striking out “the institutes of the Alcohol, Drug Abuse, and Mental Health Administration,” in paragraph (7); and

(C) in subsection (d)—

(i) by striking out paragraph (3) and inserting in lieu thereof the following new paragraph:

“(3) Four nonvoting members shall be appointed for the directors of the national research institutes of the National Institutes of Health which the Secretary determines are involved with rare diseases.”; and

(ii) by striking out “or an institute of the Alcohol, Drug Abuse, and Mental Health Administration” in the matter immediately following paragraph (3).

(2) The Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) is amended—

(A) in section 202(b)(1) (42 U.S.C. 3012(b)(1)), by striking out “the Alcohol, Drug Abuse, and Mental Health Administration” and inserting in lieu thereof “the Alcohol, Drug Abuse, and Mental Health Services Administration”;

(B) in section 301(b)(2) (42 U.S.C. 3021(b)(2)), by striking out “the Alcohol, Drug Abuse, and Mental Health Administration” and inserting in lieu thereof “the Alcohol, Drug Abuse, and Mental Health Services Administration”;

(C) in section 402(b) (42 U.S.C. 3030bb(b)), by striking out “the Alcohol, Drug Abuse, and Mental Health Administration” and inserting in lieu thereof “the Alcohol, Drug Abuse, and Mental Health Services Administration”.

(3) Section 116 of the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (42 U.S.C. 10826) is amended by striking out “the Alcohol, Drug Abuse, and Mental Health Administration” and inserting in lieu thereof “the Alcohol, Drug Abuse, and Mental Health Services Administration”.

SEC. 132. ADDITIONAL CONFORMING AMENDMENTS.

(a) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of the Congress, the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration and the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health shall prepare and submit to the Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this subtitle to the Public Health Service Act or any other provision of law.

(b) SUBMISSION TO THE CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration and the Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health shall submit the recommended legislation referred to under subsection (a).

Subtitle E—Miscellaneous Provisions

SEC. 141. ALTERNATIVE SOURCES OF FUNDING FOR CERTAIN GRANTEES.

The Secretary of Health and Human Services shall undertake diligent efforts to obtain alternative sources of Federal funds, including funds available under section 505, to provide assistance to grantees who have been receiving assistance under the community youth activity program established under section 3521 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11841).

SEC. 142. PEER REVIEW.

The peer review systems, advisory councils and scientific advisory committees utilized, or approved for utilization, by the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse and the National Institute of Mental Health prior to the transfer of such Institutes to the National Institute of Health shall be utilized by such Institutes after such transfer.

SEC. 143. BUDGETARY AUTHORITY.

The Directors of the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse, and the National Institute of Mental Health shall have independent authority to formulate the budgets of such institutes to the same extent as the Director of the National Cancer Institute.

SEC. 144. SUBSTANCE ABUSE TRAINING AND RESEARCH.

Section 303 (42 U.S.C. 242a) is amended—

(1) in subsection (c), by striking out the second sentence; and

(2) by adding at the end thereof the following new subsection:

“(e) The Secretary shall have the same authority with respect to substance abuse as the Secretary has with respect to mental health under this section.”.

SEC. 145. MENTAL HEALTH SERVICES.

Section 2441(j) (42 U.S.C. 300dd-41(j)) is amended by striking out “1991” and inserting in lieu thereof “1994”.

SEC. 146. GRANTS FOR CERTAIN TRAUMA CENTERS.

(a) SHORT TITLE.—This section may be cited as the “Trauma Center Revitalization Act”.

(b) ESTABLISHMENT OF GRANT PROGRAM.—Title XII (42 U.S.C. 300d et seq.), as added by section 3 of Public Law 101-590 (104 Stat. 2915), is amended by adding at the end thereof the following new part:

“PART D—TRAUMA CENTERS OPERATING IN AREAS SEVERELY AFFECTED BY DRUG-RELATED VIOLENCE

“SEC. 1241. GRANTS FOR CERTAIN TRAUMA CENTERS.

“(a) IN GENERAL.—The Secretary may make grants for the purpose of providing financial assistance for the payment of operating expenses by hospital trauma centers that have incurred substantial uncompensated costs in providing trauma care. Grants under this subsection may be made only to such hospitals specifically for the operation of their trauma centers.

“(b) MINIMUM QUALIFICATIONS OF CENTERS.—

“(1) SIGNIFICANT INCIDENCE OF UNCOMPENSATED CARE.—The Secretary may not make a grant under subsection (a) to a hospital trauma center unless the trauma center demonstrates a significant incidence of uncompensated care debt as a result of treating patients with trauma wounds during the 2-year period preceding the fiscal year for which the hospital trauma center involved is applying to receive a grant under subsection (a).

“(2) PARTICIPATION IN TRAUMA CARE SYSTEM OPERATING UNDER CERTAIN PROFESSIONAL GUIDELINES.—The Secretary may not make a grant under subsection (a) unless the hospital trauma center involved is a participant in a system that—

“(A) provides comprehensive medical care to victims of trauma in the geographic area in which the hospital trauma center involved is located;

“(B) is established by the State or political subdivision in which such center is located; and

“(C) has adopted guidelines for the designation of hospital trauma centers, and for triage, transfer, and transportation policies, equivalent to (or more protective than) the applicable guidelines developed by the American College of Surgeons or utilized in the model plan established under section 1213(c).

“SEC. 1242. PRIORITIES IN MAKING GRANTS.

“(a) IN GENERAL.—In making grants under section 1241(a), the Secretary shall give priority to any application—

“(1) made by a hospital trauma center that, for the purpose specified in such section, will receive financial assistance from the State or political subdivision involved for each fiscal year during which payments are made to the hospital from the grant, which financial assistance is exclusive of any assistance provided by the State or political subdivision as a non-Federal contribution under any Federal program requiring such a contribution; or

“(2) made by a hospital trauma center that, with respect to the system described in section 1241(b)(2) in which the center is a participant—

“(A) is providing trauma care in a geographic area in which the availability of trauma care has significantly decreased as a result of a trauma center in the area permanently ceasing participation in such system as of a date during the previous 5-year period; or

“(B) will, in providing trauma care during the 1-year period beginning on the date on which the application for the grant is submitted, incur uncompensated costs in an amount rendering the center unable to continue participation in such system, resulting in a significant decrease in the availability of trauma care in the geographic area.

“(b) ADDITIONAL PRIORITY.—In considering the grant applications of hospital trauma centers under subsection (a)(2), the Secretary shall give additional priority to those

hospitals that submit plans that indicate that such hospital trauma centers are developing long term strategies, financial, medical and otherwise, to survive the impact of providing uncompensated trauma care. The goal of such strategies shall be to continue as a hospital trauma center after the period required in section 1243(1).

"SEC. 1243. COMMITMENT REGARDING CONTINUED PARTICIPATION IN TRAUMA CARE SYSTEM.

"The Secretary may not make a grant under subsection (a) of section 1241 unless the hospital trauma center involved agrees that—

"(1) the hospital will continue to participate in the system described in subsection (b) of such section throughout the 2-fiscal years immediately succeeding the fiscal year for which a grant is received;

"(2) during the year in which the grant is received the hospital will maintain its trauma care efforts, financial and otherwise, from those of the preceding year;

"(3) if the agreement made pursuant to paragraph (1) is violated by the hospital, the hospital will be liable to the United States for an amount equal to the sum of—

"(A) the amount of assistance provided to the center under subsection (a) of such section; and

"(B) an amount representing interest on the amount specified in subparagraph (A); and

"(4) the hospital will establish a trauma registry not later than 6 months from the date on which the grant is received that shall include the number of trauma cases and the extent to which the care for such cases is uncompensated.

"SEC. 1244. GENERAL PROVISIONS.

"(a) APPLICATION.—The Secretary may not make a grant under section 1241(a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

"(b) LIMITATION ON DURATION OF SUPPORT.—The period during which a hospital trauma center receives payments under section 1241(a) may not exceed 3 fiscal years, except that the Secretary may waive such requirement for the center and authorize the center to receive such payments for 1 additional fiscal year.

"(c) LIMITATION ON AMOUNT OF GRANT.—The Secretary may not make a grant to any single hospital trauma center in an amount that exceeds \$5,000,000 in any fiscal year.

"(d) CONSULTATION.—Grants shall be awarded under section 1241(a) only after the Secretary has consulted with the appropriate State agency.

"(e) JOINT EFFORTS.—Notwithstanding any other provision of law, trauma centers may cooperate, collaborate or coordinate their activities with other trauma centers for the purpose of improving the provision of services to victims of trauma.

"SEC. 1245. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, there are authorized to be appropriated \$50,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994."

(c) CONFORMING AMENDMENTS.—Title XII (42 U.S.C. 300d et seq.), as added by section 3 of Public Law 101-590 (104 Stat. 2915), is amended—

(1) in the heading for part C, by inserting "REGARDING PARTS A AND B" after "PROVISIONS";

(2) in section 1231, in the matter preceding paragraph (1), by striking "this title" and inserting "this part and parts A and B"; and

(3) in section 1233(a), by striking "this title" and inserting "parts A and B".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect October 1, 1991, or upon the date of the enactment of this Act, whichever occurs later.

SEC. 147. DRUG SALVAGER COMPENSATION PROGRAM.

Chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 710. DRUG SALVAGER COMPENSATION PROGRAM.

"(a) PURPOSE.—It is the purpose of this section to establish a program to decrease the availability of drugs that are acquired through salvage of shipments of pharmaceuticals and controlled substances through the provision of assistance to salvagers of such products to enable such salvagers to return such product to the manufacturer or to destroy such product.

"(b) ESTABLISHMENT.—The Commissioner, in consultation with the Administrator of the Drug Enforcement Administration, shall establish a drug salvager compensation program (hereinafter referred to in this section as the "program") to carry out the purpose described in subsection (a).

"(c) CONTRACTS.—

"(1) IN GENERAL.—To carry out the program the Commissioner, in consultation with the Administrator of the Drug Enforcement Administration, shall enter into contracts with private nonprofit or profit making entities that acquire pharmaceuticals and controlled substances through the salvage of shipments of such products.

"(2) REQUIREMENT.—A contract entered into under paragraph (1) shall require the entity that is subject to the contract to return any pharmaceuticals and controlled substances acquired by such entity through salvage to the manufacturer or to destroy such products if the manufacturer cannot be determined.

"(3) COMPENSATION.—In exchange for entering into a contract under paragraph (1), the Commissioner shall reimburse such entity for any costs incurred by such entity in complying with the requirement of paragraph (2).

"(d) DEA NUMBERS.—Entities that are subject to a contract under subsection (c) shall be assigned a Drug Enforcement Administration number and shall be considered as an appropriate recipient of any controlled substances salvaged and disposed of under this section.

"(e) REPORTS.—

"(1) ENTITIES.—Entities that are subject to a contract under subsection (c) shall prepare and submit, to the Commissioner and the Administrator of the Drug Enforcement Administration, quarterly reports concerning their activities under this section.

"(2) CONGRESSIONAL.—Not later than 90 days after the end of each fiscal year, the Secretary, in consultation with the Attorney General, shall prepare and submit, to the Committee on Energy and Commerce and Judiciary of the House of Representatives and the Committee on Labor and Human Resources and Judiciary of the Senate, a report concerning the amount of drugs that have been obtained through salvage and disposed of under this section."

SEC. 148. SENSE OF THE SENATE CONCERNING CERTAIN REPORTING REQUIREMENTS.

It is the sense of the Senate that the Secretary of Health and Human Services should

review the reporting requirements that are imposed on the States by the Office of Treatment Improvement under title V of the Public Health Service Act to ensure that reports required pursuant to such requirements are not redundant, unnecessary, or overly burdensome on the States.

TITLE II—REAUTHORIZATION AND IMPROVEMENT OF ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICE BLOCK GRANT PROGRAM

SEC. 201. REAUTHORIZATION OF BLOCK GRANT.

Section 1911 (42 U.S.C. 300x) is amended to read as follows:

"SEC. 1911. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this subpart, \$1,500,000,000 for fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993 and 1994.

"(b) TECHNICAL ASSISTANCE.—The Secretary, acting through the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration may use not more than 5 percent of the amounts appropriated for a fiscal year pursuant to subsection (a) to carry out sections 541, 1916B, 1921 and 1924, to monitor expenditures pursuant to subsection (a), and to conduct evaluations on the effectiveness of treatment and prevention programs."

SEC. 202. REVISION OF BLOCK GRANT FORMULA.

(a) IN GENERAL.—Section 1912A of the Act (42 U.S.C. 300x-1a) is amended—

(1) in the formula specified in subsection (a)(4)(A)(ii)(II) by striking "N" and inserting "P";

(2) in subparagraphs (B) and (C) of subsection (a)(4), to read as follows:

"(B) For the purposes of clause (i) and the formula specified in clause (ii)(II), of subparagraph (A), the term 'P' means the product of the at-risk population percentage and the cost index of the State involved.

"(C)(i) Except as provided in clause (ii), for purposes of the formula specified in subparagraph (A)(i)(II), the term 'S' means the percentage of the most recent 3-year average of the total taxable resources of the State involved as compared to the most recent 3-year average of the taxable resources of all States, as determined by the Secretary of the Treasury.

"(ii) In the case of the District of Columbia, for purposes of the formula specified in subparagraph (A)(i)(II), the term 'S' means the percentage of the most recent 3-year average of personal income in the District of Columbia as compared to the most recent 3-year average of personal income in all States, as reported by the Secretary of Commerce."

(3) by striking subparagraphs (D) and (E) of subsection (a)(4);

(4) in subsection (b), to read as follows:

"(b)(1) Each State that received an allotment of \$7,000,000 or less under this subpart in fiscal year 1989 shall receive a minimum allotment under this subpart in each fiscal year, which allotment shall be the greater of—

"(A) the amount determined in accordance with the formula described in subsection (a)(1); and

"(B) the amount determined in accordance with the following formula:

$E(1 + 0.25(R))$

"(2) For the purpose of the formula specified in paragraph (1)(B)—

"(A) the term 'E' means the amount the State involved received under this subpart in fiscal year 1989; and

“(B) the term ‘R’ means the cumulative percentage by which the total amount appropriated pursuant to the authority of section 1911 has increased or decreased since fiscal year 1989.”;

(5) in subsection (c)—

(A) in paragraph (2)(A), by inserting “or the amount such territory received in fiscal year 1989” after “100,000”;

(B) by inserting the following flush sentence after clause (ii) of paragraph (1)(B):

“In the absence of reliable recent population data with respect to a given territory, the Secretary shall assume that the population of the territory has changed at the same rate as the population of the territories generally.”; and

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

“(4) As used in this subsection, the term ‘population’ means the civilian population.”;

(6) in subsection (g), to read as follows:

“(g)(1) Notwithstanding any other provision of law, no State shall receive an allotment under this section for a fiscal year after fiscal year 1991 that is less than the allotment such State received under this section in the preceding fiscal year.

“(2) Notwithstanding any other provision of law, in any fiscal year in which the total amount appropriated under 1911(a) increases by less than \$200,000,000 as compared to the previous fiscal year, no State shall receive an allotment under this section in such fiscal year in an amount that exceeds the sum of—

“(A) the allotment such State received in such previous fiscal year; and

“(B) \$20,000,000.

“(3) Notwithstanding any other provision of law, in fiscal year 1993 and in fiscal years thereafter, in order to ensure that each State receives an allotment under this section for each fiscal year in accordance with paragraph (1), the Secretary shall constrain the maximum percentage increase in the amount of the allotment to which any State is entitled, if any, under this section in each fiscal year, as compared to the amount of the allotment that such State received in the previous fiscal year, to the value necessary to meet the requirements of paragraph (1).”;

(7) by adding at the end the following new subsection:

“(j) As used in this section—

“(1)(A) The term ‘at risk population percentage’ means the sum of—

“(i) one-third of the percentage obtained by dividing the number of individuals in the State aged 25 through 64, by the number of individuals in all States aged 25 through 64;

“(ii) one-third of the percentage obtained by dividing the number of individuals in the State aged 18 through 24, by the number of individuals in all States aged 18 through 24; and

“(iii) one-third of the percentage obtained by dividing of the number of individuals in the State aged 25 through 44, by the number of individuals in all States aged 25 through 44.

“(B) In making the determination required in clause (ii) of subparagraph (A) the Secretary shall count twice the number of individuals aged 18 through 24 who reside in urban areas. If current data regarding the number of individuals aged 18 through 24 who reside in urban areas is not available for any fiscal year, then the Secretary shall estimate such number by multiplying the total population of each State as determined by the Secretary of Commerce for such year by the percentage obtained by dividing the

number of individuals in the State aged 18 through 24 who reside in urban areas within the State, by the total number of individuals in the State. The Secretary shall make such determinations in accordance with the data available from the most recent decennial census, and shall update population data as frequently as possible.

“(2)(A) The term ‘cost index’ means the overall cost index for the State that appears in table 4 of the March 30, 1990 report entitled ‘Adjusting the Alcohol, Drug Abuse and Mental Health Services Block Grant Allocations for Poverty Population and Cost of Service’ prepared by the Health Economics Research, Inc. pursuant to a contract with the National Institute on Drug Abuse.

“(B) The Secretary shall, in consultation with the Comptroller General of the United States, update the cost index described in subparagraph (A) prior to making allotments under this section for fiscal year 1993 and at least once every 3 years thereafter as more current data becomes available. The Secretary may make reasonable refinements in the methodology used in constructing such cost index and may phase in such changes in the cost index as the Secretary determines to be appropriate.

“(3)(A) The term ‘State’ means, except as provided in subparagraph (B), each of the several States, the District of Columbia, and each of the territories of the United States.

“(B) As used in subsections (a), (b), (e), and (f), the term ‘State’ means each of the several States and the District of Columbia.

“(4) The term ‘territories of the United States’ means each of the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.”.

(b) REPORT ON ALLOTMENT FORMULA.—

(1) REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services, in consultation with the Director of the Office of National Drug Control Policy, shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report concerning the statutory formula under which funds made available under section 1911 of the Public Health Service Act are allocated among the States and territories.

(2) CONTENTS.—The report required under paragraph (1) shall include—

(A) an assessment of the degree to which the formula allocates funds according to the respective needs of the States and territories;

(B) a review of relevant epidemiological research regarding the incidence of substance abuse and mental illness among various age groups and geographic regions of the country;

(C) the identification of factors not included in the formula that are reliable predictors of the incidence of substance abuse and mental illness;

(D) an assessment of the validity and relevance of factors currently included in the formula, such as age, urban population and cost; and

(E) any other information that the Secretary of Health and Human Services believes would contribute to a thorough assessment of the appropriateness of the current formula.

(3) CONSULTATION.—In preparing the report required under paragraph (1), the Secretary

shall consult with the Comptroller General of the United States. The Comptroller General shall review the study after its transmittal to the committees described in paragraph (1) and within three months make appropriate recommendations concerning such report to such committees.

SEC. 203. USE OF UNOBLIGATED FUNDS BY STATES.

Section 1914(a)(2) (42 U.S.C. 300x-2(a)(2)) is amended by adding at the end thereof the following new sentence: “Unobligated funds shall remain available to the State if the Secretary finds that said funds were obligated but subsequently rendered unobligated due to the State’s diligence in carrying out the purposes of this subpart.”.

SEC. 204. REVISION OF INTRAVENOUS DRUG SET-ASIDE.

Section 1916(c)(7)(B)(ii) of the Public Health Service Act (42 U.S.C. 300x-4(c)(7)(B)(ii)) is amended in the first sentence by striking “may” and inserting in lieu thereof “shall”.

SEC. 205. USE OF ALLOTMENTS.

(a) SERIOUSLY MENTALLY ILL INDIVIDUALS.—Section 1915(a)(2) (42 U.S.C. 300x-3(a)(2)) is amended by striking out “chronically” each place that such occurs and inserting in lieu thereof “seriously”.

(b) SERVICES FOR CERTAIN INDIVIDUALS.—Section 1915(a)(2)(D) (42 U.S.C. 300x-3(a)(2)(D)) is amended by inserting “(which may include mentally ill individuals in local jails and detention facilities)” after “populations”.

(c) RENOVATION.—Section 1915(b)(3) (42 U.S.C. 300x-3(b)(3)) is amended—

(1) by striking “(other than minor remodeling)”;

(2) by inserting “, except that the Secretary may authorize the use of funds for renovation that makes land or a building or other facility suitable for use under this part, including renovation to remove hazardous conditions or make the land, building, or facility accessible to disabled persons” after “equipment”.

(d) WAIVER.—The matter immediately following paragraph (5) of section 1915(b) (42 U.S.C. 300x-3(b)) is amended—

(1) in the first sentence by striking out “or rehabilitation of an existing facility”;

(2) by inserting after the fifth sentence the following new sentence: “The Secretary may waive or reduce the matching rate requirement of the preceding sentence if the State requests such a waiver and the Secretary determines that a failure to grant such a request would result in a reduction in the resources that would otherwise be used to provide direct treatment services and that are essential to implementation of the State drug abuse plan.”.

(e) SUBSTANCE ABUSERS IN JUSTICE SYSTEMS.—Section 1915(c)(1) (42 U.S.C. 300x-3(c)(1)) is amended—

(1) in subparagraph (B), by striking “and” after the semicolon at the end;

(2) in subparagraph (C), by striking the period at the end and inserting “; and”;

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

“(D) to develop, implement, and operate programs of treatment for adult and juvenile substance abusers in State and local criminal and juvenile justice systems, including treatment programs for individuals in prisons and jails and individuals on probation, parole, supervised release, and pretrial release.”.

(f) PROHIBITION AGAINST CERTAIN PROGRAMS.—Section 1915(c)(2)(A) (42 U.S.C. 300x-3(c)(2)(A)) is amended to read as follows:

"(A) to carry out any program prohibited by section 256(b) of the Health Omnibus Programs Extension of 1988 (42 U.S.C. 300ee-5); or"

(g) ADMINISTRATIVE EXPENSES.—Section 1915(d) (42 U.S.C. 300x-3(d)) is amended to read as follows:

"(d) Of the amount paid to any State under section 1914 for a fiscal year, not more than 5 percent may be used for the administrative expenses of carrying out this subpart. In determining the percentage of the amount used for the administrative expenses, the Secretary shall not include reasonable expenses, as determined by the Secretary, incurred for the training of individuals as required under this subpart, including training required under plans submitted under section 1916B."

(h) NONDISCRIMINATION.—Section 1915 (42 U.S.C. 300x-3) is amended by adding at the end thereof the following new subsection:

"(f) Substance abuse treatment facilities and mental health treatment facilities receiving assistance under this title may not discriminate against mentally ill substance abusers in the provision of services."

SEC. 206. MAINTENANCE OF EFFORT.

(a) IN GENERAL.—Paragraph (1) of section 1916(c) (42 U.S.C. 300x-4(c)(1)) is amended to read as follows:

"(1)(A) The State agrees to maintain State expenditures for alcohol and drug abuse services at a level that is not less than the average annual level maintained by the State for such services during the 2-year period preceding the fiscal year for which the State is applying to receive payments under section 1914.

"(B) The State agrees to maintain State expenditures for community mental health services at a level that is not less than the average annual level maintained by the State for such services during the 2-year period preceding the fiscal year for which the State is applying to receive payments under section 1914."

(b) DUTIES OF COUNCIL.—Section 1916(e)(2) (42 U.S.C. 300x-4(e)(2)) is amended—

(1) in subparagraph (A), by striking out "and" at the end thereof;

(2) in subparagraph (B), by striking out the period and inserting in lieu thereof "and"; and

(3) by adding at the end thereof the following new subparagraph:

"(C) to review and comment concerning the State plan required under section 1925, and at the request of the council, the State shall submit such comments to the Secretary together with such State plan."

(c) WAIVER.—Section 1916 (42 U.S.C. 300x-4) is amended by adding at the end the following new subsection:

"(h) Upon the request of a State, the Secretary may waive a requirement established in subparagraph (A) or (B) of subsection (c)(1) if the Secretary determines that extraordinary economic conditions in the State justify the waiver."

SEC. 207. REQUIREMENT OF STATEWIDE SUBSTANCE ABUSE PREVENTION AND TREATMENT PLANS.

Subpart 1 of part B of title XIX (42 U.S.C. 300x et seq.) is amended by inserting after section 1916A the following new section:

"SEC. 1916B. STATEWIDE SUBSTANCE ABUSE PREVENTION AND TREATMENT PLAN.

"(a) NATURE OF PLAN.—To receive the substance abuse portion of its allotment, in whole or in part, under section 1912A for fiscal year 1992 or a subsequent fiscal year, a State shall develop, implement, and submit as part of the application required by section 1916(a), a statewide Substance Abuse Preven-

tion and Treatment Plan which shall designate a single State agency that shall formulate and implement the Statewide Substance Abuse Prevention and Treatment Plan, and shall contain a description of—

"(1) the mechanism that shall be used to assess the needs for substance abuse prevention and treatment, and related technical assistance needs, in localities throughout the State, including the presentation of relevant data;

"(2) a statewide plan that shall be implemented to expand treatment capacity and overcome obstacles that restrict the expansion of treatment capacity (such as zoning ordinances), or an explanation of why such a plan is unnecessary;

"(3) the process and the needs- and performance-based criteria that shall be used in the allocation of funds to substance abuse prevention and treatment facilities, which shall be identified, receiving assistance under this subpart;

"(4) the mechanisms that shall be used to make funding allocations under this subpart;

"(5) the actions that shall be taken to improve the referral of substance abusers to treatment facilities that offer appropriate treatment modalities;

"(6) the program of training that shall be implemented for employees of prevention and treatment programs receiving Federal funds, designed to permit such employees to stay abreast of the latest and most effective treatment techniques;

"(7) the plan that shall be implemented—
 "(A) to coordinate substance abuse prevention and treatment services with other social, health, correctional and vocational services; and

"(B) to assure that individuals receiving substance abuse treatment also receive primary health care, directly or through arrangement with other entities;

"(8) the need for services for female substance abusers, including—

"(A) an unduplicated count of the number of women served with funds set aside pursuant to section 1916(c)(14), the demographic characteristics of the women, the specific services offered to women, the average expenditure per woman for services funded under the set-aside, and the numerical objectives for new substance abuse treatment services for women; and

"(B) the strategy for providing, or linking with existing service provision entities, prenatal and postpartum health care for women undergoing such treatment, pediatric care for the children of such women, child care, transportation and other support services that facilitate treatment, case management services, including assistance in establishing eligibility for public economic support, and employment counseling and other appropriate follow-up services to help prevent a relapse of alcohol or drug abuse;

"(9) the plan that shall be implemented to expand drug treatment opportunities for individuals under criminal justice supervision;

"(10) the plan that shall be implemented to expand drug treatment opportunities for homeless individuals;

"(11) the plan that shall be implemented, considered in terms of the plan formulated pursuant to section 1924, to expand and improve specialized services for individuals with substance abuse and coexisting mental disorders and to describe the actions to be taken to improve the organization and financing of services for individuals with coexisting substance abuse and mental disorders;

"(12) the plan that shall be implemented to assist businesses, labor unions, and schools

to establish employee assistance programs and student assistance programs;

"(13) the steps taken to assure that each recipient of financial assistance pursuant to the provisions of this subpart shall not engage in discrimination on the basis of race, religion, color, national origin, gender, reproductive status, or handicap in the course of the activities assisted in whole or in part pursuant to the provisions of this subpart;

"(14) the actions of the State to encourage treatment facilities to provide aftercare, either directly or through arrangements with other individuals or entities, for patients who have ended a course of treatment provided by the facility, that shall include periodic contacts with the patient to monitor the progress of the patient and provide services or additional treatment and rehabilitation as needed;

"(15) interim assistance that is available for individuals who apply for treatment, and who must wait for the availability of treatment opportunities;

"(16) actions taken to ensure and maintain patient confidentiality;

"(17) the performance of the State in implementing the previous year's plan, including the presentation of relevant data;

"(18) with respect to States with a significant number of Native Americans, the plan for providing appropriate services to that population, including services to reduce the incidence of Fetal Alcohol Syndrome; and

"(19) such other information as the Secretary determines to be appropriate.

"(b) SUBMISSION OF PLAN.—The plan required by subsection (a) shall be submitted to the Secretary annually for review and approval. The Secretary shall have the authority to approve or disapprove, in whole or in part, such State plans and the implementation thereof, and to propose changes to such plans.

"(c) REGULATIONS.—

"(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary, in consultation with the States, shall issue regulations to carry out this section. Such regulations may include uniform data collection criteria and shall include criteria for each area to be covered by the State plan prepared under subsection (a). Pending the adoption of such regulations, the Secretary may implement this section through the issuance of mandatory guidelines.

"(2) APPLICABILITY.—For fiscal year 1993 and subsequent fiscal years, no payment shall be made to a State from the allotment of the State under section 1912A unless such State has submitted, and the Secretary has approved, a plan in accordance with the regulations issued under paragraph (1). The Secretary may withhold such portion of a State's allotment as the Secretary determines to be appropriate upon a finding by the Secretary that the State is only partially in compliance with this section and has made a good faith effort to be in complete compliance.

"(3) MONITORING.—The Secretary shall monitor and evaluate the compliance of the State's implementation of the plan submitted under this section and provide technical assistance to assist in achieving such compliance.

"(4) OTHER REGULATIONS.—Notwithstanding any other provision of law, any other rule or regulation that is inconsistent with this section (including the provisions of section 50(e) of part 96 of title 45 of the Code of Federal Regulations) shall not be enforced to the extent of such inconsistency.

“(d) SUBMISSION OF PROGRESS REPORTS.—Each State shall submit reports in such form, and containing such information as the Secretary may, from time to time, require, and shall comply with such additional requirements as the Secretary may from time to time find necessary to verify the accuracy of such reports.

“(e) WAIVER OF PLAN REQUIREMENT.—At the discretion of the Secretary, the Secretary may waive any or all of the requirements of this section on the written request of a State, upon a finding by the Secretary that—

“(1) one or more of the requirements of this section is inapplicable to a State; or

“(2) it is not reasonably practical for a State to comply with one or more of the requirements of this section.”.

SEC. 208. REPEALS.

Sections 1922 and 1923 (42 U.S.C. 300x-9a and 300x-9b) are repealed.

SEC. 209. TECHNICAL AMENDMENT.

Section 1924(a) (42 U.S.C. 300x-10(a)) is amended by inserting “, acting through the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration,” after “The Secretary”.

TITLE III—CHILDREN OF SUBSTANCE ABUSERS

SEC. 301. SHORT TITLE.

This title may be cited as the “Children of Substance Abusers Act”.

SEC. 302. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) an estimated 375,000 infants each year are exposed to drugs before birth and an estimated 5,000 infants have documented cases of Fetal Alcohol Syndrome which result in a distinct cluster of congenital birth defects;

(2) there are an estimated 28,600,000 children of alcoholics in the United States, of whom 6,600,000 are under the age of 18, and an estimated total of 9,000,000 to 10,000,000 children under the age of 18 are affected by a type of parental substance abuse;

(3) children of alcoholics and other drug abusers are at risk of developing a range of physical, psychological, emotional, and developmental problems, and of becoming substance abusers themselves;

(4) alcohol and other drugs are a factor in an increasing number of child abuse and neglect cases, and placements in foster care have risen almost 30 percent since 1986, resulting in the disruption of families;

(5) pregnant women often have difficulty in obtaining drug or alcohol treatment because of the risks their pregnancies pose, and women in general are underrepresented in drug and alcohol treatment programs;

(6) parents, particularly women, often have a range of additional problems that must be addressed, including their own physical or sexual abuse, chemical dependency in their family backgrounds, lack of job skills, and high levels of family conflict and violence;

(7) effective treatment must be comprehensive and address the needs of the entire family, and where possible, be directed at preserving the family over time;

(8) children whose parents are substance abusers must have access to services regardless of the participation of their parents, and caretakers other than parents also need supportive services;

(9) earlier intervention with vulnerable families is needed to strengthen families and prevent crises from developing, including those stemming from parental substance abuse; and

(10) home visiting has been proven to contribute to healthy births, the healthy devel-

opment of children, and the development of better parenting skills and social support networks.

(b) PURPOSES.—The purposes of this title are—

(1) to increase the ability of mothers and fathers who are substance abusers to participate in alcohol and drug treatment;

(2) to ensure that the physical, emotional, and psychological needs of children of substance abusers, including children exposed to drugs or alcohol before birth, are identified, assessed, and addressed;

(3) to promote the economic and social well-being of families in which a parent is a substance abuser by providing comprehensive services directed at the entire family;

(4) to develop a service delivery system to provide family intervention based on a case management approach;

(5) to promote early intervention through the use of home visiting to families with children at risk of health or developmental complications; and

(6) to promote the healthy development of children and preserve families by improving parenting skills and providing support systems of social services.

Subtitle A—Services for Children of Substance Abusers

SEC. 311. SERVICES.

Title III (42 U.S.C. 301 et seq.) is amended by adding at the end thereof the following new part:

“PART M—SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS

“SEC. 399D. DEFINITIONS.

“As used in this part:

“(1) CARETAKER OF A CHILD OF A SUBSTANCE ABUSER.—The term ‘caretaker of a child of a substance abuser’ means a birth parent, foster parent, adoptive parent, relative of a child of a substance abuser, or other individual acting in a parental role.

“(2) CHILD OF A SUBSTANCE ABUSER.—The term ‘child of a substance abuser’ means any child of a substance abuser, including a child born to a mother who abused alcohol or other drugs during pregnancy or any child living in a household with an individual acting in a parental role who is a substance abuser.

“(3) COMMUNITY OUTREACH SERVICES.—The term ‘community outreach services’ means services provided by a public health nurse, social worker, or similar professional, or by a trained worker from the community supervised by a professional, to—

“(A) accomplish early identification of families where substance abuse is present;

“(B) accomplish early identification of children affected by parental substance abuse;

“(C) provide counseling to substance abusers on the benefits and availability of substance abuse treatment services and services for children of substance abusers;

“(D) assist substance abusers in obtaining and using substance abuse treatment services and services for children of substance abusers; and

“(E) visit and provide support to substance abusers, especially pregnant women, who are receiving substance abuse treatment services or services for children of substance abusers.

“(4) INDIAN TRIBE.—The term ‘Indian tribe’ means any tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village (as defined in, or established pursuant to, the Alaska Native Claims Settlement Act), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

“(5) NATIVE AMERICANS.—The term ‘Native Americans’ means of, or relating to, a tribe, people, or culture that is indigenous to the United States.

“(6) NATIVE HAWAIIAN.—the term ‘Native Hawaiian’ means any individual who is a descendant of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area that now constitutes the State of Hawaii.

“(7) RELATED SERVICES.—The term ‘related services’ means services provided by—

“(A) education and special education programs;

“(B) Head Start programs established under the Head Start Act (42 U.S.C. 9831 et seq.);

“(C) other early childhood programs;

“(D) employment and training programs;

“(E) public assistance programs provided by Federal, State, or local governments; and

“(F) programs offered by vocational rehabilitation agencies, recreation departments, and housing agencies.

“(8) SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS.—The term ‘services for children of substance abusers’ includes—

“(A) in the case of children of substance abusers—

“(i) periodic evaluation of children for developmental, psychological, and medical problems;

“(ii) primary pediatric care, consistent with early and periodic screening, diagnostic, and treatment services described in section 1905(r) of the Social Security Act (42 U.S.C. 1396d(r));

“(iii) other necessary and mental health services;

“(iv) therapeutic intervention services for children, including provision of therapeutic child care;

“(v) preventive counseling services;

“(vi) counseling related to the witnessing of chronic violence;

“(vii) referral to related services, and assistance in establishing eligibility for related services; and

“(viii) additional developmental services that are consistent with the definition of ‘early intervention services’ in part H of title VI of the Individuals with Disability Education Act (20 U.S.C. 1471 et seq.);

“(B) in the case of substance abusers—

“(i) encouragement and, where necessary, referrals to participate in appropriate substance abuse treatment;

“(ii) assessment of adult roles other than parenting, including periodic evaluation of social status, economic status, educational level, psychological condition, and skill level;

“(iii) primary health care and mental health services, including prenatal and post partum care for pregnant women;

“(iv) consultation and referral regarding subsequent pregnancies and life options, including education and career planning;

“(v) where appropriate counseling regarding family conflict and violence;

“(vi) remedial education services; and

“(vii) referral to related services, and assistance in establishing eligibility for related services; and

“(C) in the case of substance abusers, spouses of substance abusers, extended family members of substance abusers, caretakers of children of substance abusers, and other people significantly involved in the lives of substance abusers or the children of substance abusers—

“(i) an assessment of the strengths and service needs of the family and the assignment of a case manager who will coordinate services for the family;

"(ii) therapeutic intervention services, such as parental counseling, joint counseling sessions for families and children, and family therapy;

"(iii) child care or other care for the child to enable the parent to attend treatment or other activities and respite care services;

"(iv) parenting education services and parent support groups;

"(v) support services, including, where appropriate, transportation services;

"(vi) where appropriate, referral of other family members to related services such as job training; and

"(vii) aftercare services, including continued support through parent groups and home visits.

"(9) **SUBSTANCE ABUSE.**—The term 'substance abuse' means the abuse of alcohol or other drugs.

"(10) **SUBSTANCE ABUSER.**—The term 'substance abuser' means a pregnant woman, mother, father, or other individual acting in a parental role who abuses alcohol or other drugs.

"Subpart I—Grants for Services for Children of Substance Abusers

"SEC. 399E. GRANTS FOR SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS.

"(a) **ESTABLISHMENT.**—The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall make grants to eligible entities to pay for the Federal share of the costs of establishing programs to provide community outreach services and services for children of substance abusers.

"(b) **USE OF FUNDS.**—

"(1) **SERVICES PROVIDED.**—An eligible entity shall use grants made under subsection (a) to provide, either directly or by contract or agreement—

"(A) the services described in section 399D(5)(A) and community outreach services to the children of substance abusers, including children not living with their parents;

"(B) the services described in section 399D(5)(B) and community outreach services to substance abusers; and

"(C) the services described in section 399D(5)(C) to substance abusers, spouses of substance abusers, extended family members of substance abusers, caretakers of children of substance abusers, and other people significantly involved in the lives of substance abusers or the children of substance abusers.

"(2) **SERVICE CHARACTERISTICS.**—A program established through a grant made under this section shall—

"(A) provide comprehensive services directed at the needs of the entire family, including caretakers of children of substance abusers;

"(B) be accessible to recipients of community outreach services and services for children of substance abusers;

"(C) maintain maximum confidentiality of information in compliance with local laws about substance abusers with respect to substance abuse treatment or receipt of community outreach services, services for children of substance abusing, or related services;

"(D) coordinate the referral, determination of eligibility for, and provision of services with other services for children of substance abusers, substance abuse treatment services, and related services;

"(E) use service providers from a variety of disciplines;

"(F) provide long-term services; and

"(G) provide a range of services corresponding to the varying needs of recipients of community outreach services and services for children of substance abusers.

"(c) **GRANT AWARDS.**—In making grants under subsection (a), the Secretary shall ensure that the grants are—

"(1) reasonably distributed among the three types of eligible entities described in subsection (e);

"(2) distributed to an adequate number of eligible entities that—

"(A) provide residential treatment to substance abusers and provide appropriate therapeutic services to meet the needs of children of substance abusers while they reside with their parents during treatment;

"(B) provide in-home and community-based services on an out-patient basis or in a primary pediatric care setting; or

"(C) provide residential care for the parent with the child participating in the provision of such care while residing with a caretaker, and provide outreach, supportive, and therapeutic services for the child and the caretaker;

"(3) distributed to give priority to areas with a high incidence of poverty and a high incidence of children of substance abusers, infant mortality, infant morbidity, or child abuse;

"(4) distributed to ensure that entities serving Native American and Native Hawaiian communities are represented among the grantees; and

"(5) equitably distributed between urban and rural States and among all geographic regions of the country.

"(d) **APPLICATION.**—To be eligible to receive a grant under this section, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may by regulation require. At a minimum, each application shall contain—

"(1) a description of the services to be provided, which shall meet the requirements of subsection (b)(2), and measurable goals and objectives;

"(2) information demonstrating an ongoing mechanism to involve the local public agencies responsible for health, mental health, child welfare, education, juvenile justice, developmental disabilities, and substance abuse treatment programs in planning and providing community outreach services, services for children of substance abusers, and substance abuse treatment services as well as evidence that the proposal contained in the application has been coordinated with the State agencies responsible for administering those programs and the State agency responsible for administering public maternal and child health services;

"(3) information demonstrating that the applicant has established a relationship with child welfare agencies and child protective services that will enable the applicant, where appropriate, to—

"(A) provide advocacy on behalf of substance abusers and the children of substance abusers in child protective services cases;

"(B) provide services to help prevent the unnecessary placement of children in substitute care; and

"(C) promote reunification of families or permanent plans for the placement of the child;

"(4) an assurance that the applicant will coordinate with the State lead agency and Interagency Coordinating Council as defined in part H of title VI of the Individuals with Disability Education Act (20 U.S.C. 1476 and 20 U.S.C. 1482);

"(5) an assurance that the applicant will obtain at least 10 percent of the costs of providing services for community outreach services and services for children of substance abusers from non-Federal funds;

"(6) an assurance that nonresidential programs will incorporate home-based services;

"(7) an assurance that the applicant will initiate and maintain efforts to enter substance abusers to whom they provide services into appropriate substance abuse treatment programs;

"(8) baseline information (including health status information) regarding the population to be targeted and the service characteristics of the community; and

"(9) an assurance that the applicant will submit to the Secretary an annual report containing—

"(A) a description of specific services and activities provided under the grant;

"(B) information regarding progress toward meeting the program's stated goals and objectives;

"(C) information concerning the extent of use of services provided under the grant, including the number of referrals to related services and information on other programs or services accessed by children, parents, and other caretakers;

"(D) information concerning the extent to which parents were able to access and receive treatment for alcohol and drug abuse and sustain participation in treatment over time until the provider and the individual receiving treatment agree to end such treatment, and the extent to which parents re-enter treatment after the successful or unsuccessful termination of treatment;

"(E) information concerning the costs of the services provided;

"(F) information concerning—

"(i) the number and characteristics of families, parents, and children served, including a description of the type and severity of childhood disabilities, and an analysis of the number of children served by age;

"(ii) the number of children served who remained with their parents during the period in which entities provided services under this section;

"(iii) the number of children served who were placed in out-of-home care during the period in which entities provided services under this section;

"(iv) the number of children described in clause (iii) who were reunited with their families; and

"(v) the number of children described in clause (iii) for whom a permanent plan has not been made or for whom the permanent plan is other than family reunification;

"(G) information on hospitalization or emergency room use by the family members participating in the program; and

"(H) such other information as the Secretary determines to be appropriate.

"(e) **ELIGIBILITY.**—Entities eligible to receive a grant under this section shall include—

"(1) alcohol and drug treatment programs, especially those providing treatment to pregnant women and mothers and their children;

"(2) public or private nonprofit entities that provide health or social services to disadvantaged populations, including community-based organizations, local public health departments, community action agencies, hospitals, community health centers, child welfare agencies, developmental disabilities service providers, and family resource and support programs, and that have—

"(A) expertise in applying the services to the particular problems of substance abusers and the children of substance abusers; and

"(B) an affiliation or contractual relationship with one or more substance abuse treatment programs;

"(3) consortia of public or private non-profit entities that include at least one substance abuse treatment program; and

"(4) Indian tribes, Indian organizations, and Alaska Native villages.

"(f) REVIEW PANEL.—

"(1) REQUIREMENT.—In making determinations for awarding grants under subsection (a), the Secretary shall rely on the recommendations of the review panel established under paragraph (2).

"(2) COMPOSITION.—The Secretary shall establish a review panel to make recommendations under paragraph (1) that shall be composed of representatives of the—

"(A) Health Resources and Services Administration;

"(B) Alcohol, Drug Abuse, and Mental Health Services Administration;

"(C) Administration for Children, Youth, and Families;

"(D) entity within the Department of Health and Human Services responsible for providing services to individuals with developmental disabilities; and

"(E) the Office on Family and Child Health of the Administration for Children and Families.

"(g) FEDERAL SHARE.—The Federal share of grants provided under this section shall be 90 percent. The Secretary shall accept the value of in-kind contributions made by the grant recipient as a part or all of the non-Federal share of grants.

"(h) EVALUATION.—The Secretary shall periodically conduct evaluations to determine the effectiveness of programs supported under subsection (a)—

"(1) in reducing the incidence of alcohol and drug abuse among substance abusers participating in the programs;

"(2) in preventing adverse health conditions in children of substance abusers;

"(3) in promoting better utilization of health and developmental services and improving the health, developmental, and psychological status of children receiving services under the program;

"(4) in improving parental and family functioning;

"(5) in reducing the incidence of out-of-home placement for children whose parents receive services under the program; and

"(6) in facilitating the reunification of families after children have been placed in out-of-home care.

"(i) REPORT.—The Secretary shall annually prepare and submit to appropriate committees of Congress a report that contains a description of programs carried out under this section. At a minimum, the report shall contain—

"(1) information concerning the number and type of programs receiving grants;

"(2) information concerning the type and use of services offered;

"(3) information concerning—

"(A) the number and characteristics of families, parents, and children served;

"(B) the number of children served who remained with their parents during or after the period in which entities provided services under this section;

"(C) the number of children served who were placed in out-of-home care during the period in which entities provided services under this section;

"(D) the number of children described in subparagraph (C) who were reunited with their families; and

"(E) the number of children described in subparagraph (D) who were permanently placed in out-of-home care;

analyzed by the type of eligible entity described in subsection (e) that provided services;

"(4) an analysis of the access provided to, and use of, related services and alcohol and drug treatment through programs carried out under this section; and

"(5) a comparison of the costs of providing services through each of the types of eligible entities described in subsection (e).

"(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$50,000,000 for each of the 1992 and subsequent fiscal years.

"SEC. 399F. COORDINATION AND INFORMATION.

"(a) COORDINATION.—In carrying out the provisions of this subpart the Secretary shall ensure that the activities and services assisted provided under this subpart are coordinated with the activities and services assisted under section 506, and shall ensure coordination with and consultation regarding expanding and improving services for parents who are substance abusers and their children, among—

"(1) the Administrator of the Health Resources and Services Administration;

"(2) the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration;

"(3) the Commissioner of the Administration for Children, Youth, and Families;

"(4) the Commissioner of the Administration on Developmental Disabilities;

"(5) the Commissioner of Child and Family Health;

"(6) appropriate officials within the Department of Education; and

"(7) the Director of the Indian Health Service.

"(b) STUDY.—Not later than 1 year after the date of enactment of this part, the Secretary shall conduct a study and prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives a report concerning—

"(1) the various efforts within the Department of Health and Human Services to address the needs of parents who are substance abusers and the needs of the children of such parents; and

"(2) the ways in which—

"(A) coordination among the efforts described in paragraph (1) can be improved; and

"(B) duplication of the efforts described in paragraph (1), if any, can be reduced.

"(c) DATA COLLECTION.—The Secretary shall periodically collect and report on information concerning the numbers of children in substance abusing families, including information on the age, gender and ethnicity of the children and the composition and income of the family.

"Subpart II—Grants for Training on Substance Abuse in Families

"SEC. 399G. GRANTS FOR TRAINING ON SUBSTANCE ABUSE IN FAMILIES.

"(a) IN GENERAL.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall award grants for the training of professionals and other staff who provide services to, or come in contact with, children and families of substance abusers.

"(b) TRAINING STRATEGY.—Not later than 6 months after the date of enactment of this part, the Administrator of the Health Resources and Services Administration shall identify the training needs of professionals and other staff who provide services to, or come in contact with, children and families of substance abusers and develop a strategy

for the establishment and implementation of curriculum to satisfy such training needs. In developing such strategy, the Administrator shall collaborate with—

"(1) the Administrator of the Alcohol, Drug Abuse, and Mental Health Services Administration;

"(2) the Commissioner of the Administration on Children, Youth, and Families;

"(3) the Commissioner of the Administration on Developmental Disabilities;

"(4) the Director of the Indian Health Services;

"(5) relevant officials in the Department of Education; and

"(6) representatives of State and Tribal agencies responsible for administering health programs including maternal and child health, mental health, substance abuse treatment, child welfare, education, juvenile justice, and developmental disabilities programs.

"(c) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section an entity shall—

"(1) be a public or private nonprofit entity with expertise in providing training or services involving substance abuse or children of substance abusers;

"(2) have expertise in providing training and education to Native American and Native Hawaiian communities, including Tribally Controlled Community Colleges, Navajo Community College, and Tribally Controlled Postsecondary Vocational Institutions; or

"(3) be an entity that provides services to, or comes into contact with, substance abusers and children and families of substance abusers, including those entities that provide community outreach services and services for children of substance abusers as described in section 399E.

"(d) APPLICATION.—To be eligible to receive a grant under subsection (a), an entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing such agreements, assurances, and information as the Secretary may require, including—

"(1) a description of the training to be provided or purchased with the assistance provided under the grant;

"(2) a description of the qualifications of the entity providing the training;

"(3) in cases where the training provider is the entity applying for the grant, information indicating the commitment of entities that will be recipients of the training to participate in the training program;

"(4) in the case of applications for grants that will be used to provide the services described in subsection (e)(4), assurances that the agencies that are the training recipients will continue to use the approach to service delivery that is the subject of such training to address cases involving children of substance abusers; and

"(5) any other information determined appropriate by the Secretary.

"(e) USE OF FUNDS.—An entity that receives a grant under subsection (a) shall use the grant proceeds—

"(1) to develop and disseminate interdisciplinary curricula for training professionals and other staff who provide services to children and families of substance abusers, including community outreach services, or who provide services that bring the professionals into contact with substance abusers, children and families of substance abusers, or caretakers of children of substance abusers;

"(2) to provide or purchase training for staff or volunteers in programs specifically

designed to provide community outreach services and services for children of substance abusers, as defined in section 399D;

"(3) to provide or purchase training for professionals and other staff whose regular duties involve the provision of services to children and families of substance abusers or to caretakers of children of substance abusers, except that such training—

"(A) shall cover topics including identification, referral, and evaluation of substance abusers, family members affected by substance abuse, and caretakers of children of substance abusers, and, where appropriate, specialized techniques for providing services to these families; and

"(B) shall be attended by representatives from at least one and, to the maximum extent practicable, two or more of agencies responsible for the provision of child protective and child welfare services, health care, developmental services, education, including school administrators, social workers, and teachers, mental health, judiciary, public health, and social services; and

"(4) to provide or purchase training, case support, and consultation to interdisciplinary teams of personnel from child protective service or child welfare agencies and personnel from public health, mental health, developmental service providers, or social services agencies or from entities providing those services, in order for such teams to provide support to, and arrange services for, caretakers of children of substance abusers, except that such training shall—

"(A) include instruction concerning what is known about the effects of prenatal substance abuse, the implications of such substance abuse for infant care, health, and development, and methods of providing instruction and support for caretakers of children of substance abusers;

"(B) support an approach to service delivery that is interagency, interdisciplinary, comprehensive, oriented toward case management, and focused on improving the health and development of the child;

"(C) be provided in sessions that include participants from all agencies contributing members to the team; and

"(D) be provided in classroom, home-based, and clinical settings.

"(f) GRANT AWARDS.—In awarding grants under subsection (a), the Secretary shall—

"(1) consult with the Administrator of the Alcohol, Drug Abuse and Mental Health Administration, the Commissioner of the Administration on Children, Youth, and Families and the Commissioner of the Administration on Developmental Disabilities;

"(2) ensure that grants are awarded in a manner consistent with the training strategy developed under subsection (b);

"(3) ensure that such grants are reasonably distributed among the grantee types described in subsection (c); and

"(4) ensure that the grants are distributed to ensure that entities serving Native American and Native Hawaiian communities are represented among the grantees.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$20,000,000 for fiscal year 1992 and for each such subsequent fiscal year."

Subtitle B—Grants for Home-Visiting Services for At-Risk Families

SEC. 321. SHORT TITLE.

This subtitle may be cited as the "Healthy Beginnings Act of 1991".

SEC. 322. GRANTS FOR HOME VISITING SERVICES FOR AT-RISK FAMILIES.

Part L of title III is amended—

(1) by redesignating sections 399 and 399A (42 U.S.C. 280c-4 and 280c-5) as sections 398A and 398B, respectively; and

(2) by adding at the end thereof the following new subpart:

"Subpart III—Grants for Home Visiting Services for At-Risk Families

"SEC. 398E. DEFINITIONS.

"As used in this subpart:

"(1) ELIGIBLE FAMILY.—

"(A) IN GENERAL.—The term 'eligible family' means a family that includes—

"(i) a pregnant woman who is at risk of delivering an infant with a health or developmental complication, or other poor birth outcome; or

"(ii) a child below the age of 3 who has experienced or is at risk for a health or developmental complication, or child maltreatment.

"(B) POOR BIRTH OUTCOME.—A pregnant woman may be considered to be at risk of delivering an infant with a poor birth outcome, for purposes of subparagraph (A)(i), if during her pregnancy such woman;

"(i) lacks appropriate access to and information concerning early and routine prenatal care;

"(ii) lacks the transportation necessary to gain access to the services described in this subparagraph;

"(iii) lacks appropriate child care assistance, which results in impeding the ability of such woman to utilize health and related social services;

"(iv) is fearful of accessing substance abuse services or child and family support services;

"(v) has an income that is below 100 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981); or

"(vi) is without health insurance.

"(2) HEALTH OR DEVELOPMENTAL COMPLICATION.—The term 'health or developmental complication' means—

"(A) low birthweight;

"(B) premature birth;

"(C) a physical or developmental disability or delay; or

"(D) exposure to parental substance abuse.

"(3) HOME VISITING SERVICES.—The term 'home visiting services' includes—

"(A) prenatal and postnatal health care;

"(B) primary health care for eligible children, including developmental assessments;

"(C) education for mothers and caretakers concerning infant care, and child development, including the development and utilization of parents and teachers resource networks and other family resource and support networks where such networks are available;

"(D) education for women concerning the health consequences of smoking, alcohol, or other substance abuse, inadequate nutrition, use of nonprescription drugs, and the transmission of sexually transmitted diseases;

"(E) assistance in obtaining necessary health, mental health, developmental, and social services, including services offered by maternal and child health programs, the special supplemental food program for women, infants, and children, authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), early and periodic screening, diagnostic, and treatment services, as described in section 1905(r) of the Social Security Act (42 U.S.C. 1396d(r)), assistance programs under titles IV and XIX of the Social Security Act, housing programs, other food assistance programs, and appropriate alcohol

and drug dependency treatment programs, according to need; and

"(F) development of a family service plan as provided for in section 398F(d)(4).

"(4) HOME VISITOR.—The term 'home visitor' means a person who provides home visiting services.

"SEC. 398F. HOME VISITING SERVICES.

"(a) ESTABLISHMENT.—The Secretary shall make competitive grants to eligible entities to pay for the Federal share of the costs of providing home visiting services to eligible families. The Secretary shall award grants for periods of at least 3 years.

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

"(1) to increase the use of, and to provide information on the availability of early, continuous and comprehensive prenatal care;

"(2) to reduce the incidence of infant mortality and of infants born prematurely, with low birthweight, or with other impairments including those associated with maternal substance abuse;

"(3) to assist pregnant women and mothers of children below the age of 3 whose children have experienced, or are at risk of experiencing, a health or developmental complication, in obtaining health and related social services necessary to meet the special needs of the women and their children;

"(4) to assist, when requested, women who are pregnant and at-risk for poor birth outcomes, or who have young children and are abusing alcohol or other drugs in obtaining appropriate treatment; and

"(5) to reduce the incidence of child abuse and neglect.

"(c) GRANT AWARD.—

"(1) IN GENERAL.—In awarding grants under this section, the Secretary shall—

"(A) give priority to those entities—

"(i) that would provide home visiting services in an area where a shortage of primary health care or health professionals exists or where the population targeted by the applicant for the grant has limited access to health care and related social, family support, and developmental services;

"(ii) that have the ability to provide, either directly or through linkages, a broad range of preventive and primary health care services and related social, family support, and developmental services, as defined in section 398E(3);

"(iii) that have demonstrated a commitment to serving low income and uninsured individuals and families; and

"(iv) where appropriate for the proposed target population, have experience in providing outreach, preventive public health services, and developmental services to families with alcohol and drug problems;

"(B) in those urban areas in which more than one qualified application for a grant under this section is received, give priority to those entities that have the ability to provide comprehensive preventative and primary health care and related and social, family support, and development services that meet the criteria described in subparagraph (A)(i), and that have a history of providing health or related social services to the target at-risk population in the communities they serve; and

"(C) ensure that entities targeting families where substance abuse is present and entities serving Native American communities are represented among the grantees.

"(2) CONSIDERATIONS IN AWARDING GRANTS.—To demonstrate the effectiveness of home visiting programs among differing target populations, the Secretary, when awarding grants, shall take into consideration—

"(A) whether such grants are equitably distributed among urban and rural settings; and

"(B) different combinations of professional and lay home visitors utilized within programs that are reflective of the identified service needs and characteristics of target populations.

"(d) DELIVERY OF SERVICES AND CASE MANAGEMENT.—

"(1) **CASE MANAGEMENT MODEL.**—Home visiting services provided under this section shall be delivered according to a case management model, and a registered nurse, licensed social worker, or other licensed health care professional with experience and expertise in providing health and related social services in the home, shall be assigned as the case manager for individual cases under such model.

"(2) **CASE MANAGER.**—A case manager assigned under paragraph (1) shall have primary responsibility for coordinating and overseeing the development of a family service plan for each home visited under this section, and for coordinating the delivery of services provided through appropriate personnel.

"(3) **APPROPRIATE PERSONNEL.**—In determining which personnel shall be utilized in the delivery of services, the case manager shall consider—

"(A) the stated objective of the home visiting program involved, as determined after considering identified gaps in the current service delivery system; and

"(B) the nature of the needs of the client to be served, as determined at the initial assessment of the client that is conducted by the case manager, and through follow-up contacts by home visitors with the family.

"(4) **FAMILY SERVICE PLAN.**—A case manager, in consultation with the members of the home visiting team, shall develop a family service plan for the client following the initial home visit of the case manager. Such plan shall reflect—

"(A) an assessment of the health and related social service needs of the client family;

"(B) a structured plan for the delivery of services to meet the identified needs of the client family;

"(C) the frequency with which home visits are to be made concerning the client family;

"(D) ongoing revisions made as the needs of family members change; and

"(E) the continuing voluntary participation of the client in the plan.

"(5) **HOME VISITING TEAM.**—The home visiting team to be consulted under paragraph (4) on behalf of a client family shall include, as appropriate, other nursing professionals, social workers, child welfare professionals, infant and early childhood specialists, nutritionists, and laypersons trained as home visitors. The case manager shall ensure that the family service plan is coordinated with those physician services that may be required by the mother or child.

"(6) **SERVICES.**—Services provided under this section shall be made available through the applicant, either directly, or indirectly through agreements entered into by the applicant with other public or nonprofit private entities.

"(e) **APPLICATION.**—To be eligible to receive a grant under this section, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary by regulation requires. At a minimum, each application shall contain—

"(1) a well defined description of the population to be targeted for home visiting services;

"(2) a plan for the delivery of structured services designed to meet the needs of the targeted population with a description of the objectives to be met through the provision of services by the entity and a plan for measuring the progress made toward achieving such objectives;

"(3) a description of the services to be provided by the entity directly, and the services to be provided by other public or nonprofit private entities under agreement with the entity;

"(4) assurances that the entity will provide case planning for eligible families that incorporates an interdisciplinary approach and, to the extent practicable, interagency involvement;

"(5) a description of the types and qualifications of home visitors used by the entity, including assurances that the skill level of the home visitor will be matched with the services to be provided by the visitor;

"(6) assurances that, to meet the objectives of the program, the home visitors will receive training in recognizing and addressing, or making referrals to address, parental substance abuse and its effects on children;

"(7) a description of the process by which the entity will provide continuing training, adequate supervision, and sufficient support to home visitors to ensure that trained home visitors are able to provide effective home visiting services;

"(8) a description of the means to be employed to provide outreach to eligible women;

"(9) assurances that the entity will provide home visiting services conducted by—

"(A) public health nurses, social workers, child welfare professionals, or other health or mental health professionals including developmental service providers who are trained or have experience in home visiting services; or

"(B) teams of home visitors, which shall include at least one individual described in subparagraph (A) and which may include workers recruited from the community and trained in home visiting services;

"(10) assurances that the entity will provide home visiting services with reasonable frequency—

"(A) to families with pregnant women, as early in the pregnancy as is practicable, and until the infant reaches at least 2 years of age;

"(B) to other eligible families, for at least 2 years;

if they remain within the service delivery area;

"(11) assurances that, in the case of an applicant who provides home visiting services to children age 3 or younger, the applicant will to the maximum extent practicable ensure that such children receive continued services through early childhood programs, such as the Head Start program;

"(12) assurances that the entity will deliver home visiting services in a manner that accords proper respect to the cultural traditions of the eligible families;

"(13) information demonstrating that the applicant is familiar with the socioeconomic and cultural groups who will receive home visiting services from the entity;

"(14) an assurance that the applicant will obtain at least 10 percent of the costs of providing home visiting services from non-Federal funds (such contribution to costs may be in cash or in-kind, including facilities and personnel);

"(15) an assurance that the applicant will spend not more than 10 percent of the Federal funds received under this subpart on

other administrative costs, exclusive of training;

"(16) an assurance that the applicant will submit the report required by subsection (g);

"(17) assurances that the entity will coordinate with public health and related social service agencies to improve the delivery of comprehensive health and related social services to women and children served by the entity; and

"(18) evidence that the development of the proposal has been coordinated with the State agencies responsible for maternal and child health and child welfare, coordinated with services provided under part H of the Individuals with Disabilities Education Act, as well as evidence of the existence of a mechanism to ensure continuing collaboration and consultation with these agencies.

"(f) **ELIGIBILITY.**—Entities eligible to receive a grant under this section shall include public and private nonprofit entities that provide health or related social services, including community-based organizations, hospitals, local health departments, community health centers, Native Hawaiian health centers, nurse managed clinics, family service agencies, child welfare agencies, developmental service providers, and family resource and support programs.

"(g) **FEDERAL SHARE.**—The Federal share of grants provided under this section shall be 90 percent.

"(h) REPORT AND EVALUATION.—

"(1) **REPORT.**—To be eligible to receive a grant under this section, an entity shall agree to submit an annual report on the services provided under this section to the Secretary in such manner and containing such information as the Secretary by regulation requires. At a minimum, the entity shall report information concerning eligible families, including—

"(A) the characteristics of the families and children receiving services under this section;

"(B) the usage, nature, and location of the provider, of preventive health services, including prenatal, primary infant, and child health care;

"(C) the incidence of low birthweight and premature infants;

"(D) the length of hospital stays for pre- and post-partum women and their children;

"(E) the incidence of substantiated child abuse and neglect for all children within participating families;

"(F) the number of emergency room visits for routine health care;

"(G) the extent to which the utilization of health care services, other than routine screening and medical care, available to the individuals under the program established under title XIX of the Social Security Act, and under other Federal, State, and local programs, is reduced;

"(H) the number and type of referrals made for health and related social services, including alcohol and drug treatment services, and the utilization of such services provided by the grantee; and

"(I) the incidence of developmental disabilities.

"(2) EVALUATION.—

"(A) **IN GENERAL.**—The Secretary shall, directly or through contracts with public or private entities, conduct evaluations to determine the impact of programs supported under subsection (a) on the criteria specified in subsection (b), and not less than once during each 3-year period, prepare and submit to the appropriate committees of Congress, a report concerning the results of such evaluations.

“(B) CONTENTS.—The evaluations conducted under subparagraph (A), shall—

“(i) include a summary of the data contained in the annual reports submitted under subsection (h);

“(ii) assess the relative effectiveness of home visiting programs located in urban and rural areas, and among programs utilizing differing combinations of professionals and trained home visitors, to meet the needs of defined target service populations; and

“(iii) make further recommendations necessary or desirable to achieve the objectives identified in subsection (b) through home visiting programs.

“(i) CONFIDENTIALITY.—In accordance with applicable State law, an entity receiving a grant under this section shall maintain confidentiality with respect to services provided to clients under this section.

“(j) LIMITATION.—Nothing in this section shall be construed to permit an entity receiving a grant under this section to provide services without the consent of the client.

“(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$30,000,000 for the 1992 fiscal year and such sums as may be necessary for subsequent fiscal years.”.

TITLE IV—CHILDHOOD MENTAL HEALTH

SEC. 401. SHORT TITLE.

This title may be cited as the “Children’s and Communities’ Mental Health Systems Improvement Act of 1991”.

SEC. 402. PURPOSE.

It is the purpose of this title to—

(1) provide funds to States for the development of systems of community care for children and adolescents with serious emotional disturbance that will provide such children and adolescents with access to a comprehensive range of services;

(2) ensure that such services are provided in a cooperative manner by all appropriate public and nonprofit private entities that provide human services in the community, including entities providing mental health services, education, special education, juvenile justice and child welfare services;

(3) ensure that each child or adolescent shall receive such services according to an individualized plan, developed with the participation of the family and, as appropriate, the child or adolescent; and

(4) provide funding for mental health services provided in the systems referred to in this section.

SEC. 403. ESTABLISHMENT OF PROGRAM OF GRANTS TO STATES WITH RESPECT TO COMPREHENSIVE MENTAL HEALTH SERVICES FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCE.

Part B of title XIX (42 U.S.C. 300x et seq.) is amended by adding at the end thereof the following new subpart:

“Subpart 3—Comprehensive Mental Health Services for Children With Serious Emotional Disturbance

“SEC. 1928. CATEGORICAL GRANTS TO STATES.

“(a) IN GENERAL.—The Secretary, acting through the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration, shall make grants to States for the purpose of providing comprehensive community mental health services to children with serious emotional disturbance. The Secretary may make such a grant to a State only if the State makes each of the agreements described in this subpart.

“(b) CONSIDERATIONS IN MAKING GRANTS.—

“(1) REQUIREMENT OF STATUS AS GRANTEE REGARDING BLOCK GRANTS UNDER SUBPART 1.—

The Secretary may not make a grant under subsection (a) unless the State involved is receiving payments under subpart 1.

“(2) CERTAIN CONSIDERATIONS.—In making grants under subsection (a), the Secretary shall—

“(A) equitably allocate assistance made available under this subpart among the principal geographic regions of the United States;

“(B) equitably allocate such assistance between States that are predominantly urban and those which are nonurban; and

“(C) consider the extent to which the State involved has a need for the grant.

“(c) MATCHING FUNDS.—

“(1) IN GENERAL.—To be eligible to receive a grant under this subpart the State involved shall, with respect to the costs to be incurred by the State in carrying out the purpose described in subsection (a), agree to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than—

“(A) 25 percent of such costs in the first year in which the State receives such a grant;

“(B) 30 of such costs in the second year in which the State receives such a grant;

“(C) 40 of such costs in the third year in which the State receives such a grant;

“(D) 55 of such costs in the fourth year in which the State receives such a grant; and

“(E) 70 of such costs in the fifth year in which the State receives such a grant.

“(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—

“(A) IN GENERAL.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

“(B) PERIOD OF DETERMINATION.—In making a determination of the amount of non-Federal contributions for purposes of subparagraph (A), the Secretary may include only non-Federal contributions in excess of the average amount of non-Federal contributions made by the State involved toward the purpose described in subsection (a) for the 2-year period preceding the first fiscal year for which the State receives a grant under such section.

“SEC. 1928A. REQUIREMENTS WITH RESPECT TO CARRYING OUT PURPOSE OF GRANTS.

“(a) SYSTEMS OF COMPREHENSIVE CARE.—

“(1) IN GENERAL.—To be eligible to receive a grant under this section a State shall, with respect to children with serious emotional disturbance, agree to carry out the purpose described in section 1928(a) only through establishing and operating one or more systems of care for making each of the mental health services specified in subsection (c) available to each child that is provided access to the system. In providing for such a system, the State may make grants to, and enter into contracts with, public and nonprofit private entities.

“(2) STRUCTURE OF SYSTEM.—To be eligible to receive a grant under this section a State shall, with respect to a system of care under paragraph (1), agree—

“(A) to establish such system in a community selected by the State;

“(B) that such system will be managed by such public and nonprofit private entities in the community as are necessary to ensure

that each of the services specified in subsection (c) is available to each child that is provided access to the system;

“(C) that such system will be established pursuant to agreements entered into between such entities and the State;

“(D) to coordinate the provision of the services of the system; and

“(E) to establish a local office in each system whose functions are to serve as the location through which children are provided with access to the system, to coordinate the provision of services of the system, and to provide information to the public regarding the system.

“(3) COLLABORATION OF LOCAL PUBLIC ENTITIES.—To be eligible to receive a grant under this subpart a State shall, for purposes of the establishment and operation of a system of care under paragraph (1), agree to ensure collaboration among all appropriate public entities that provide human services in the community in which the system is established, including public entities providing mental health services, education, special education, juvenile justice and child welfare services.

“(b) LIMITATION ON AGE OF CHILDREN ELIGIBLE FOR SERVICES FROM THE SYSTEM.—To be eligible to receive a grant under this subpart, a State shall agree that a system of care established under subsection (a) will provide services only to individuals who are not more than 21 years of age.

“(c) REQUIRED MENTAL HEALTH SERVICES OF SYSTEM.—To be eligible to receive a grant under this subpart, a State shall agree that mental health services provided by a system of care under subsection (a) will include, with respect to serious emotional disturbance in a child—

“(1) diagnostic and evaluation services;

“(2) outpatient services provided in a clinic, office, school, home or other appropriate location, including individual, group and family counseling services, professional consultation, and review and management of medications;

“(3) emergency services, available 24-hours a day, 7 days a week;

“(4) intensive home-based services for children and their families when the child is at imminent risk of out-of-home placement;

“(5) intensive day-treatment services;

“(6) respite care;

“(7) therapeutic foster care services, and services in therapeutic foster family homes or individual therapeutic residential homes, and group homes caring for not more than 10 children; and

“(8) assisting the child in making the transition from the services received as a child to the services to be received as an adult.

“(d) REQUIRED ARRANGEMENTS REGARDING OTHER APPROPRIATE SERVICES.—

“(1) IN GENERAL.—To be eligible to receive a grant under this subpart a State shall agree that—

“(A) a system of care under subsection (a) will enter into a memorandum of understanding with each of the providers specified in paragraph (2) in order to facilitate the availability of the services of the provider involved to each child admitted to the system; and

“(B) the grant under section 1928(a), and the non-Federal contributions made with respect to the grant, will not be expended to pay the costs of providing such services to any individual.

“(2) SPECIFICATION OF SERVICES.—The providers referred to in paragraph (1) are providers of medical services other than mental health services, providers of education in-

cluding special education, providers of vocational counseling and vocational rehabilitation services, and providers of protection and advocacy services with respect to mental health.

“(3) **PROVISION OF SERVICES OF CERTAIN PROGRAMS.**—To be eligible to receive a grant under this subpart a State shall agree that a system of care under subsection (a) will, for purposes of paragraph (1), enter into a memorandum of understanding regarding the provision of—

“(A) services available pursuant to title XIX of the Social Security Act, including services regarding early periodic screening, diagnosis, and treatment;

“(B) services available under parts B and H of the Individuals with Disabilities Education Act; and

“(C) services available under other appropriate programs, as identified by the Secretary.

“(e) **GENERAL PROVISIONS REGARDING SERVICES OF SYSTEM.**—

“(1) **CASE MANAGEMENT SERVICES.**—To be eligible to receive a grant under this subpart a State shall agree that a system of care under subsection (a) will provide for the case management of each child admitted to the system in order to ensure that—

“(A) the services provided through the system to the child are coordinated and that the need of each such child for the services is periodically reassessed;

“(B) information is provided to the family of the child on the extent of progress being made toward the objectives established for the child under the plan of services implemented for the child pursuant to section 1928B; and

“(C) the system provides assistance with respect to—

“(i) establishing the eligibility of the child, and the family of the child, for financial assistance and services under Federal, State, or local programs providing for health services, mental health services, education including special education, social services, or other services; and

“(ii) seeking to ensure that the child receives appropriate services available under such programs.

“(2) **OTHER PROVISIONS.**—To be eligible to receive a grant under this subpart a State shall agree that a system of care under subsection (a), in providing the services of the system, will—

“(A) provide the services of the system in the cultural context that is most appropriate for the child;

“(B) ensure that individuals providing services to the child can effectively communicate with the child and with the child's family, either directly or through interpreters;

“(C) provide the services without discriminating against the child or the family of the child on the basis of race, religion, national origin, sex, disability, or age;

“(D) seek to ensure that each child that is provided access to the system of care remains in the least restrictive, most normative environment that is clinically appropriate; and

“(E) provide outreach services to inform individuals, as appropriate, of the services available from the system, including identifying children with serious emotional disturbance who are in the early stages of such emotional disturbance.

“(f) **RESTRICTIONS ON USE OF GRANT.**—To be eligible to receive a grant under this subpart a State shall agree that the grant under such subpart, and the non-Federal contributions

made with respect to the grant, will not be expended—

“(1) to purchase or improve real property (including the construction or renovation of facilities);

“(2) to provide for room and board in residential programs serving 8 or fewer children;

“(3) to provide for room and board or any other services or expenditures associated with care of children in long-term residential treatment centers serving more than 8 children or in inpatient hospital settings; or

“(4) to provide for the training of any individual, except training authorized in section 1928C(b)(2).

“**SEC. 1928B. DEVELOPMENT OF SERVICE PLANS.**

“(a) **IN GENERAL.**—To be eligible to receive a grant under this subpart a State shall agree that a system of care under section 1928A(a) will establish, for each child that is provided access to the system, a multidisciplinary team of appropriately qualified individuals who provide services through the system, including, as appropriate, mental health services, other health services, education, social services and vocational counseling and vocational rehabilitation. Such teams will ensure, for each child that is provided access to the system that—

“(1) an Individualized Services Plan is developed and implemented with the participation of the family of the child involved and, unless clinically inappropriate, with the participation of the child, that meets the requirements of subsection (b);

“(2) an Individualized Education Program, or an Individual Family Services Plan, is developed for the child pursuant to the requirements of the Individuals with Disabilities Education Act and the requirements of subsection (b); or

“(3) a combination of such plans are developed which, taken together, will meet the requirements of subsection (b).

“(b) **TREATMENT OF CHILDREN.**—

“(1) **TREATMENT OF CHILDREN FOR WHICH A PROGRAM IS ESTABLISHED.**—For any child for whom the school system has developed an Individualized Education Program, the system of care under section 1928A(a) will specify the services which are to be available to the child in accordance with such Program and identify and state any additional needs of the child for services available pursuant to section 1928A through the system, provide for the provision of services to meet such additional needs of the child in accordance with the requirements of subsection (c), and describe how the system will coordinate these additional services with the services provided pursuant to the child's Individualized Education Program.

“(2) **TREATMENT OF CHILDREN FOR WHICH NO PROGRAM IS ESTABLISHED.**—For any child for whom an Individualized Education Program has not been established, the system of care under section 1928A(a) will ensure that an appropriate assessment is made (or has been made within the past 6 months) of the child's need for special education and related services under the Individuals with Disabilities Education Act. If such assessment results in the child's not being eligible for special education and related services under the Individuals with Disabilities Education Act, the system shall specify and provide services to the child in accordance with subsection (c).

“(c) **CONTENTS OF PLAN.**—To be eligible to receive a grant under this subpart a State shall agree that the individualized plan under subsection (a) for a child will—

“(1) identify and state the needs of the child for the services available pursuant to section 1928A through the system;

“(2) provide for each of such services that are appropriate to the circumstances of the child, including, except in the case of children who are less than 14 years of age, the provision of appropriate vocational counseling and transition services, as defined in section 602A(19) of the Individuals with Disabilities Education Act;

“(3) establish objectives to be achieved regarding the needs of the child and the methodology for achieving the objectives;

“(4) be reviewed and, as appropriate, revised not less than once each year by the multidisciplinary team pursuant to section 1928B(a); and

“(5) designate an individual to be responsible for providing case management required in section 1928A(e)(1), or certify that case management services will be provided to the child as part of the child's Individualized Education Program or Individual Family Services Plan.

“**SEC. 1928C. ADDITIONAL PROVISIONS.**

“(a) **ESTABLISHMENT OF SYSTEM OF CARE DURING FIRST TWO YEARS OF GRANT.**—To be eligible to receive a grant under this subpart a State shall agree that the State will establish not less than 1 system of care under section 1928A(a) during the first 2 fiscal years for which the State receives payments under the grant.

“(b) **OPTIONAL SERVICES.**—In addition to services described in subsection (c) of section 1928A, a system of care under subsection (a) of such section may, in expending a grant under section 1928(a), provide for—

“(1) preliminary assessments to determine whether a child should be provided with access to the system, including, when requested by the family of the child, an independent assessment of the need of the child for special education and related services, as defined in the Individuals with Disabilities Education Act;

“(2) training in the provision of foster care or group home care, in the provision of intensive home-based services and intensive day treatment services under section 1928A(c)(7), and in the development of individualized plans for purposes of section 1928B;

“(3) recreational activities for children that are provided access to the system; and

“(4) such other services as may be appropriate in providing for the comprehensive needs with respect to mental health of children with serious emotional disturbances.

“(c) **REPRESENTATION ON STATE PLANNING COUNCIL.**—In the case of a State where the State mental health authority is responsible for administration of services to children and youth with emotional disturbance, such State, to be eligible to receive a grant under this subpart, shall agree that the mental health planning council established pursuant to section 1916(e) will include as members of the council a ratio of parents of children with serious emotional disturbances to other members of the council that is sufficient to provide adequate representation of such children in the deliberations of the council.

“(e) **LIMITATION ON IMPOSITION OF FEES FOR SERVICES.**—To be eligible to receive a grant under this subpart a State shall agree that, if a charge is imposed for the provision of services under a grant under such subpart, such charge—

“(1) will be made according to a schedule of charges that is made available to the public;

“(2) will be adjusted to reflect the income of the family of the child involved;

“(3) will not be imposed on any child whose family has income and resources of equal to

or less than 100 percent of the official poverty line, as established by the Director of the Office of Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981; and

"(4) will not be imposed on any child with respect to services described in the Individualized Education Program for the child.

"(f) RELATIONSHIP TO ITEMS AND SERVICES UNDER OTHER PROGRAMS.—To be eligible to receive a grant under this subpart a State shall agree that the grant, and the non-Federal contributions made with respect to the grant, will not be expended to make payment for any item or service to the extent that payment has been made, or can reasonably be expected to be made, with respect to such item or service—

"(1) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or

"(2) by an entity that provides health services on a prepaid basis.

"(g) LIMITATION ON ADMINISTRATIVE EXPENSES.—To be eligible to receive a grant under this subpart a State shall agree that not more than 2 percent of the grant under such section will be expended for State administrative expenses with respect to the grant.

"(h) REPORTS TO SECRETARY.—To be eligible to receive a grant under this subpart a State shall agree that the State involved will annually submit to the Secretary a report on the activities of the State under the grant that includes a description of the number of children that are provided access to systems of care operated pursuant to the grant, the demographic characteristics of the children, the types and costs of services provided pursuant to the grant, estimates of the unmet need for such services in the State (as demonstrated through supporting evidence and a description of how such evidence was obtained), and the manner in which the grant has been expended toward the establishment of a State-wide system of care for children with serious emotional disturbance, and such other information as the Secretary may require with respect to the grant.

"(i) DESCRIPTION OF INTENDED USES OF GRANT.—The Secretary may not make a grant under section 1928(a) unless—

"(1) the State involved submits to the Secretary a description of the purposes for which the State intends to expend the grant;

"(2) the description identifies the populations, areas, and localities in the State with a need for services under this section; and

"(3) the description provides information relating to the services and activities to be provided, including a description of the manner in which the services and activities will be coordinated with any similar services or activities of public or nonprofit entities.

"(j) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under section 1928(a) unless an application for the grant is submitted to the Secretary, the application contains the description of intended uses required in subsection (i), and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"SEC. 1928D. GENERAL PROVISIONS.

"(a) DURATION OF SUPPORT REGARDING SYSTEMS OF CARE.—The period during which payments are made to a State from a grant under section 1928(a) may not exceed 5 fiscal years.

"(b) EXPANSION OF SYSTEMS OF CARE ACROSS THE STATE.—

"(1) IN GENERAL.—The Secretary may not make a grant under section 1928(a), for the third, fourth or fifth year to a State unless—

"(A) the State provides assurances satisfactory to the Secretary that it has a plan for achieving long-term financial support for systems of comprehensive care (as described in section 1928A(a) and funded through this Act); and

"(B) the State is making progress satisfactory to the Secretary to expand access to such systems in all areas of the State.

"(2) COMPLIANCE.—In making determinations on State compliance under this subsection, the Secretary shall assess the changes being planned and being made by the State in the organization, financing and delivery of children's services. Such assessment shall be based on a demonstration by the State that it is—

"(A) fully using existing resources;

"(B) taking actions to secure additional financing from mental health, child welfare, juvenile justice, State and Federal education programs, Medicaid, and other programs;

"(C) implementing effective case-management systems to assure that children and their families receive appropriate care; and

"(D) expanding such services in communities beyond the demonstration area.

The Secretary shall also take into account such factors as the development of multi-agency and State-community partnership agreements, community-wide interagency agreements outlining respective roles and responsibilities of local mental health, child welfare, education, including special education, and juvenile justice agencies, changes in State statutes and related policy developments that will facilitate expansions of children's services.

"(c) TECHNICAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall, upon the request of a State receiving a grant under section 1928(a)—

"(A) provide technical assistance to the State regarding the process of submitting to the Secretary applications for grants under section 1928(a);

"(B) provide to the State, and to local systems of care established under section 1928A(a), training and technical assistance with respect to the planning, development, and operation of systems of care pursuant to section 1928A.

"(2) AUTHORITY FOR GRANTS AND CONTRACTS.—The Secretary may provide technical assistance under subsection (a) directly or through grants to, or contracts with, public and nonprofit private entities.

"(d) EVALUATIONS AND REPORTS BY SECRETARY.—

"(1) IN GENERAL.—The Secretary shall, directly or through contracts with public or private entities, provide for annual evaluations of programs carried out pursuant to section 1928(a). The evaluations shall assess the effectiveness of the systems of care operated pursuant to such section, including longitudinal studies of outcomes of services provided by such systems, other studies regarding such outcomes, the effect of activities under this subpart on the utilization of hospital and other institutional settings, the barriers to and achievements resulting from interagency collaboration in providing community-based services to children with serious emotional disturbance, and assessments by parents of the effectiveness of the systems of care.

"(2) REPORT TO CONGRESS.—The Secretary shall, not later than 1 year after the date on

which amounts are first appropriated under subsection (f), and annually thereafter, prepare and submit to the appropriate committees of Congress a report summarizing evaluations carried out pursuant to paragraph (1) during the preceding fiscal year and making such recommendations for administrative and legislative initiatives with respect to this section as the Secretary determines to be appropriate.

"(e) DEFINITIONS.—For purposes of this subpart:

"(1) CHILD.—The term 'child' means an individual not more than 21 years of age.

"(2) FAMILY.—The term 'family', with respect to a child admitted to a system of care under section 1928A(a), means—

"(A) the legal guardian of the child; and
 "(B) as appropriate regarding mental health services for the child, the parents of the child (biological or adoptive, as the case may be) and any foster parents of the child.

"(3) SERIOUS EMOTIONAL DISTURBANCE.—The term 'serious emotional disturbance' includes, with respect to a child, any child who has a serious emotional, serious behavioral, or serious mental disorder.

"(f) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, there are authorized to be appropriated \$100,000,000 for fiscal year 1992, \$200,000,000 for fiscal year 1993, and \$300,000,000 for fiscal year 1994.

"(2) SET-ASIDE REGARDING TECHNICAL ASSISTANCE.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall make available not less than \$3,000,000 for the purpose of carrying out subsection (c).

"(3) LIMITATION ON INITIAL NUMBER OF GRANTS.—For fiscal year 1992, the Secretary may not make more than 10 grants under section 1928(a).

"SEC. 1928E. EFFECT ON OTHER LAWS.

"Nothing in this subpart shall be construed as limiting the rights of a child with a serious emotional disturbance under the Individuals with Disabilities Education Act."

TITLE V—STUDIES

SEC. 501. STUDY ON PRIVATE SECTOR DEVELOPMENT OF PHARMACOTHERAPEUTICS.

(a) IN GENERAL.—The Director of the National Institute on Drug Abuse shall prepare a report on the role of the private sector in the development of anti-addiction medications. Such report shall contain legislative proposals designed to encourage private sector development of anti-addiction medications.

(b) SUBMISSION.—The report described in subsection (a) shall be submitted to the appropriate committees of the Congress not later than 1 year after the date of enactment of this Act.

SEC. 502. STUDY ON MEDICATIONS REVIEW PROCESS REFORM.

(a) IN GENERAL.—The Commissioner of the Food and Drug Administration, in consultation with the Director of the National Institute on Drug Abuse, shall prepare a report on the process by which anti-addiction medications receive marketing approval from the Food and Drug Administration. Such report shall assess the feasibility of expediting the marketing approval process in a manner consistent with public safety.

(b) SUBMISSION.—The report described in subsection (a) shall be submitted to the appropriate committees of the Congress not later than 1 year after the date of enactment of this Act.

SEC. 503. SENSE OF CONGRESS.

It is the sense of Congress that the Medications Development Division of the National Institute on Drug Abuse shall devote special attention and adequate resources to achieve the following urgent goals—

- (1) the development of medications in addition to methadone;
- (2) the development of a long-acting narcotic antagonist;
- (3) the development of agents for the treatment of cocaine abuse and dependency, including those that act as a narcotic antagonist;
- (4) the development of medications to treat addiction to drugs that are becoming increasingly prevalent, such as methamphetamine;
- (5) the development of additional medications to treat safely pregnant addicts and their fetuses; and
- (6) the development of medications to treat the offspring of addicted mothers.

SEC. 504. REPORT BY THE INSTITUTE ON MEDICINE.

(a) PHARMACOTHERAPY REVIEW PANEL.—Not later than 120 days after the date of enactment of this Act, the Director of the National Institute on Drug Abuse shall establish a panel of independent experts in the field of pharmacotherapeutic treatment of drug addiction to assess the national strategy for developing such treatments and to make appropriate recommendations for the improvement of such strategy.

(b) REPORT.—Not later than January 1, 1993, the Institute of Medicine of the National Academy of Science shall prepare and submit, to the appropriate Committees of Congress, a report that sets forth—

- (1) the recommendations of the panel established under subsection (a);
- (2) the state of the scientific knowledge with respect to pharmacotherapeutic treatment of drug addiction;
- (3) the assessment of the Institute of Medicine of the progress of the Nation toward the development of safe, efficacious pharmacological treatments for drug addiction; and
- (4) any other information determined appropriate by the Institute of Medicine.

(c) AVAILABILITY.—The report prepared under subsection (b) shall be made available for use by the general public.

SEC. 505. DEFINITION OF SERIOUS MENTAL ILLNESS.

Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall develop and submit to the appropriate committees of Congress—

- (1) a uniform definition of "serious mental illness"; and
- (2) a recommendation for standardized methods that may be utilized by States to estimate the incidence and prevalence of mental illness.

SEC. 506. PROVISION OF MENTAL HEALTH SERVICES TO INDIVIDUALS IN CORRECTIONAL FACILITIES.

Not later than 18 months after the date of enactment of this Act, the Administrator of the Alcohol, Drug Abuse and Mental Health Services Administration, acting jointly with the Director of the National Institute for Mental Health, shall prepare and submit to the appropriate committees of Congress a report concerning the most effective methods for providing mental health services to individuals residing in correctional facilities, and the obstacles to providing such services.

SEC. 507. STUDY OF BARRIERS TO TREATMENT COVERAGE.

Not later than 1 year after the date of enactment of this Act, the Secretary of Health

and Human Services shall prepare and submit to the appropriate committees of Congress a report concerning the barriers to insurance coverage for substance abuse treatment, that shall include an assessment of the effect of managed care on the quality and financing of these services.

SEC. 508. REPORT ON FETAL ALCOHOL SYNDROME.

Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress a report concerning the prevalence of, and Federal efforts to combat, fetal alcohol syndrome.

SEC. 509. REPORT ON RESEARCH.

The Director of the National Institutes of Health shall annually prepare and submit to the appropriate committees of Congress a report concerning the status of behavioral and services-related research at the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse, and the National Institute of Mental Health.

MOTION OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WAXMAN moves to strike all after the enacting clause of the Senate bill, S. 1306, and to insert in lieu thereof the provisions of H.R. 3698, as passed by the House.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN].

The motion was agreed to.

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

The title of the Senate bill was amended so as to read: "A bill to amend the Public Health Service Act with respect to services for mental health and substance abuse, including establishing separate block grants to enhance the delivery of such services."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3698) was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1306

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill, S. 1306, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? The Chair hears none and, without objection, appoints the following conferees and reserves the right to appoint additional conferees: Messrs. DINGELL, WAXMAN, ROWLAND, LENT, and BLILEY.

There was no objection.

RESCISSION RELATING TO THE DEPARTMENT OF AGRICULTURE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-207)

The SPEAKER pro tempore laid before the House the following message from the President of the United

States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

AUTHORIZING SUNDRY RESCISSION MESSAGES TO BE LAID BEFORE THE HOUSE EN GROS

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to lay before the House en gros the rescission messages transmitted by the President and received by the Clerk on March 20, 1992, and that the messages be considered as read when laid down.

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

There was no objection.

The SPEAKER pro tempore. Without objection, the messages will be printed as separate House documents and separately referred to the Committee on Appropriations and separately indicated in the RECORD and Journal.

There was no objection.

Pursuant to the foregoing unanimous-consent authority, the texts of the messages are as follows, and each message, together with the accompanying papers, is referred to the Committee on Appropriations and ordered to be printed:

RESCISSION RELATING TO THE DEPARTMENT OF AGRICULTURE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-208)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.3 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE DEPARTMENT OF AGRICULTURE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-209)

To the Congress of the United States:

velopment. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-256)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.7 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-257)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.0 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-258)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.8 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-259)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.4 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE DEPARTMENT OF THE INTERIOR—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-260)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$8.6 million in budgetary resources.

The proposed rescission affects the Department of the Interior. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE DEPARTMENT OF THE INTERIOR—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-261)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$7.7 million in budgetary resources.

The proposed rescission affects the Department of the Interior. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE DEPARTMENT OF THE INTERIOR—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-262)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$2.0 million in budgetary resources.

The proposed rescission affects the Department of the Interior. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE CORPS OF ENGINEERS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-263)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$3.0 million in budgetary resources.

The proposed rescission affects the Corps of Engineers. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE CORPS OF ENGINEERS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-264)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.4 million in budgetary resources.

The proposed rescission affects the Corps of Engineers. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE ENVIRONMENTAL PROTECTION AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-265)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.3 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE ENVIRONMENTAL PROTECTION AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-266)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.4 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.
THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE ENVIRONMENTAL PROTECTION AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-267)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act

of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE ENVIRONMENTAL PROTECTION AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-268)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.5 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE ENVIRONMENTAL PROTECTION AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-269)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$20.0 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE ENVIRONMENTAL PROTECTION AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-270)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-271)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act

of 1974, I herewith report one rescission proposal, totaling \$3.4 million in budgetary resources.

The proposed rescission affects the National Aeronautics and Space Administration. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-272)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.8 million in budgetary resources.

The proposed rescission affects the National Aeronautics and Space Administration. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

RESCISSION RELATING TO THE DEPARTMENT OF DEFENSE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-273)

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report two rescission proposals, totaling \$2,955.3 million in budgetary resources.

The proposed rescissions affects the Department of Defense. The details of this rescission proposals are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

AMENDMENT TO THE HIGHER EDUCATION ACT ON THE DEFERMENT OF STUDENT LOANS FOR MEDICAL RESIDENTS AND INTERNS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii [Mrs. MINK] is recognized for 5 minutes.

Mrs. MINK. Mr. Speaker, the House will be debating the Higher Education Act Amendments of 1992 tomorrow. At that time I plan to offer an amendment to reinstate the deferment of student loans for medical residence and interns. I ask unanimous consent that this amendment be inserted in the RECORD at this time.

The bill approved by the Education and Labor Committee replaces the 13 current deferments in the student loan system with three broad categories eligible for deferment. These categories include individuals who are still in school, unemployed, or experiencing economic hardship.

Although the intent of the committee was to simplify the deferment system, I believe that we have made a serious mistake by not providing a specific deferment for medical residents and interns.

It is no secret that during the course of their education medical students accumulate a large amount of debt. Once these students graduate from medical school their profession requires them to complete an internship and/or residency during which they receive little or no compensation. Saddled with high debt medical students often cannot begin to repay their loans as would be required without deferment.

The current provision in the Higher Education Act amendments does not assure these students that they will receive a deferment during this time of additional education and training. Medical interns and residents would qualify under the inschool category and assured a deferment only if they are paying tuition during this time. However, all others would not have this assurance and would have to live with the uncertainty or forego the assistance of Federal student loans for their medical education.

We must make it clear to these students that they will qualify to defer their loans by reinstating a specific deferment for medical residents and interns. I urge my colleagues to support this amendment.

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REPUBLICAN RECESSION CONTINUES

The SPEAKER pro tempore (Mr. COOPER). Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes.

Mr. BONIOR. Mr. Speaker, with last week's veto, the President, I believe, has clearly abandoned the middle class in America. The veto proves he does not care about families who cannot make ends meet, does not care about people who have to pay a mortgage, help their kids get through school, pay tuition. This Republican recession is already 2 years old and George Bush is trying very hard to make it even longer. He is getting a lot of help from the so-called experts, who are now saying that our economic problems are about to disappear: The same language, the same song that we heard month after month from these same people over the last 2 years. The same economists who told us 12 months ago that the recession was over are at it again, even though the unemployment rate has risen to 7.3 percent last month, the highest it has been in 6 years.

If we really want to know the figure on unemployment, take the people who have been discouraged and are not looking, add the people who cannot find full-time work, who are working part-time, and we are talking over 10 percent. The same experts, the same people who tell us it is a rosy world out there 8 months ago said the recovery

was just about around the corner, it is going to end, and they repeated their predictions again last week, that this recession is about to end.

Mr. Speaker, maybe they are right this time. I genuinely hope they are. No matter how we look at it, however, our middle income families are still hurting and they are hurting badly. The number of unemployed Americans grew by 315,000 in February, bringing the official total to more than 9 million, the highest level since December 1985. That is 2.8 million more than when the recession began in July 1990.

These are only the official figures. In fact, they really mask the depth and magnitude of the problem. A more complete picture, one that portrays, I think, the real human dimensions of this Republican recession, can be found in a different set of statistics which are often ignored by the experts who are straining to find good news. Let me give some examples, 541,000 Americans were laid off and fired in February. That is over a half million people in the month of February. In Michigan, where we have, regrettably, led the Nation in unemployment in 1991, the GM plants that closed in my home State are just an example of this problem. We have 9,000 people last month that were put out of work by GM alone.

The jobless rate for teenagers has dramatically increased by 20 percent. For black teenagers it is 42 percent. The number of people unemployed for 6 months or more has nearly doubled since this time last year—125,000. The length of time the average jobless worker stays unemployed rose 17 weeks in February, up from 16 weeks in January, up from 15 weeks in December.

The official statistics do not take account, as I mentioned a second age, of the invisible jobless, those people who are discouraged, have stopped looking for work, for part-time employment. People who have part-time employment cannot find full-time work. If we counted these victims of the recession, the unemployment figures will be closer to 14 percent; not 10 percent, 14 percent.

All this proves, regardless of the cautious optimism of the experts, that the suffering and hardship of our working families is continuing. We see it every day when we go back to our districts. Every weekend when I go back there people come up and say:

I cannot afford health insurance for my kids. What am I going to do, Congressman? My health insurance has increased. It is rising three or four times the rate of inflation. What can I do? We have two or three people working in our family trying to make ends meet and we cannot. We are slipping, falling behind.

Middle class Americans are working harder, they are putting in longer hours, working two jobs, and they still cannot make ends meet. Unfair taxes, soaring health care costs, rising education expenses for kids, costs that

have risen for college tuition 8 percent in the decades of the 1980's alone, and the burden continues and it continues.

Mr. Speaker, our economy did not get into this sorry state by chance. We got there as a direct result of 11 years of Republican leadership, 11 years of Republican politics, 11 years of Republican mismanagement, and we are now reaping the harvest of a 22-month long Republican recession. The "R" word is in. In fact, two "R" words are in, Republican recession; that is what it is.

The seeds of this Republican recession were planted a decade ago with this massive tax giveaway to the wealthiest people in this country. I am proud to say on this floor that I was one of the few at that time who voted against the Reagan tax cuts that bankrupted this country. Trickle down, supply side, whatever you want to call it, it was the opening salvo in the Republican assault on the American middle class, and it was based on a very simplistic and false notion that if we give billions of dollars to the wealthy, then the benefits will eventually cascade down from the sky, and people will have work, and they will have health care, and they will have happiness.

We know that they did not trickle down. In fact, the middle class, as my friend from the Senate, Senator MITCHELL, has said, has been trickled on long enough. We are here a decade later and they are still waiting, waiting for the jobs, waiting for the growth, waiting for benefits, waiting for some strategy so we can be competitive in this new economic international climate that we find ourselves in.

The trickle-down hoax did not do anything for the middle class except raise their taxes and leave their income stagnant, but it did work quite well for another group of Americans, for a certain group of Americans that are protected to this day by President Bush, by the Republican Party.

During the 1980's, the richest 1 percent, about 2.5 million people in this country, saw their yearly income skyrocket from \$315,000 to over \$560,000 a 77-percent increase in a single decade. Think about that, an increase in a decade of over \$250,000, 77 percent.

The top 1 percent of the same people now make as much as the bottom 40 percent. There are 2.5 million people, the top 1 percent. They take home in income each day, each month, each year, more than the bottom 40 percent, or 100 million Americans. So much for trickle down. All it got us was the Republican recession.

Now George Bush says we need more of the same, more of the same, more of the same. His so-called economic growth proposal would give a \$12,000 tax cut to every American who makes more than \$200,000 a year, while ignoring the middle class entirely. He did not even try to spruce up the old policy with some new rhetoric. It is a

straightforward "cut taxes for the wealthy, abandon the middle class" approach, trickle down. That was the first mistake.

The roots of the Republican recession go much deeper. They go with the basic misunderstanding of the role of Government in promoting economic growth.

What were the Republican policy-makers doing during the 1980's while the wealthy were spending their tax breaks on junk bonds and S&L's and overseas investments? The Republicans, under the leadership of Reagan and Bush, were slashing the very investments, the very investments that increased our long-term productivity in this country. They gave all the wealth, the breaks, to the wealthy, and then they slashed the mechanism for the rest of the country.

How could we expect to build a strong and vibrant economy if our roads and our bridges were crumbling? Sixty-one percent of them need repair; 61 percent of the roads in this country. We lose two bridges every day. We cannot pay attention to that. Or how can we hope to compete in an international market if our work force did not have the education and training to keep pace? How could we make our cities and towns into centers of economic activity and prosperity if we did not invest in community development?

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The simple answer is we could not. That is just what Republicans tried to do over the last decade. In virtually every category of productive Federal investment such as highways, education, job training, scientific research, our spending is less today than it was 10 years ago. Forget about last year, forget about 2 years ago, forget about 5 years ago. Our spending is less today than it was 10 years ago. In real inflation-adjusted dollars the Federal Government is investing \$23 billion less each year in these programs than it did at the beginning of the Reagan administration, and President Bush wants to continue this trend, wants to continue more Republican recession.

Under his 5-year plan, the investment portion of the Federal budget would decline even faster over the next 5 years than during the last 11. For example, if the self-styled education President had his way, Federal funding for education at the end of his 5-year plan would be 3 percent less than it was in 1980. The President's budget for job training and employment programs in 1997, 5 years down the road, would be 70 percent below the 1980 level. Transportation programs under the President's plan would be 6 percent less; 69 percent less for community and regional development; scientific research and natural resources, the list goes on and on.

We are not making any investments in our country, ladies and gentlemen,

and we are not doing so because we have taken the resources, the hard-earned resources that came out of the paychecks of people who punch the clock every day, go to work with their lunch and try and work a second job if they have to, we are taking their resources under this administration and plowing them back into the pockets of the very wealthy in this country.

All one has to do is look at a very simple figure. The top 1 percent make as much income, take as much income home every day, every week, every month, every year as the bottom 40 percent, or 100 million Americans. What an outrage. What an absolute outrage that we tolerate this.

People say, "Well, you Democrats control the House and you control the Senate, why can't you change that?" The fact of the matter is, all you need when you have the Presidency in this city to control what happens is one-third plus one. The President, with his veto pen and a third of either this body plus one or a third of the other body plus one can stop anything and everything if they want. And they did it again the other day when he vetoed the tax bill we gave him that would have put \$600 to \$800 in the pockets of working and middle-class families, and would require that millionaires pay a 10 percent surtax, and people making over \$140,000 a year, couples, go into a fourth bracket.

That is what we asked, some fair distribution in addition to some tax incentives to put people to work in specific industries and jobs, and the President vetoed that.

And then, of course, we had the President's budget. Fortunately, even Republicans found the President's plan was impossible to swallow, and they voted, and they overwhelmingly rejected it.

Mr. Speaker, these are the two seeds of Republican recession, trickle-down tax policy and neglect of the crucial investments in our economic future. These seeds have been germinating for the last decade. That is how we got where we are today, and the harvest is indeed a bitter one, 22 long months of Republican recession.

President Bush says we need to stay the course, do not rock the boat, do not change too much, just stay the course. But before we continue down that road, let us look where it has brought us so far.

Economic growth under this administration has been the slowest of any since the Second World War, slower than Eisenhower, slower than Truman, slower than Roosevelt, slower than Kennedy, slower than Nixon, slower than Johnson, slower than Carter, slower than Reagan. We are losing 9,400 jobs a month under this administration, 9,400 jobs a month. George Bush has the worst job growth record of any postwar President. He is the only

President in 40 years to register a negative growth in productivity during his administration. And George Bush has run up a budget deficit at the fastest rate in history.

What can we expect for the future but more Republican recession? Unemployment continues to rise while consumer confidence continues to fall. It is now at a 17-year low. Almost 1 million individuals and businesses filed for bankruptcy in 1991, a 21-percent increase over the previous year, a million individuals and businesses. Think of that. That is the only growth industry we have in America, a million individuals and businesses who filed for bankruptcy. Only 19 percent of the American people think the country is on the right track. That is not a prescription for more of the same. It is a mandate, a mandate for fundamental change.

The only way to get out of the Republican recession is to jettison the misguided Republican policies that have gotten us here in the first place. If America wants to stay the course with this President, it will suffer 22 more months of what we have been through.

There is no plan. There is no forethought of where we want to go as a country in health care, in industrial policy, in competitiveness abroad. There are no goals for education and a clean environment.

We Democrats think that the 11 years of this failed leadership is enough. We have a concrete plan to turn this country around. And we started pushing this administration when this recession began. I do not know if some remember in the summer last year when the President was out at Kennebunkport in his boat, also playing golf, and on his desk was a bill to extend unemployment compensation for those who had been thrown out of work. He said it was not an emergency. But he said it was an emergency to help people in other countries, the Kurds, Bangladesh, others—it was an emergency for them and we could send dollars abroad. But when it came time to take care of our own here at home, it was not an emergency. He ignored that bill.

We came back in the fall and sent him another bill to help the unemployed, which were increasing at an astronomical rate. The President vetoed that bill. Finally, we embarrassed him into signing a bill.

Then we said we need to put people to work on jobs, 2 million jobs in the transportation industry. The President did not like that bill. He said he was going to veto it. We embarrassed him into signing that bill.

Then the middle-income tax cut bill that would have made the transfer from the millionaires to the middle class so that we could have some bubble up in our economy, so that we could put some money into the pockets

of average working people who have been squeezed, and of course last week the President vetoed that bill.

Our plan includes tax fairness, investments in our economic future, health care reform, rebuilding America starting with the middle class.

President Bush has consistently blocked our agenda for the middle class, and he can do it. I am finding it, I should not say to my amazement because I have been around politics and this institution long enough, but the press, even some professors I talk to do not understand the basic arithmetic of how this institution works.

The President has consistently blocked this agenda for the middle class because he has allies, he has a third of this institution, this body here, and a third in the Senate, and that is all he needs. We can pass whatever we want and he vetoes it, and it comes back and he gets his one-third to line up with him, the country club crowd, and boom, it is gone.

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He has used his veto power in case after case to overrule congressional majorities to help middle-class programs, and since his inauguration, he has vetoed 25 bills approved by this Congress aimed at helping people who have been pressed at home. We cannot get them to cover this.

So I talk to the country. I talk to my colleagues. Increased minimum wage, we did, he vetoed. Civil rights bill, vetoed. Parental leave so people do not have to choose between a sick child or a dying mother or father and their job so they can have an option, veto. Help for the jobless and the unemployed, veto. And now the biggest outrage of all, he has vetoed our tax cut for the middle-class families without even reading it. He had the speech written. He had the veto message written. Before it even got to him it was written.

He held this trumped-up pep rally in the White House with Republican leadership sitting in front of him applauding all of his lines of, "Boy, we are going to show those Democrats."

What he said was, "We are abandoning the middle class," and they stood there and they sat there and they cheered the President on, an outrage. It is a pathetic, insensitive, near-sighted and destructive record, and that is what you can do when you have got one-third plus one.

But Government by veto cannot be sustained for long, Mr. Speaker. The ultimate source of political power is the American people, and they are sick and tired of Republican economic policies, and they are tired of this Republican recession.

We Democrats have a different vision. We put our own platform on the table, tax relief, investing in our economic future, reducing the deficit. The President says no. He says that we

need another dose of Republican mismanagement and a longer Republican recession.

Well, we disagree, and we are putting our competing visions to the test here on the floor of the House and at the ballot box in the fall.

Mr. Speaker, and my colleagues, I come from a State, one of the great States in the Union, one of the great places in America. It has the largest body of fresh water in North America, hard-working people, give you a good day's work when they can find it, and we are having a tough time.

In 1991 Michigan's unemployment was high, and Michigan's unemployed were hit harder than the unemployed in perhaps any other State in the Nation. Michigan has had the Nation's second-highest unemployment rate indicating it was much harder to find a job there than in most other States, and in addition in major respects, the State's unemployment insurance system was deficient.

Let me tell the Members about this so-called protection that we are supposed to have for workers. You know, they had this deferred system with their employer where a certain amount of the payroll is taken out in case they get unemployed so that there is some coverage, some guide period, there is some leniency until they can get over the hump, unemployment compensation. In 1991 Michigan's unemployed rate averaged 9.2 percent, well above the national rate of 6.7 percent. Only 41 percent of Michigan's unemployed receives unemployment insurance benefits in the average month. This protection rate was slightly below the national average.

In Michigan some 247,000 jobless workers went without benefits in an average month; 247,000 got zippo, and it bears noting that unemployment insurance protection is not intended to cover all jobless workers. Its primary aim is to protect those who have involuntarily lost their jobs.

Unemployment protection has fallen sharply in Michigan, and this can be shown by comparing the proportion of unemployed workers receiving benefits in Michigan in 1991 to the proportion receiving benefits in 1980. Both were recession years with similar national unemployment rates.

In Michigan unemployment protection fell by 27 percent. This was the sharpest decline in the Nation between those two recession periods.

In 1980, some 68 percent of the State's jobless workers, nearly 7 in 10, received some benefits. In 1991, 41 percent, slightly more than 4 in 10, received some benefits, and 6 in 10 did not.

Compounding the decline in unemployment insurance protection in Michigan were State cuts in other parts of the safety net. In 1991, Michigan made what are probably the deepest cuts in programs for the poor any

State has made in recent history, American history.

For jobless individuals who are unable to obtain unemployment benefits and who do not have children and are not elderly and disabled, the only source of Government cash support used to be Michigan's General Assistance Program. The State virtually terminated this program in the fall of 1991 as the recession was building and climbing, and there were jobs absent in the economy. However, cutting off cash assistance resulted in putting 82,000 people on the streets, indigent, and the State also terminated health insurance for nearly all of these individuals, all of these 82,000 individuals, while cutting its AFDC Program as well.

The unemployment rate is still high. It is 9 percent in Michigan, and as the Members know, last month we had the GM announcements; in 1 day, 9,000 people were notified that they were out of work.

Mr. Speaker, and my colleagues, I do not know how much longer the country wants to tolerate this type of economic mismanagement. I do not know if the country is ready for another 22 more months of Republican recession. I do not know if the people are willing to trust the rest of this decade to the misguided, unguided, lack of foresight and leadership of this administration.

I mean, we have got to get our house in order in education, in industrial policy. What do I mean by industrial policy? I mean knowing where we want to go in terms of selling our products abroad.

We have no plan at all, and everybody else has a game plan. Everybody that is competing, that is, the French, the Germans, the Japanese, the Koreans, they all have a game plan. They all know where they want to be. They all know how they are going to get there, and yet we bounce here and we bounce there as if some magical, mystical free-enterprise spirit is going to lead us to a pot of gold. Nonsense.

You have to have an idea where you want to go. You have to have a plan. You have to have free enterprise, entrepreneurial spirit to get there, but you have to have a plan. You have to know how many people you want educated in engineering and in math, in biotechnology to get there, and you have got to get a plan together to make sure that that is done so we have the people capable and competent enough to perform these activities and make us competitive, but there is none. There is none.

So I say to my colleagues and the American people that we are at a critical point in the history of our country, I believe especially in the economic realm. We really have to decide whether we want to continue any longer with the people that are supposedly running the show, and if they are, they are putting on a very lousy show, and they are hurting a lot of people.

The anguish of people in the unemployment line, the depression, the mental pain in their eyes and the tenseness in their faces is almost unbearable for them, obviously, but even to see and to watch as we all visit them when we are back in our districts. They deserve better. The country deserves better.

Let us hope that they will give our party a chance to demonstrate that we, in fact, can lead in creating jobs and moving our country forward in education and technology and in development and in the other areas that we need to do to make ourselves competitive internationally. We can do it. We have got the talent. We have got the will power. We know the need. It is just a matter of getting our priorities in order.

The Republican recession is sapping the energy and the spirit of the American people in a way that I think is very, very detrimental not only to those people who are working today, but the younger generation hoping for a better tomorrow.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. COOPER). The Speaker would remind all Members that it is not in order to refer to the President in terms that are personally offensive.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. McCathran, one of his secretaries.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise today in continuation of the subject matters that I have been discussing for almost 2 years and to which the Committee on Banking, Finance and Urban Affairs has been dedicating quite a bit of time and hours as well as staff time.

I particularly wish to express my heartfelt appreciation to the staff director, Kelsay Meek, under whose direction and assistance a professional staffer, Mr. Dennis Kane, very ably assisted by professional counsel, Debra Carr, has been very diligently working on what started out as the oversight or the concern expressed by us and the committee with respect to the Agency Bank of the Italian Bank, Banca Nazionale del Lavoro, which main headquarters started and has been in New York, but which operates and has operated agency branches in Atlanta, GA, in Florida, in Illinois, and in California.

The disturbing thing I have brought out time after time and now and then things will happen that will underline and stress the importance of this matter.

We are looking at it strictly from the standpoint of the responsibilities that inure to the Committee on Banking and its oversight responsibility with respect to the regulatory structure in our country to defend the public interest in the matter of this now extremely high volume of so-called international money. It was the scandals coming out of the letters of credit issued in several billion dollars worth by this agency in Atlanta, letters of credit in favor of Iraq, that has laid open a badly needed correction and one in which some of us have been trying to do something about since the passage of the first 1978 International Banking Act, which I pride myself in having everything to do with bringing about as a result of the hearings that we first had in my district, San Antonio, TX, in 1975, but with the act of 1978 have felt and said in the interim was totally inadequate for the public interest protection and the people's protection in our country.

Today I want to develop one aspect and also a suggested bit of legislation to address it. It has to do with this tremendous exponential increase and now very alarming spread of weapons of mass destruction.

We live in eras. The 20th century in which we are here in the dying years and hours will turn out to be in history as perhaps one of the bloodiest and the most violent in the history of all total mankind to date.

It looks as if the augur, the prediction, as we march into the 21st century is not too promising. But all those people who talk about 2000 and the year 2000, we must remind you that what we do now or do not do now is going to determine what we look forward to in the year 2000. I can recall when this year, 1992, seemed so distant that none of us ever thought it was within the realm of possibility that we could imagine it, much less that we would live to it. That was—just how long ago? When I was growing up, when we entered into the war and I saw many of my classmates, friends, and relatives, go off and not return. These are things as we look back then seemed impossible of ever happening.

So as we peer into the future we must recall that what we do tomorrow or do not do, fail to do, is going to determine just what shape the so-called new 21st century will be like.

We know this, that the proliferation of these fantastic weapons of disruption is of such a nature that now even some of the poorest countries in the world have that capacity. We do not have a good record. You would think that after our experience in the Persian Gulf we would do something in the name of stabilizing that area and try-

ing to control that. We have not. In fact, we have contributed to the sale, wholesale processing of armaments of all types and kinds.

So it is very difficult for me to come and say I have now an amendment to the International Financial Institutions Act over which our committee has jurisdiction, by the way, in order that our representatives to these institutions be instructed not to vote in favor of any kind of assistance to those nations that do not belong to the Non-proliferation Agreement or area of nations, but it seems like morally we are the last ones to preach that right.

As a matter of fact, I feel that all of those who consider the so-called Persian Gulf war to be over to be very deceptively mistaken. It has just barely started. We have not seen the end of it at all, because rather than stabilizing, we have destabilized this area that is potentially the most explosive in the world.

I said in last week's statement that in revealing the incredible sort of self-divided policy of an administration or two where we started out since 1983, when President Reagan removed Iraq from the list of terrorist nations to peddle all kinds of goods, commercial as well as military to Iraq, to suddenly find that as late as the spring and early summer of 1990, just 2 years ago, we were still doing that, only to find that the invasion on August 2, led to a precipitous decision to enter into a state of war.

Now, I was one of those who not only criticized it from the beginning, but voted against it. There was never any debate about the war. The debate was whether or not to be loyal or disloyal to what the President had already done since August 1991. So when we had the so-called discussion in January 1991, it was over with. The decision and the die had been cast and made.

So we are in a similar position today, not too far removed. We have learned nothing. The only thing that I see is that the potential for a tremendously increased and enhanced destabilized world is so great that it takes a very special effort to keep from being demoralized.

The issue of the alarm of worldwide proliferation of this weaponry of mass destruction has now reached the point of what should be total concern to us. Clearly, we in the Congress and the administration could be doing a lot more, and we are not.

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I am not one of those—my record shows that I have been a consistent supporter of an adequate defense posture. There have been specific issues in which I have taken the side of some opinion among our own military which differs from that opinion that happened to be in control at the time. And this goes back almost 30 years, or at least 26 years.

So I am not speaking now with hindsight. I am saying that at this time with this haste on the part of the administration as well as the Congress to decimate what was very extensively built up, particularly since 1980-81, and our very, very heavy allocation of resources to so-called defense, but which on occasions we have used for other than defense, we have used it in what I consider to be a very, very unforgivable and, I think, mistaken—I hope I am wrong but up to now I do not think so—manner.

Mr. Speaker, I say this by way of parentheses: We are in the midst of repeating mistakes that were made in the 1920's, in the 1930's, then in the 1950's—the late 1940's, 1950's, and 1960's, and then with the buildup during Vietnam in the middle 1960's in, I believe, a misdirected way.

At this point, we are about to discharge 50,000 military from the Department of the Air Force alone, this year, 50,000, just like that. We are about to discharge three times that number from the Army. I do not recall the figures for the Navy.

To me at this time, with no planned phase, no planned easing in for these very, very trustworthy citizens who have made their lives work that of performing in our service, and discharging them into a depressed economy I think is one of the most abominable mistakes ever made.

Now, I have written as of weeks ago to my colleagues who have the responsibility for chairing the Committee on Armed Services, the Committee on Appropriations; I have addressed letters to the executive branch; I have addressed letters to the Secretary of Defense, saying to please give some thought, because one thing is to dismantle and bring back from overseas in a hasty and intemperate manner, at least, at least 200,000 of our military, with no planned phase, and at the same time reduce domestic defense facilities that have a very basic, basic defense mission. I just cannot imagine how we could have allowed ourselves to reach that point.

So, when I speak with the backdrop of trying to do something to control the proliferation of these terrible weapons of mass destruction, I also pause to say that we have to learn from our past errors.

Mr. Speaker, we have the same thing; there is really nothing new under the Sun. If we are closely interested in our history, we will read the same thing happened after World War I. No question about it, the only thing is the timespan was shorter. And it is the same thing today except the timespan has been enlarged with respect to the events that now impose themselves upon us. It should be no surprise that we would be floundering in a situation that has been described by the predecessor speaker in these special orders,

the gentleman from Michigan [Mr. BONIOR], our distinguished majority whip. We know full well, those of us in touch with our constituencies, that our people are hurting and suffering. But I am particularly aware, also, of the pathetic circumstances in which men and women who have served our country loyally, well, patriotically and faithfully, but who now find themselves trying to eke out an existence; say, a retired sergeant with a total family of 4, he cannot live on his retirement pay.

I think these are things we ought to consider while we start, while we begin to add and subtract the so-called peace dividend. I think we have to start first with, as we do other fundamental things, with such as what kind of a banking system do we want for our country? We are here on the threshold of having to make that decision one way or the other.

The same thing with what kind of a defense do we wish for our country and the world as it is evolving?

I think too much has been misperceived about what has happened in other parts of the world, not only in China but in Germany, middle Europe, and Russia, above all.

I think the day is going to come when we wish we had the old Communists to battle, because what we are going to face—and I hope again I am dead wrong in my prediction—will be a lot more worrisome, it will be a lot more destructive and it will hit us here at home a lot more than the other old-time religion known as anti communism.

So, having said that and also let me say having given some suggestions to these people and my colleagues as well in the Defense Department as well as here in the Congress who have that responsibility for our defense mechanism, what my suggestions would be, they are born out of observations I have made to my colleagues in the RECORD years ago, since the 1960's when I was saying that we were spending 55 percent of our defense budget for the so-called defense of Europe but which was a Europe of the 1949-50, and the 1950's, which was long gone. I predicted that when the new generation, which now are either in power or on the threshold of power, that it would be another world, that Germany would, by the very nature of things, reunite or merge or whatever you want to call it, and that in Russia there would be a transformation. But how that transformation works out, I have not seen any real knowledgeable, knowledgeable expression yet from our officialdom in this country.

It is not just simplistically put that from our standpoint, socialism is over with and capitalism is coming in, that is too simplistic and it is a misforgotten and misperceptive interpretation of what is happening. But it all has connotations to what we do in these other areas.

We must never forget that the actions we took and the fact that we intervened in a most massive way in the Middle East has overshadowed our intervention in Central America, our invasion of Panama, where we still have two-thirds of the troops we had at the height of the invasion in Panama. And we had better keep them there because the day they are removed, the regime we put in there will not last 3 hours and no American life is going to be safe.

Now, is that victory? Is that successful policy, or a bankrupt one?

In the Middle East, what do we have? We have the results of the folly of a sort of a vague, inconsistent and contradictory policy by the same administrations in power. These were not anybody else making these decisions.

□ 1510

Mr. Speaker, today what I want to stress is what we can do at this time, and I have already suggested what I intend to do with respect to the other problem of those \$800 billion floating around in our country every day of foreign interests over which none of our governmental agencies has the slightest notion exactly where they are going or how they are doing. They might have a little idea, but not even a fragmentary idea. And so much of it, just a little bit of that \$800 billion, can be leveraged in moments to a 1,000 percent more than that amount in such things as drug money laundering to even the continuation of arms peddling. The committee's investigation of the BNL, the Italian branch bank, has even covered a multitude of troubling issues. I have reported what our investigation has uncovered by the use of the credit programs; that is, taxpayers-backed credit programs, Commodity Credit Corporation, the Export-Import Bank particularly, and these were letters of credit through these agencies to Iraq, which was actually very well defined in its plans, building up to a very, very sizable proportion its armament and its arms, and with highly developed and sophisticated arms.

The administration turned a blind eye to all these developments, and it showed the disarray within an administration between these various entities and agencies that presumably we all assume an executive branch would have control of and would synchronize or, at least, coordinate. That was to the fact. At that time the United States, right or wrong, was trying to take the side of Iraq against Iran, but at the same time President Reagan was venturing forth with his deals with Iran with respect to missiles, the TOW missiles, and what turned out to be the very questionable thing known as the Iran-Contra business.

I think what we ought to see here is that in all of these instances what has turned out to be most embarrassing

and reflects very badly on our country to the outside world—we do not see ourselves as the outside world does. Our perception of ourselves in many ways is a misperception as compared to the perception external countries have of us. Our misperception of other countries is equaled by their misperception of ourselves. Had we had the correct perception, had we had the cultural and historical knowledge that should have been guiding our leadership, I doubt seriously we would have had 55,000 to 58,000 Americans die in Southeast Asia in Vietnam alone.

Now I said this even before I came to the Congress in the case of Korea. I was saying in 1950, when hostilities had broken out and for the first time we had a cold war type of situation, where we had dismantled our fighting apparatus, we then had a call in a hot shooting phase of a draft system that was predicated on a declared war/hot war status, and of course everyone knows the result of that. But even at that time I was saying that we had obviously failed in our diplomacy because in the name of anticommunism we were sending thousands of our boys to the Korean Peninsula, whereas, as far as I know, not one Russian soldier was out there fighting an Asian. We were. To me that was failure of diplomacy and everything else. I think, had we known the history of that area, instead of having been lost in that tremendous anti-Communist cold war culture, which is still keeping us from making wise decisions even now with respect to Russia, doubt seriously we would have had that mistake, even though the Korean incident was done in the name of the United Nations, and President Truman did have some other countries. It was really, truly an American war. But, unlike Vietnam where you did not have that, other than under aegis of American flag, you did not have anybody else participating in what we said was our goal.

We know the results. We know that a lot of things happened, including the hostage taking in Iran, that probably would not have happened if we had not had the predecessor occurrences in Vietnam. But, be that as it might, the only reason we can let the experiences of the past even be attributed to is for us to learn. If we have not learned anything from experience, where is the gain?

What does it profit us now to flagellate ourselves and say, "Well, we're still in need of watching out"? There are a lot of dangers, unspecified dangers. But the point is that one immediate thing that I think we can do so we can help bring about, I think, a welcome relief, is in doing everything we know how to reduce the possession of these mass-destruction weapons. It is just one of those things that we certainly must do so that, as far as we can in our time, do the best we can to safe-

guard the interests of our children and grandchildren.

I think that the most disturbing of all is the fact that Saddam Hussein was able to utilize these credit programs to build a war machine that included all aspects of weapons of mass destruction.

Well now, as I said, have we learned from experience? No. As far as I can see, we are doing the same thing with China. We have had a succession of Presidents, and Secretaries of Defense, and Directors of the National Security Council, go to China, and come back and make reports that China has finally agreed not to send any more of these weapons to the Middle East. Well, that is hogwash. The first time that was said was several years ago when the Secretary of Defense then came back and said China has given us its word. Just a few months after that, the Secretary of State went over and discovered that China said, "Oh, we're going to stop now."

In other words, the United States has been sashayed by China in identically the same way as Iraq. There is no difference because most of these weapons, such as the missile known as the Silk-worm; it was us, a President and a Secretary of Defense, that gave China the license to manufacture that missile.

□ 1520

That was a missile that was used in the gulf to hit one of our Navy ships, killing 37 of our sailors.

Now, this is how ridiculous and how abominable the situation has become and so contrary to our interests, in not having learned from experience.

It so happens that the policy of the regime, not only of Mr. Bush, but Mr. Reagan, was to have extremely friendly relations with China. In fact, the Presidential veto of the conditioning of the most-favored-nation status to China was recently defeated because the Senate did not do what the House did and override that veto.

So I do not know what the expectation there is, other than maybe perhaps President Reagan, who was most vehement in his denunciation of Russian communism, and President Bush, feel that they can get a gentler and kinder communism in China. But let me assure my colleagues, that is not the case. China, like every other nation should, including ours, is looking out for No. 1 first and foremost. Then they consider whatever it is they can to accommodate the United States in its wishes.

But right now the policy of our Government was after the buildup in the Persian Gulf and in Saudi Arabia for the United States to consider anybody who was against Iraq as our friend. So President Bush met with Assad, the leader of Syria, in Switzerland in November 1990. Why, because Syria was the only Arabic nation that went in favor of Iran as against Iraq. Every

other Arabic nation supported Iraq in the Iraq-Iran war because, as I have told my colleagues, there seems to be no perception in our country that Iran is a non-Arabic country.

So have we learned anything? No. We are still making deals under the table with Iran.

They are getting arms. For what purpose? At this point I wish I knew completely. All I know is that Iran is building up a tremendous armament and is looking up toward the Russian border where you have 3 million Muslims, a border that is just 90 miles from Iraq, incidentally. So these weapons include all devices capable of killing many people indiscriminately.

Also the proliferation of chemical and nuclear weapons has traditionally been a major concern to the international community. The aftermath of the Persian Gulf war clearly demonstrates a need for not only getting tougher standards to limit this proliferation of nuclear, chemical, and biological weaponry, missiles, missile systems, but also the proliferation of advanced conventional weapons and the transfer of dual use goods and technology that can be converted with little or no difficulty to military use.

The demise apparently, certainly of the so-called Soviet Union, and the increased threat of the development and use of weapons of mass destruction by Third World countries, should be sounding international alarm bells all throughout the world.

The collapse of the Soviet economy is unleashing a flood of uranium ore and other nuclear materials and technical expertise into the world market, and it will only be a matter of time before dangerous products such as plutonium from spent Soviet reactor fuel reaches the black market, if it has not done so already.

In addition, sophisticated weapons are becoming standard equipment in Armed Forces throughout the world. As a matter of fact, Syria and its leader Assad in the Arab world and in the Middle East are not considered too much different from Saddam Hussein.

I reported to my colleagues months ago that Syria had obtained 300 newly improved, sophisticated Scud missiles by way of North Korea almost a year ago, or at least 10 months ago.

Here about 3 weeks ago I saw there was some ship supposedly delivering arms to Iran, and maybe Syria too. But the fact is, Syria got its 300 improved, sophisticated Scuds at least 9½ or 10 months ago.

These have contributed to the regional insecurity and instability, and will vastly increase the death and destruction when and if hostilities do break out.

Many of my colleagues think the Persian Gulf situation is over with. My friends, I wish it were. It is not.

The number of declared nuclear powers has grown slowly since World War

II and is still limited to the five permanent members of the U.N. Security Council, that is, the full power.

You have some sort of a subsuming of that power in some much lesser nations, that is, considered lesser. I do not think there is such a thing.

These five, of course, are our country, the Soviet Union, Great Britain, France, and China. However, at least four other countries probably have a nuclear capability. I would say they do, not just probably. But there again, it is my word. These countries are India, Israel, Pakistan, and South Africa.

Several other nations are considered capable of developing nuclear weapons in the next several years if they want to. Those countries include Argentina, Brazil, Iran, North Korea, South Korea, and Taiwan.

As a matter of fact, our CIA Director, Robert Gates, recently warned that North Korea may be only months away from building an atomic bomb. My information is that Pakistan was a lot closer than North Korea months ago.

Remember, in the Persian Gulf war we killed better than 200,000 Moslems. If my colleagues think that there is not a very bitter, anti-United States feeling where you have vast multitudes sworn to revenge, if it takes a thousand years, that is the translation from at least the Arab Moslem.

But remember, the Moslem world is worldwide; Pakistan is a Moslem country.

We have been lucky, up to now. But these things are changing so quickly, so unpredictably, that the potential for great and serious mischief is great.

Iraq and Syria have reportedly developed offensive biological weapons, and five more countries are progressing toward the development of biological weapons. It has been reported that Iraq used biological weapons. Certainly the accusation has been passed.

But there again, where is the moral right? The first one to use gas against Arabs was Winston Churchill, the British, in the early 1920's. They were Iraq Arabs they used them against.

In the words of Winston Churchill, or his military head, it was used in order to subdue the, quote/unquote, recalcitrant Arabs.

So where is the moral right? Who are we to preach?

At least 14 Third World countries have offensive chemical weapons, and 10 other countries are trying to develop them. Most of these countries are located in regions of political and military tension, the Middle East, South Asia, Southeast and Northeast Asia.

Iraq repeatedly used chemical weapons against Iranian troops during the brutal Iran-Iraq war, and even against its own citizens of Kurdish extraction.

□ 1330

Approximately 25 countries now have surface-to-surface ballistic missiles

and 12 of those countries are in the Middle East and Asia, not counting Africa.

The transfer of advanced conventional weapons has since contributed to regional instability. In the last decade and a half, at least, the sheer amount of money spent on armament in the Middle East defies any kind of calculation. Iraq was able to build the world's sixth largest armed forces and equip them with some of the best weapons systems of the industrial powers.

It did not expose that during the Persian Gulf, so-called, war. I have always been intrigued by that. It was a war without a battle. There were no battles in the recent Persian Gulf war. There were some skirmishes.

The administration has done little to contain the proliferation, and clearly there is a need for action, my colleagues. It is not enough to insist that Iraq cleanse itself when China ships Scuds, Pakistan develops nuclear bombs, and North Korea produces weapons-grade plutonium.

The United States must show leadership in response to these unprecedented threats and one way to do this, at least from our standpoint and jurisdiction, is to insist that countries who benefit from multilateral development banks comply with all weapons control regimes. Those regimes should be tighter, tougher, better enforced, but there also must be incentives for compliance. For this reason, I have planned to, I had planned tomorrow, we were going to have the markup on the International Institutions legislation, but I understand that the chairman of the subcommittee has requested we postpone that. I may offer it as a separate bill, but I think the best way to do it is as I intend, and I would like to place a copy of this amendment, which I will append sooner or later, assuming I get the majority of the committee to go along with me, when and if we do have that markup, and I intend to have a copy of that here in the RECORD for the study of my colleagues when the RECORD is printed and delivered tomorrow.

For this reason I plan to introduce legislation that would prohibit the United States from providing funds or agreeing to provide funds through these international monetary institutions, such as the IMF, the International Monetary Fund, the World Bank and its affiliates, as well as the multilateral development banks, if a member country of these institutions is capable of producing or seeking to produce a type of weapon that is a subject of a regime for controlling weapons of mass destruction, unless such country is adhering to the applicable weapons control regimes. We shall not vote for those funds.

There are four internationally recognized nonproliferation regimes. We have a nuclear nonproliferation re-

gime, a chemical, biological and missile. The nuclear nonproliferation is more extensive and fully developed than those designed to control the spread of chemical and biological weapons and missiles.

This nuclear regime is organized on the foundation provided by the Nuclear Nonproliferation Treaty and is supported by an international organization, the International Atomic Energy Agency, dedicated to servicing the regime with verification mechanisms.

It is this one, the IAEA, that is monitoring the situation in Iraq. The nuclear nonproliferation regime, however, suffers from several inadequacies. For instance, two of the five declared nuclear weapon nations, China and France, because France has had nuclear weapons for a long time, certainly since it removed itself from NATO, have not signed this treaty. Neither has India, nor Israel, nor Pakistan, nor South Africa.

At the same time China, India, and Israel are all heavy users of one facility or another of the multilateral institutions.

We should, and I intend to, exert some effort in that area.

The chemical and biological regimes are structured loosely around two treaties; the Geneva Protocol of 1925. Well, that was 3 years or 4 after Mr. Churchill sanctioned the use of gas, I think it was mustard gas, if I remember correctly, against the recalcitrant Arabs, which is now Iraq, which prohibits the use but not the stockpiling of chemical weapons.

That is interesting. It prohibits the use but not the stockpiling. And the Biological and Toxin Weapons Convention, which outlaws the use, development, production, stockpiling of biological weapons.

Despite the existence of these regimes and the international organizations that monitor these weapons, Iraq not only had the ability to purchase the technology and materials to produce chemicals and biological weapons in the international marketplace, including the United States. They were also able to develop the technology to produce these weapons themselves, which was the prime objective of Saddam Hussein.

The missile technology control regime consists almost exclusively of multilateral export control groups and support for the regime is limited to a relatively small number of technologically advanced nations.

These export controls can obviously be manipulated by the governments that control them, including ours.

Iraq hopes to produce its own missiles but in the meanwhile had no problem in obtaining Scuds from Soviet and Chinese sources. Although these control regimes serve a purpose in slowing down the spread of these lethal weapons, clearly more must be done. Coun-

tries that take advantage of and benefit from the programs available through the international development and financial institutions have an obligation to the same international community that comprises these organizations.

My legislation requires that the countries that belong to these institutions, and thereby benefit from them financially and economically, step up to the plate and be responsible citizens of the world community.

If not, they should be outside of the pale of law and certainly outside of the area of assistance through these international financial institutions.

The United States must insist that those countries that expect to receive credit from the IMF, World Bank and the other multilateral development institutions stop wasting resources on the futile and possible fatal request for weapons of mass destruction. How can we and why should we provide credit to countries that spend the resources building terror weapons?

Someday they can very well and quite easily be directed against us. And for the first time on our own land, and see the terrible consequences of war and all its accoutrements. God forbid what I say, but I say the potential is there.

Should we wait to find out if that is right or wrong? We should apply that lesson by refusing to provide funds for international institutions that do not insist on adherence to international regimes for the control of nuclear, chemical and biological weapons and to regimes intended to stop the proliferation of the missiles to deliver them. Surely this is not too much to ask of the clients and the recipients of these institutions like the IMF, the World Bank, and the other, of which the United States was one of the initiator countries, and the other multilateral economic assistance agencies.

Mr. Speaker, I include for the RECORD the amendment to which I referred.

At the end of the bill, insert the following:

TITLE IX—NON-PROLIFERATION OF WEAPONS OF MASS DESTRUCTION
SEC. 901. FUNDING OF INTERNATIONAL DEVELOPMENT INSTITUTIONS DENIED.

(A) FUNDING PROHIBITION.—
(1) IN GENERAL.—Notwithstanding any other provision of law, beginning 1 year after the date of the enactment of this Act, no department, agency, or officer of the United States Government may, on behalf of the United States, provide funds to any international development institution, or enter into any agreement to do so, if the most recent determination of the Secretary of the Treasury to paragraph (2) is that a member country of the institution—

(A) is capable of producing, or is seeking to produce, a type of weapon that is a subject of a regime for controlling weapons of mass destruction; and

(B) is not adhering to the regime.
(2) ROLE OF THE SECRETARY OF THE TREASURY.—Within 6 months after the date of the

enactment of this Act, and annually thereafter, the Secretary of the Treasury, in consultation with the Secretary of State, the Secretary of Defense, and the Director of the Central Intelligence Agency, shall—

(A) determine which member countries referred to in paragraph (1) are capable of producing, or are seeking to produce, a type of weapon that is a subject of a regime for controlling weapons of mass destruction;

(B) with respect to each country described in subparagraph (A)—

(i) identify the international development institutions of which the country is a member; and

(ii) determine whether or not the country is adhering to the regime; and

(C) report such information to the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(b) UNITED STATES TO URGE ADOPTION OF REQUIREMENT.—The Secretary of the Treasury shall instruct the United States Executive Director of each international development institution to use the voice and vote of the United States to urge the respective institution to amend the charter of the institution to require that, not later than 1 year after the date of the enactment of this Act, each member country of the institution which is capable of producing, or is seeking to produce, a type of weapon that is a subject of a regime for controlling weapons of mass destruction adhere to the regime.

(c) DEFINITIONS.—As used in this section:

(1) ADHERE.—The terms "adhere" and "adhering" mean, with respect to a country and a regime, that the country is honoring a formal commitment to participate in the regime that was made by the country to the other participants in the regime.

(2) INTERNATIONAL DEVELOPMENT INSTITUTION.—The term "international development institution" means the International Monetary Fund, the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, the African Development Bank, the African Development Fund, the Asian Development Bank, the Inter-American Development Bank, and the Inter-American Investment Corporation.

(3) REGIME FOR CONTROLLING WEAPONS OF MASS DESTRUCTION.—The term "regime for controlling weapons of mass destruction" means—

(A) the nuclear weapons non-proliferation regime;

(B) the chemical weapons non-proliferation regime;

(C) the biological weapons non-proliferation regime; and

(D) the missile Technology Control Regime (as defined in section 11B(c) of the Export Administration Act of 1979).

(4) NUCLEAR WEAPONS NON-PROLIFERATION REGIME.—The term "nuclear weapons non-proliferation regime" means—

(A) the Treaty of the Non-Proliferation of Nuclear Weapons, signed at Washington, D.C., London, and Moscow on July 1, 1968, (TIAS 6839), and any amendments thereto;

(B) Additional Protocols I and II to the Treaty for the Prohibition of Nuclear Weapons in Latin America (also known as the "Treaty of Tlatelolco"), signed at Mexico on February 14, 1967, (TIAS 7137), and any amendments thereto;

(C) the guidelines adopted by the Nuclear Suppliers Group, also known as the "London Club"; and

(D) the Convention on the Physical Protection of Nuclear Material, and any amendments thereto.

(5) CHEMICAL WEAPONS NON-PROLIFERATION REGIME.—The term "chemical weapons non-proliferation regime" means—

(A) the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (also known as the "Geneva Protocol of 1925"), and any amendments thereto; and

(B) the chemicals export controls adopted by the group known as the "Australia Group".

(6) BIOLOGICAL WEAPONS NON-PROLIFERATION REGIME.—The term "biological weapons non-proliferation regime" means—

(A) the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (also known as the "Geneva Protocol of 1925"), and any amendments thereto; and

(B) the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (also known as the "Biological Weapons Convention"), and any amendments thereto.

SEC. 902. PROHIBITION AGAINST EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO CERTAIN COUNTRIES NOT ADHERING TO REGIMES FOR CONTROLLING WEAPONS OF MASS DESTRUCTION.

Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i(b)) is amended by adding at the end the following:

"(13) The Bank may not guarantee, insure, extend credit, or participate in the extension of credit in connection with any export of goods or services to any country which—

"(A) is capable of producing, or is seeking to produce, a type of weapon that is a subject of a regime for controlling weapons of mass destruction (as defined in section 901(c) of the International Development, Trade, and Finance Act of 1991); and

"(B) is not adhering to the regime (as determined in accordance with subsection (a) of such section)."

Amend the table of contents accordingly.

U.N. CONFERENCE ON ENVIRONMENT AND DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. COOPER) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

In 1991 two events set the stage for a new era in history: the West won the Cold War and the United States led a U.N. coalition to roll back aggression in the Middle East. Both watershed events demonstrated the power of sustained international cooperation in pursuit of just and moral causes. They underscored the need for U.S. leadership in a complex, interdependent world.

Historic changes are also occurring in the relationship between humanity

and the environment. We increasingly recognize that environmental improvement promotes peace and prosperity, while environmental degradation can cause political conflict and economic stagnation. We see that environmental protection requires international commitment and strategic American leadership in yet another just and moral cause.

MERGING ECONOMIC AND ENVIRONMENTAL GOALS

As I often have stated, we can have both economic growth and a cleaner, safer environment. Indeed, the two can be mutually supportive. Sound policies provide both.

My environmental strategy seeks to merge economic and environmental goals. For example, boosting two engines of economic growth—technological change and international trade—can also provide benefits for the environment. Likewise, regulatory approaches that emphasize economic efficiency can help lower the costs of securing greater environmental quality. The following examples are illustrative:

Investments in Technology: My Administration has invested aggressively in key areas of research and development that will boost productivity and economic performance. Several technologies heralded primarily for their benefit to economic growth and competitiveness, such as advanced materials, high performance computing, electric batteries, and biotechnology, also have valuable environmental applications. Increasing investments in basic environmental research will enable policymakers to devise more informed, effective, and efficient policies.

International Trade: In negotiations on the General Agreement on Tariffs and Trade (GATT), the United States calls on other nations to reduce farm subsidies, which harm competitive farm exports and contribute to environmental degradation. In parallel with negotiations toward a North American Free Trade Agreement (NAFTA), the United States and Mexico are expanding environmental cooperation. A free trade agreement would lead to stronger growth in both countries and provide increased financial resources for environmental protection.

Economically Efficient Regulations: Our Clean Air Act initiatives spur utility energy efficiency through innovative tradable sulfur emission allowances and an overall cap on emissions. Restraining electricity demand cuts emissions of carbon dioxide and acid rain precursors, lowers energy bills for homeowners and businesses, and limits the need for new powerplant construction.

THE GLOBAL ENVIRONMENT AND DEVELOPMENT

Robust economic growth is needed to meet the needs and aspirations of the world's peoples. At the same time, the

nations of the world must ensure that economic development does not place untenable burdens on the Earth's environment.

My Administration has been working with business leaders, environmentalists, scientists, and the governments of other countries to develop more effective, efficient, and comprehensive approaches to global economic and environmental issues. Preparations for the United Nations Conference on Environment and Development (UNCED or Earth Summit), which convenes this June in Rio de Janeiro, Brazil, have accelerated this process.

My priorities for this historic conference are as follows:

- Sign a satisfactory global framework convention on climate change;
- Agree on initial steps leading to a global framework convention on the conservation and management of all the world's forests;
- Improve U.N. environmental and developmental agencies as well as the Global Environment Facility (GEF), which provides financial assistance to developing nations in meeting the costs of gaining global environmental benefits;
- Launch an action program to conserve biodiversity and, if possible, sign a satisfactory global framework convention on biodiversity;
- Agree on a strategy and expand efforts to improve the condition of oceans and seas; and
- Adopt a strategy and initiatives to promote technology cooperation in a free market context.

Climate Change: On behalf of the United States, I hope to sign by June 1992 a global framework convention that will commit as many nations as possible to the timely development of comprehensive national climate action plans. Such plans would commit nations to a process of continuous improvement, addressing sources and reservoirs of all greenhouse gases as well as adaptation measures. Parties to the convention would compare their action programs on a regular basis and revise them as necessary.

By producing specific, comprehensive environmental commitments that fit each nation's particular circumstances, this approach is preferable on environmental and economic grounds to the carbon-dioxide-only proposals that others have espoused. The United States will continue to restrain or reduce its net carbon dioxide emissions by improving energy efficiency, developing cleaner energy sources, and planting billions of trees in this decade. But an exclusive focus on targets and timetables for carbon dioxide emissions is inadequate to address the complex dynamics of climate change.

Forests and Biodiversity: The nations of the world need to do a better job of studying and conserving the diversity

of life on Earth. Nations also need to work together to improve the management and protection of all the world's forests. For these reasons, I am renewing my call for a global framework convention on the management and conservation of forests and restating the U.S. hope that UNCED will be the occasion for making progress toward such a convention. I am also hopeful that a convention on the conservation of biodiversity may be signed at UNCED.

Institutional Reform and Funding: Member nations need to coordinate U.N. structures and make them more efficient and effective in meeting UNCED goals. A related priority is to continue development of the World Bank's Global Environment Facility (GEF). The GEF should become the principal vehicle for assisting developing nations with the incremental costs of gaining global environmental benefits under new international agreements.

Oceans: Coastal and estuarine areas include some of the most diverse and productive ecosystems on Earth. Increasing population and development are stressing these areas, particularly in nations that lack effective programs to protect and manage marine resources. The United States urges UNCED parties to adopt a set of principles and an action plan to address such issues as the status of living marine resources, coastal zone management, ocean monitoring, and land-based sources of marine pollution.

Technology: The UNCED participants should adopt a strategy and initiatives to promote market-based environmental technology cooperation with developing nations. In some cases, the transfer of environmentally preferable technologies results from official foreign assistance. However, in the vast majority of cases it occurs as the result of private sector activities such as direct foreign investment, joint ventures, licensing, exports, and professional training. Thus the role of governments and international institutions should be to foster the market conditions that accelerate private sector activity in the growing global market for environmental goods and services.

THE DOMESTIC ENVIRONMENT

In the midst of increased attention to global environmental issues, the United States in the last 3 years has enacted and begun to implement sweeping environmental reforms. We will continue to take action predicated on sound science and efficient solutions. State and local governments, businesses, community groups, and individual citizens must also play a part.

A number of items on the environmental agenda, including reauthorization of the Clean Water Act, the Resource Conservation and Recovery Act, and the Endangered Species Act, re-

quire a thorough, judicious review with an eye toward the long term. Wherever possible, such legislation should encourage economically sensible, market-based mechanisms. Quick-fix actions will not be in the best interest of the environment or of our economy.

The Congress should make a significant contribution to economic growth and the environment by taking the following steps during this session:

- Enact balanced national energy legislation, providing equal measures of new conservation and production;
- As requested in my budget, provide increased funds to a number of key environmental and natural resources programs; and
- Establish a U.S. Department of the Environment.

National Energy Legislation: In the year that has passed since I proposed a National Energy Strategy (NES) providing equal measures of new energy conservation and production, the Administration has moved to implement more than 90 NES initiatives that do not require legislative action. The Congress has followed through by increasing funding for an array of research and development initiatives. Now, in addition to these measures, the Congress needs to complete action on comprehensive national energy legislation.

Environmental and Natural Resources Budget: Within the context of initiatives to tighten Federal budget discipline, my proposed budget for fiscal 1993 reflects my continuing belief that we should increase national investments in key environmental and natural resources programs. Among my priorities are the following:

- \$1.85 billion (a 17-percent increase over fiscal 1992) for the America the Beautiful program, including acquisition of key park, forest, refuge, and other public lands; my program to encourage public participation in the planting of one billion trees per year; a partnership with the States to create state parks and recreation facilities; and projects to improve environmental infrastructure and recreational opportunities on the public lands;
- A record \$5.5 billion (a 26-percent increase over fiscal 1992) for the cleanup of Department of Energy facilities involved in nuclear weapons manufacture;
- \$201 million (almost double the fiscal 1992 level) for U.S.-Mexico border region cleanup, consistent with the Environmental Action Plan I presented to the Congress last year in support of the proposed North American Free Trade Agreement;
- Almost \$1 billion for energy research and development, including over \$350 million for conservation research and development (more than double the fiscal 1989 level) and \$162.4 million (a 47-percent increase over fiscal 1992) for transpor-

tation programs such as development of electric automotive batteries and the purchase of 5,000 alternative-fuel vehicles;

—\$812 million (a 35-percent increase over fiscal 1992) for wetlands research, acquisition, restoration, and enhancement, achieving a 175-percent increase over fiscal 1989 levels;

—For the second year in a row, \$340 million for accelerated construction of sewage treatment facilities in six coastal cities that currently have inadequate treatment facilities;

—\$7 million (a 46-percent increase over fiscal 1992) for the designation and management of National Marine Sanctuaries;

—\$229 million (a 22-percent increase over fiscal 1992) for implementation of the 1990 Clean Air Act;

—\$1.75 billion (an 8-percent increase over fiscal 1992) for cleanup of Superfund toxic waste sites; and

—\$1.37 billion (a 24-percent increase over fiscal 1992) for further expansion of the world's largest global climate change research program.

U.S. Department of the Environment: Considering the scope and importance of responsibilities conferred upon the Environmental Protection Agency (EPA), I announced my support in 1990 for legislative efforts to elevate EPA to Cabinet status. The Congressional leadership has responded with controversial, extraneous amendments and parliamentary delays. This legislation should not be held hostage any longer. Once again, I call on the Congress to elevate EPA to Cabinet status and make it the U.S. Department of the Environment.

A NATIONAL COMMITMENT

There is a growing commitment from all segments of society to improve the environment. A key element of my environmental strategy is encouraging private companies and organizations to work with each other and with government to deliver conservation benefits that go far beyond what government acting alone could provide.

In July 1991 I named leaders of business, environmental, recreational, educational, and philanthropic organizations to serve as members of the President's Commission on Environmental Quality (PCEQ). I have challenged this Commission to develop and implement an action agenda to improve the environment through voluntary private sector activities that meet the test of economic efficiency.

I also established a Presidential medal for environment and conservation achievement and had the honor of presenting medals to an outstanding group of Americans last October. This program rewards private initiative in service to the environment in a manner equivalent to long-standing Presidential recognition of excellence in the

arts, humanities, sciences, and world affairs.

We have encouraged additional private sector initiatives through such ground-breaking efforts as the "Green Lights" energy efficiency project, the "33-50" toxic emission reduction program, the U.S. Advanced Battery Consortium to support development of electric vehicles, and land management partnerships between conservation groups and the Departments of Defense, Agriculture, and the Interior.

FREEDOM'S FULL MEANING

As more people around the world join the democratic family and reach for their God-given rights and aspirations, we Americans who have led the way for over 200 years will continue to bear a responsibility to give freedom its full meaning, including freedom from want and freedom from an unsafe environment.

The Cold War was a stark test of the global community's faith in these ideals. We passed that test.

The deadlock in negotiations for improved international trade rules is another challenge to the principles that have drawn the world closer together in the last half century. We must not fail that test.

These struggles for national security and economic growth are now joined by environmental concerns such as deforestation and potential climate change, which also have profound long-term implications. The year ahead will test our ability to redefine the relationship between humanity and the environment—and in so doing, to secure a greater peace and prosperity for generations to come. We must not fail that test.

GEORGE BUSH.

THE WHITE HOUSE, March 24, 1992.

□ 1540

Pension Security Act of 1992

The SPEAKER pro tempore (Mr. COOPER). Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 10 minutes.

Mr. MICHEL. Mr. Speaker, today I am introducing the Pension Security Act of 1992, H.R. 4545, at the request of the administration. This bill contains reforms intended to strengthen single-employer pension plans and the Pension Benefit Guaranty Corporation, which is the insurance program that stands behind those plans. Below is a section-by-section analysis of H.R. 4545.

PENSION SECURITY ACT OF 1992

(All references to "Code" are references to the Internal Revenue Code of 1986, as amended. All references to "ERISA" are references to the Employee Retirement Income Security Act of 1974, as amended.)

TITLE I. AMENDMENTS TO PENSION PLAN FUNDING REQUIREMENTS.

SUBTITLE A. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.

Sec. 101. Revision of additional funding requirements for plans that are not multiemployer plans

Section 101 of the bill revises the additional funding requirements for plans that are not multiemployer plans by replacing the deficit reduction contribution with a similar "underfunding reduction requirement" and adding a new "solvency maintenance requirement". The new requirements apply to underfunding plans with more than 100 participants.

Subsection (a) of section 101 of the bill amends section 412(a) of the Code to redefine the term "accumulated funding deficiency" as the largest of: (1) the contribution required under the funding standard account or alternative minimum funding standard account, whichever is less, (2) the underfunding reduction requirement, if applicable, or (3) the solvency maintenance requirement, if applicable.

Subsection (b) amends section 412(1) of the Code to eliminate the deficit reduction contribution and replace it with a definition of the new underfunding reduction requirement. The underfunding reduction requirement is the sum of:

(1) a percentage of underfunding calculated according to a formula that is the same as the one in current section 412(1) that applies to "new current liability"—that is, 30 percent of underfunding for plans with a funding ratio of 35 percent or less, which underfunding percentage is reduced by .25 multiplied by the excess (if any) of the initial funding ratio over 35 percent;

(2) the charges for normal cost and any waived funding deficiencies under section 412(b) of the Code;

(3) the sum of charges after December 31, 1993, for net experience losses and losses due to changes in actuarial assumptions to the extent that they exceed the sum of credits after December 31, 1993 for net experience gains, changes in actuarial assumptions, and contributions in excess of section 412(b) requirements; and

(4) the sum of charges and credits before December 31, 1993 for net experience losses and gains, and losses and gains from changes in actuarial assumptions, and contributions in excess of section 412(b) requirements.

Subsection (c) adds a new section 412(o) to the Code defining the new solvency maintenance requirement. The solvency maintenance requirement is the sum of:

(1) disbursements in the plan year and interest on the plan's initial unfunded liability (liabilities under section 401(a)(2) of the code that are not funded as of the first day of the plan year);

(2) the charges for normal cost and any waived funding deficiencies under section 412(b);

(3) the sum of charges after December 31, 1993, for net experience losses and changes in actuarial assumptions losses to the extent that they exceed the sum of credits after December 31, 1993 for net experience gains, changes in actuarial assumptions, and contributions in excess of section 412(b) requirements; and

(4) the sum of charges and credits before December 31, 1993 for net experience losses and gains, and losses and gains from changes in actuarial assumptions, and contributions in excess of section 412(b) requirements.

The amount of the solvency maintenance requirement exceeding the section 412(1) re-

quirement is phased-in at 20 percent per year.

Subsection (c) also defines various terms for purposes of the solvency maintenance requirement and the underfunding reduction requirement. It also exempts plans with 100 or fewer participants from both requirements and applies the requirements on a phased-in basis for plans with 101 to 150 participants.

Subsection (d) of section 101 makes conforming changes to sections 412, 401(a)(29) and 404(a)(1)(D) of the Code.

The amendments made by section 101 are effective for plan years beginning after December 31, 1993.

Sec. 102. Correction to ERISA citation

This section corrects section 404(g)(4) of the Code to provide that the applicable version of ERISA for purposes of determining deductibility of contributions under section 404 is the version in effect on the date of the transaction.

The amendment made by this section shall be effective on the date of enactment.

Sec. 103. Effective dates

The effective dates to the amendments made by Subtitle A are described along with the section to which they relate.

SUBTITLE B. AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 121. Revision of additional funding requirements for plans that are not multiemployer plans

Section 121 amends section 302 of ERISA to conform to the changes made by section 101 of this bill to section 412 of the Code.

Sec. 122. Effective date

This section conforms the effective date provision for the corresponding ERISA amendments.

TITLE II. AMENDMENTS TO TITLE IV OF ERISA

Sec. 201. Limitation on benefits guaranteed

This section amends section 4022(b) of ERISA to eliminate the guarantee for new benefits or benefit increases due to plan amendments made after December 31, 1991 for plans that are not fully funded for vested benefits at the end of the plan year in which the amendment is made. If plan is or subsequently becomes fully funded for vested benefits, any such benefit or benefit increase would be guaranteed in full provided the amendment was made at least one year prior to plan termination. This new rule does not apply to certain post-December 31, 1991 amendments resulting from collective bargaining agreements in existence on that date.

Section 201 also provides that any plan provision or amendment adopted or effective after December 31, 1991 that creates or increases unpredictable contingent event benefits would not be guaranteed by the PBGC. Benefits adopted and effective on or before that date would not be affected by this rule.

The amendments made by this section shall be effective on December 31, 1991.

Sec. 202. Enforcement of minimum funding requirements

Section 202 of the bill gives the PBGC the power to bring a civil action to enforce minimum funding standards, including the enforcement of liens, in plans covered by the PBGC's guarantee under section 4021 of ERISA. (The enforcement authority of the Department of Labor would not be changed.)

The amendment made by this section is effective for installments and other required payments due on or after the date of enactment.

Sec. 203. Definition of contributing sponsor.

Section 203 of the bill makes a clarifying change in the definition of contributing sponsor of a single-employer plan to clarify that the contributing sponsor is the person entitled to receive a tax deduction under section 404(a)(1) of the Internal Revenue Code for contributions required to be made to the plan under section 302 of the Act or 412 of the Code.

The amendment made by this section is effective as if included in the Pension Protection Act.

Sec. 204. Recovery ratio payable under corporation's guaranty.

Section 204 of the bill clarifies that the average recovery ratio that PBGC applies to outstanding benefit liabilities to determine the portion of nonguaranteed benefits that will be paid to participants in small plans terminated in distress or involuntary terminations is calculated using the PBGC's recovery experience for distress and involuntary terminations of small plans only. The section also extends from three to seven years the transitional rule under which the recovery ratio in small plans is based on the recovery in the plan rather than the average recovery ratio.

The amendments made by this section are effective as if included in the provision of the Pension Protection Act to which such amendments relate.

Sec. 205. Seventh revolving fund.

The Pension Protection Act created a seventh revolving fund to receive premiums for plan years beginning on or after January 1, 1988, and to pay benefits in plans terminating on or after October 1, 1988, or before that date if other funds are no longer available. This section discontinues the seventh fund and merges its assets and liabilities with the assets and liabilities of the first revolving fund (the single-employer basic benefits guaranty fund).

The elimination of the seventh fund is effective as of September 30, 1992.

Sec. 206. Distress termination criteria for banking institutions.

A contributing sponsor or controlled group member can qualify for a distress termination under the first distress test of ERISA section 4041(c)(2)(B) if the sponsor or member is liquidating under Title 11, United States Code, or under any similar law of a State or political subdivision of a State. Section 206 of the bill extends the first distress test to proceedings under other Federal laws that are similar to Title 11 proceedings.

The amendment made by this section is effective for terminations initiated on or after the date of enactment.

Sec. 207. Variable rate premium exemption.

A single-employer plan that is at the full funding limitation under section 412(c)(7) of the Internal Revenue Code for the preceding plan year is exempt from the variable-rate PBGC premium charge for unfunded vested benefits. Section 207 of the bill amends section 4006(a)(3)(E)(v) of ERISA to allow an exemption from the variable-rate charge when contributions to the plan for the preceding plan year are not less than the maximum amount that may be contributed without incurring an excise taxes under section 4972 of the Code.

The amendments made by this section are effective for plan years beginning after December 31, 1992.

TITLE III. EMPLOYER LIABILITY, LIEN AND PRIORITY

SUBTITLE A. AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 301. Employer liability lien and priority amount.

Subsection (a) of section 301 of the bill amends section 4068(a) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") to provide that for terminations initiated on or after January 1, 1992, the PBGC's lien for employer liability shall not exceed the sum of:

(1) the amount of benefits attributable to the occurrence of unpredictable contingent events within the three years before plan termination, plus

(2) the greater of—

(a) 30 percent of the collective net worth of liable persons, or

(b) the currently applicable percentage of the excess of the amount of unfunded benefit liabilities over the amount of unpredictable contingent event benefits in (1) above. The applicable percentage is 10 percent of terminations initiated in 1992 and increases by two percentage points a year up to 50 percent, where it remains.

The term "amount of benefits attributable to the occurrence of unpredictable contingent events" means the present value of unpredictable contingent event benefits (within the meaning of section 302(d)(7)(B)(ii) of ERISA) determined as of the termination date on the basis of assumptions prescribed by the PBGC for purposes of section 4044 of ERISA.

The PBGC may, where cost effective, compute the amount of the lien without regard to the 30 percent of net worth described in (2)(a) above.

Subsections (b) and (c) amend section 4068(c)(2) of ERISA to clarify that liability to the PBGC under sections 4062, 4063 and 4064 of ERISA has the priority of a tax due and owing the United States in bankruptcy and insolvency proceedings and conforms the limit on the amount of this liability to the revisions to the limit made by section 301(a) of the bill.

The amendments made by subsections (a) and (b) of this section and the conforming amendments thereto made by subsection (c) are effective for terminations initiated on or after January 1, 1992. The clarification set out in subsection (c) is effective as if included in the Pension Protection Act.

Sec. 302. Liability upon liquidation of contributing sponsor where plan remains ongoing.

Section 302 of the bill adds a new subsection (f) to section 4062 of ERISA that provides that in the event all or substantially all of the assets of a contributing sponsor of an ongoing plan are being liquidated in a bankruptcy proceeding and, therefore, the sponsor's controlled group members become responsible for maintaining the plan by operation of law, such sponsor is liable as though the plan had terminated in a distress termination as of a date determined by the PBGC as the date liquidation was initiated. The PBGC shall collect the liability and pay amounts it collects to the plan; however, it may assign this right to controlled group members. The PBGC may, by regulation, issue rules to implement this subsection.

The amendment made by this section is effective for liquidation initiated on or after the date of enactment.

SUBTITLE B. AMENDMENTS TO TITLE 11, UNITED STATES CODE

Sec. 321. *Pension Benefit Guaranty Corporation permitted to be a member of an unsecured creditors' committee.*

This section amends section 101(a)(35) of the Bankruptcy Code to permit the PBGC to be a member of an unsecured creditors' committee.

The amendment made by this section is effective for cases initiated on or after the date of enactment.

Sec. 322. *Clarification of priorities in conformity with ERISA.*

Subsection (a) of section 322 of the bill adds two new subparagraphs to section 507(a)(7) of the Bankruptcy Code to clarify that seventh priority claims include:

(1) unpaid pension contributions that are attributable to the pre-petition period and treated as taxes owing the United States under section 412(n)(4)(C) of the Internal Revenue Code and

(2) employer liability that arises under sections 4062, 4036, and 4064 of ERISA, to the extent the employer liability is treated as a tax under section 4068(c)(2) of ERISA, where termination occurs on or prior to the petition dated.

Subsection (b) adds a new paragraph (7) to section 503(b) to clarify that unpaid contributions for plan years beginning after December 31, 1987, that are attributable to the post-petition period, and that employer liability arising after bankruptcy exist in the amounts specified in section 412(n)(4)(C) of the Internal Revenue Code and in Title IV of ERISA.

The clarifications set out in this section with respect to unpaid contributions are effective as if included in the Pension Protection Act. The clarifications with respect to employer liability are effective for cases commenced on or after the date of enactment or cases pending on the date of enactment in which claims for liability have not been resolved as of such date.

Sec. 323. *Notice required where federally insured pension plan is administered by the debtor or its affiliate.*

Section 323 of the bill amends the Bankruptcy Rules to provide that the bankruptcy court shall give the PBGC notice of a petition filed and all other notices required to be served upon creditors and interested parties, in any case under Title 11 in which the debtor or an affiliate maintains a pension plan covered under Title IV of ERISA.

This section is effective on the date of enactment.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BLILEY) to revise and extend their remarks and include extraneous material:)

Mr. LEWIS of California, for 30 minutes, on April 7.

Mr. MICHEL, for 10 minutes, today.

(The following Members (at the request of Mr. POSHARD) to revise and extend their remarks and include extraneous material:)

Mrs. MINK, for 5 minutes, today and on March 25.

Mr. ANNUNIZO, for 5 minutes, today.
Mr. GONZALEZ, for 60 minutes, today.
Mr. PICKETT, for 60 minutes, on March 25.
Mr. KANJORSKI, for 60 minutes, on March 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BLILEY) and to include extraneous matter:)

Mr. LEWIS of California.

Mr. CUNNINGHAM.

Mr. GALLEGLY in four instances.

Mr. GEKAS in three instances.

Mr. MCDADE.

Mr. ZIMMER.

Mr. DORNAN of California.

Mr. GINGRICH in two instances.

(The following Members (at the request of Mr. POSHARD) and to include extraneous matter:)

Mr. SWETT.

Mr. ROE in two instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN in 10 instances.

Mr. ANNUNIZO in six instances.

Mr. FASCELL in two instances.

Mr. TORRES.

Mr. TAUZIN.

Mr. SLATTERY.

Mr. HALL of Ohio.

Mr. ATKINS.

Mr. SCHUMER.

Mr. MANTON.

Mr. KILDEE.

Mr. FALCOMAVAEGA.

Mr. SAWYER.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4210. An act to amend the Internal Revenue Code of 1986 to provide incentives for increased economic growth and to provide tax relief for families; and

H.J. Res. 272. Joint resolution to proclaim March 20, 1992, as "National Agriculture Day."

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 40 minutes p.m.) the House adjourned until tomorrow, Wednesday, March 25, 1992, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from

the Speaker's table and referred to as follows:

3134. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize appropriations for the planning, construction, acquisition, alteration, repair of facilities, and other public improvements of Agricultural Research Service facilities at Beltsville, MD; Peoria, IL; Albany, CA; and Greenport, NY; to the Committee on Agriculture.

3135. A communication from the President of the United States, transmitting amendments to the fiscal year 1992 request for appropriations for the Department of Housing and Urban Development, pursuant to 31 U.S.C. 1107 H. Doc. No. 102-274; to the Committee on Appropriations and ordered to be printed.

3136. A communication from the President of the United States, transmitting amendments to the fiscal year 1992 and fiscal year 1993 request for appropriations for the Small Business Administration, pursuant to 31 U.S.C. 1107 (H. Doc. No. 102-275); to the Committee on Appropriations and ordered to be printed.

3137. A letter from the Comptroller of the Currency, transmitting the Comptroller's annual report to Congress; to the Committee on Banking, Finance and Urban Affairs.

3138. A letter from the Board of Governors, Federal Reserve System, transmitting the Board's staff report, pursuant to Public Law 101-73, section 918 (103 Stat. 183); to the Committee on Banking, Finance and Urban Affairs.

3139. A letter from the Federal Trade Commission, transmitting the 14th annual report on the administration of the Fair Debt Collection Practices Act, pursuant to 15 U.S.C. 1692m; to the Committee on Banking, Finance and Urban Affairs.

3140. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to provide for the restructuring of the public housing, housing voucher and certificate, and other HUD programs, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

3141. A letter from the Secretary of Education, transmitting the fiscal year 1991 annual report of the Intergovernmental Advisory Council on Education, pursuant to 20 U.S.C. 3423(b)(1)(D); to the Committee on Education and Labor.

3142. A letter from the Secretary of Education, transmitting notice of final procedures for the Robert C. Byrd Honors Scholarship Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3143. A letter from the Secretary of Health and Human Services, transmitting the Surgeon General's Report on Smoking in the Americas, pursuant to 15 U.S.C. 1337(a); to the Committee on Energy and Commerce.

3144. A letter from the Secretary of Transportation, transmitting the annual report on railroad financial assistance for fiscal year 1991, pursuant to 49 U.S.C. 308(d); to the Committee on Energy and Commerce.

3145. A letter from the Securities and Exchange Commission, transmitting a draft of proposed legislation entitled, "Small Business Incentive Act of 1992"; to the Committee on Energy and Commerce.

3146. A letter from the Defense Security Assistance Agency, transmitting a copy of Transmittal No. 02-92, concerning a proposed Memorandum of Understanding [MOU] with the NATO Airborne Early Warning and Control Program Management Organization

[NAPMO], pursuant to 22 U.S.C. 2767(f); to the Committee on Foreign Affairs.

3147. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a listing of gifts by the U.S. Government to foreign individuals during fiscal year 1991, pursuant to 22 U.S.C. 2694(2); to the Committee on Foreign Affairs.

3148. A letter from the Department of State, transmitting the 15th annual report on Americans Incarcerated Abroad, pursuant to 42 U.S.C. 2151n-1; to the Committee on Foreign Affairs.

3149. A letter from the Department of Energy, transmitting a report of activities under the Freedom of Information Act for calendar year 1991, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3150. A letter from the Secretary of Veterans Affairs, transmitting a report of activities under the Freedom of Information Act for calendar year 1991, pursuant to 5 U.S.C. 552(e); to the Committee on Government Operations.

3151. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3152. A letter from the Department of the Interior, transmitting a draft of proposed legislation to amend the National Historic Preservation Act to extend the authorization for the Historic Preservation Fund; to the Committee on Interior and Insular Affairs.

3153. A letter from the Deputy Administrator, General Services Administration, transmitting an informational copy of a lease prospectus, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

3154. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to ratify the Department of Veterans Affairs' interpretation of the provisions of section 1151 of title 38, the United States Code; to the Committee on Veterans' Affairs.

3155. A letter from the Administrator, Small Business Administration, transmitting the administration's Natural Resource Development Program Annual Report 1991; jointly, to the Committees on Appropriations and Small Business.

3156. A letter from the Director, Office of Management and Budget, transmitting his certification that the amounts appropriated for the Board for International Broadcasting for grants to Radio Free Europe/Radio Liberty, Inc., are less than the amount necessary to maintain the budgeted level of operation because of exchange rate losses in the first quarter of fiscal year 1992, pursuant to 22 U.S.C. 2877(a)(2); jointly, to the Committees on Foreign Affairs and Appropriations.

3157. A letter from the General Counsel, Federal Aviation Administration, transmitting copies of the fiscal year 1993 budget requests of the Federal Aviation Administration to the Department, including requests for "Facilities and Equipment" and "Research, Engineering, and Development," pursuant to 49 U.S.C. 2205(f); jointly, to the Committees on Public Works and Transportation and Science, Space, and Technology.

3158. A letter from the Chairman, Prospective Payment Assessment Commission, transmitting the Commission's report required by section 1886(e) of the Social Security Act as amended by Public Law 101-508;

jointly, to the Committees on Ways and Means and Energy and Commerce.

3159. A letter from the Director, Central Intelligence Agency, transmitting a draft of proposed legislation entitled "Intelligence Authorization Act for Fiscal Year 1993"; jointly, to the Committees on Intelligence (Permanent Select), Armed Services, the Judiciary, and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of March 20, 1992]

Mrs. SCHROEDER: Committee on Armed Services. H.R. 1435. A bill to direct the Secretary of the Army to transfer jurisdiction over the Rocky Mountain Arsenal, CO, to the Secretary of the Interior; with an amendment (Rept. 102-463, Pt. 1). Ordered to be printed.

[Submitted March 24, 1992]

Mr. DINGELL: Committee on Energy and Commerce. H.R. 3698. A bill to amend the Public Health Service Act with respect to services for mental health and substance abuse, including establishing separate block grants to enhance the delivery of such services; with an amendment (Rept. 102-464). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 2926. A bill to amend the act of May 17, 1954, relating to the Jefferson National Expansion Memorial to authorize increased funding for the East Saint Louis portion of the Memorial, and for other purposes; with an amendment (Rept. 102-465). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 3011. A bill to amend the National Trails System Act to designate the American Discovery Trail for study to determine the feasibility and desirability of its designation as a national trail (Rept. 102-466). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. S. 870. An act to authorize inclusion of a tract of land in the Golden Gate National Recreation Area, CA; with an amendment (Rept. 102-467). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. An act to increase the authorized acreage limit for the Assateague Island National Seashore on the Maryland mainland, and for other purposes; with an amendment (Rept. 102-468). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SCHUMER (for himself and Mr. SENSENBRENNER):

H.R. 4542. A bill to prevent and deter auto theft; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. ATKINS (for himself and Mr. DONNELLY):

H.R. 4543. A bill to amend the Internal Revenue Code of 1986 to allow partners and certain shareholders of subchapter S corporations to exclude from gross income contributions by the partnership or S corporation to an accident or health plan for such partners and shareholders and their employees; to the Committee on Ways and Means.

By Mr. AUCOIN:

H.R. 4544. A bill to authorize the Commissioner of the Administration for Children, Youth, and Families to make grants to carry out programs and activities to improve the educational performance, health and fitness, life skills, and family relationships of adolescents; to the Committee on Education and Labor.

By Mr. MICHEL (by request):

H.R. 4545. A bill to amend the Employee Retirement Security Act of 1974, the Internal Revenue Code of 1986, and title 11, United States Code; to improve pension plan funding; to limit growth in insurance exposure; to protect the single-employer plan termination insurance program by clarifying the status of claims of the Pension Benefit Guaranty Corporation and the treatment of pension plans in bankruptcy proceedings; and for other purposes; jointly, to the Committees on Ways and Means, Education and Labor, and the Judiciary.

By Mr. FASCELL:

H.R. 4546. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize appropriations for foreign assistance programs for fiscal years 1992 and 1993, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FASCELL (for himself, Mr. BROOMFIELD, Mr. HAMILTON, Mr. GILMAN, Mr. SOLARZ, Mr. WOLPE, Mr. DYMALLY, Mr. LANTOS, Mr. BERMAN, Mr. FEIGHAN, Mr. ACKERMAN, Mr. FALEOMAVAEGA, Mr. KOSTMAYER, Mr. FOGLETTA, Mr. SAWYER, Mr. LEACH, Mrs. MEYERS of Kansas, and Mr. BLAZ):

H.R. 4547. A bill to authorize supplemental assistance for the former Soviet Republics; to the Committee on Foreign Affairs.

By Mr. FASCELL (for himself, Mr. BROOMFIELD, Mr. YATRON, Mr. BERMAN, Mr. HAMILTON, Mr. SOLARZ, Mr. WOLPE, Mr. DYMALLY, Mr. LANTOS, Mr. FEIGHAN, Mr. ACKERMAN, Mr. FALEOMAVAEGA, Mr. MURPHY, Mr. KOSTMAYER, Mr. FOGLETTA, Mr. MCCLOSKEY, Mr. GILMAN, Mr. LEACH, Mrs. MEYERS of Kansas, and Mr. BLAZ):

H.R. 4548. A bill to authorize contributions to U.N. peacekeeping activities; to the Committee on Foreign Affairs.

By Mr. FASCELL (for himself, Mr. BROOMFIELD, Mr. HAMILTON, Mr. YATRON, Mr. WOLPE, Mr. DYMALLY, Mr. LANTOS, Mr. BERMAN, Mr. FEIGHAN, Mr. ACKERMAN, Mr. FALEOMAVAEGA, Mr. MURPHY, Mr. KOSTMAYER, Mr. FOGLETTA, Mr. MCCLOSKEY, Mr. SAWYER, Mr. GILMAN, Mr. LEACH, Mrs. MEYERS of Kansas, and Mr. BLAZ):

H.R. 4549. A bill to amend the Foreign Assistance Act of 1961 to establish a Non-proliferation and Disarmament Fund; to the Committee on Foreign Affairs.

By Mr. BROWN (for himself, Mr. ASPIN, Mr. BOUCHER, Mr. MCCURDY, Mrs. LLOYD, Mr. SENSENBRENNER, Mr. SCHEUER, and Mr. SPRATT):

H.R. 4550. A bill to provide for the formation of an endowed, nongovernmental, non-profit, foundation to encourage and fund collaborative research and development

projects between the United States and Russia, Ukraine, Belarus, and other democratic republics emerging from the former Soviet Union; jointly, to the Committees on Science, Space, and Technology and Foreign Affairs.

By Mr. GEPHARDT (for himself, Mr. GINGRICH, Mr. EDWARDS of California, Mr. HYDE, Mr. MINETA, Mr. MATSUI, Ms. PELOSI, Mrs. MINK, Mr. HORTON, Mr. ABERCROMBIE, Mr. AUCCOIN, Mr. BERMAN, Mrs. BOXER, Mr. BUSTAMANTE, Mr. CLAY, Mr. DELLUMS, Mr. DIXON, Mr. DYMALLY, Mr. FALCONER, Mr. FASCELL, Mr. FAZIO, Mr. GONZALEZ, Mr. HOCHBRUECKNER, Mr. JACOBS, Mr. JONTZ, Mr. KILDEE, Mr. LANTOS, Mr. LEVINE of California, Mr. MARTINEZ, Mr. McDERMOTT, Mr. MOODY, Ms. NORTON, Mr. PANETTA, Mr. PASTOR, Mr. RANGEL, Mr. ROE, Mr. SANDERS, Mr. SANGMEISTER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SERRANO, Mr. SKAGGS, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. TOWNS, Mrs. UNSOELD, Mr. VENTO, Mr. WAXMAN, Mr. WEISS, Mr. YATES, Mr. MILLER of California, and Mr. FISH):

H.R. 4551. A bill to amend the Civil Liberties Act of 1988 to increase the authorization for the trust fund under that act, and for other purposes; to the Committee on the Judiciary.

By Mr. GINGRICH:
H.R. 4552. A bill to amend the Internal Revenue Code of 1986 to permit individual retirement accounts to be used as security for loans; to the Committee on Ways and Means.

By Mr. MATSUI (for himself, Mr. MINETA, and Mr. EDWARDS of California):

H.R. 4553. A bill to amend the Civil Liberties Act of 1988 to clarify that payments under that act shall not be includible as income for purposes of all laws administered by the Secretary of Veterans Affairs; jointly, to the Committees on the Judiciary and Veterans' Affairs.

By Mrs. MINK:
H.R. 4554. A bill to amend title 5, United States Code, to provide that any Federal employee serving under a temporary appointment who has completed at least 1 year of service in such position within the preceding 2 years shall be eligible for the Government's health benefits program, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NICHOLS:
H.R. 4555. A bill to limit the number of years that a person may be employed by the House of Representatives; to the Committee on House Administration.

By Mr. SCHUMER:
H.R. 4556. A bill to amend the Immigration and Nationality Act to provide for the expedited processing of certain aliens and citizens arriving from abroad by air at any port of entry within the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. VALENTINE:
H.R. 4557. A bill to authorize appropriations to the Federal Aviation Administration for research, engineering, and development to increase the efficiency and safety of air transport; to the Committee on Science, Space, and Technology.

By Mr. WISE:
H.R. 4558. A bill to improve budgetary information by establishing within the unified budget an infrastructure investment account; to the Committee on Government Operations.

By Mr. NICHOLS:
H.J. Res. 451. Joint resolution proposing an amendment to the Constitution of the United States to limit the number of years a person may serve as a Representative in, or Delegate or Resident Commissioner to, the Congress; to the Committee on the Judiciary.

By Mr. FEIGHAN (for himself, Mr. OWENS of Utah, Mr. LANTOS, Mr. SCHUMER, Mr. PANETTA, Mr. SAWYER, Mr. MCCLOSKEY, Mr. SCHEUER, Mr. ACKERMAN, Mr. KOSTMAYER, Mr. WAXMAN, Mr. LEVIN of Michigan, Mr. SOLARZ, Mr. LAFALCE, Mr. OWENS of New York, Mr. BERMAN, Ms. PELOSI, Mr. ECKART, Mr. FAZIO, Mr. SMITH of Florida, Mr. HORTON, Mr. McGRATH, Mrs. MORELLA, Ms. ROS-LEHTINEN, Mr. BONIOR, Mr. SPRATT, Mr. ATKINS, Mr. TORRICELLI, Mr. LEVINE of California, Mr. FRANK of Massachusetts, Mr. BORSKI, Mr. LEHMAN of Florida, Mr. BUSTAMANTE, Mr. DORNAN of California, Mr. DEFazio, Mr. FROST, and Mr. ESPY):

H. Con. Res. 298. Concurrent resolution expressing the sense of the Congress that the Vatican should recognize the State of Israel and should establish diplomatic relations with that country; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

349. By the SPEAKER: Memorial of the Senate of the State of Washington, relative to the numerous bad checks written at the House bank; to the Committee on House Administration.

350. Also, memorial of the Senate of the State, relative to the Supplemental Security Income Benefits Program to American Samoa; to the Committee on Ways and Means.

351. Also, memorial of the Legislature of the State of Washington, relative to H.R. 2463, the Forest and Families Protection Act; jointly, to the Committees on Agriculture, Merchant Marine and Fisheries, and Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 299: Mr. CAMPBELL of California and Mr. BARTON of Texas.

H.R. 423: Mr. WISE.

H.R. 722: Mr. ACKERMAN and Mr. HAMMER-SCHMIDT.

H.R. 723: Mr. ACKERMAN and Mr. HAMMER-SCHMIDT.

H.R. 776: Mr. ALEXANDER.

H.R. 815: Mr. LEWIS of Georgia.

H.R. 911: Mr. CARPER, Mr. BARTON of Texas, Mr. SANDERS, Mr. GRANDY, Mr. HUNTER, and Mr. DURBIN.

H.R. 1110: Mr. OLIN, Mr. EDWARDS of California, and Mrs. MINK.

H.R. 1147: Ms. DELAURO.

H.R. 1154: Mr. MILLER of Washington and Mr. HALL of Texas.

H.R. 1303: Mr. DOWNEY.

H.R. 1473: Mr. DOWNEY.

H.R. 1572: Mr. RIDGE, Mr. APPEGATE, and Mr. VOLKMER.

H.R. 1693: Mr. LIVINGSTON.

H.R. 2070: Mr. PANETTA, Mr. DOOLEY, Mr. CAMPBELL of California, Mr. COLEMAN of Texas, and Mr. VALENTINE.

H.R. 2075: Mr. WALSH, Mr. VENTO, and Mr. ECKART.

H.R. 2385: Mrs. MINK, Mr. LAGOMARSINO, Mr. McNULTY, and Mr. ALEXANDER.

H.R. 2420: Mr. DELAY.

H.R. 2555: Mr. ATKINS, Mr. ESPY, Ms. NORTON, and Mr. DELLUMS.

H.R. 2650: Ms. SLAUGHTER.

H.R. 2782: Mr. SHAYS, Mr. POSHARD, Mr. ECKART, Mr. NEAL of Massachusetts, Mr. TORRICELLI, Mr. TORRES, Mr. ATKINS, Mr. YATRON, and Mr. BORSKI.

H.R. 2861: Mr. RINALDO.

H.R. 2872: Mr. EWING and Mr. KYL.

H.R. 2880: Mr. PICKLE and Mr. WALSH.

H.R. 2890: Mr. ROSE and Mr. NAGLE.

H.R. 3071: Mr. LIVINGSTON, Mr. BATEMAN, Mr. WOLF, and Mr. SKELTON.

H.R. 3258: Mr. BERMAN, Mr. VENTO, Mr. KILDEE, Mr. HORTON, and Mr. HUGHES.

H.R. 3317: Mr. SLATTERY.

H.R. 3373: Mr. CALLAHAN, Mr. HUCKABY, Mr. MORAN, Mr. JAMES, Mr. MARTIN, and Mr. PAXON.

H.R. 3393: Mr. RAVENEL and Mrs. COLLINS of Michigan.

H.R. 3451: Mr. DELAY.

H.R. 3462: Mr. COLEMAN of Texas, Mr. JOHNSTON of Florida, Mr. GONZALEZ, Mr. TORRES, Mr. COLEMAN of Missouri, and Mrs. BOXER.

H.R. 3484: Mr. KANJORSKI, Mr. SCHULZE, Mrs. BENTLEY, Mr. DURBIN, Mr. TAYLOR of North Carolina, Mr. STARK, and Mr. OLIN.

H.R. 3555: Mr. BRYANT, Mr. PENNY, Mr. RIGGS, Mr. SLATTERY, Mr. GIBBONS, Mr. RAY, and Mr. PACKARD.

H.R. 3601: Mr. COYNE, Mr. FORD of Michigan, Mr. FLAKE, Mr. HALL of Texas, Mr. STAGGERS, Mr. ABERCROMBIE, Mr. SERRANO, Mr. DE LUGO, Mr. OLVER, Mr. MOLLOHAN, Mr. JEFFERSON, Mrs. UNSOELD, Mr. BERMAN, Mr. BROWN, and Mr. ANDREWS of Maine.

H.R. 3605: Mr. DELAY.

H.R. 3612: Mr. TORRICELLI.

H.R. 3620: Mr. DOWNEY.

H.R. 3655: Mr. LANTOS and Mr. SANDERS.

H.R. 3656: Mr. SANDERS and Mr. LANTOS.

H.R. 3776: Mr. FRANK of Massachusetts, Mr. STARK, and Mr. DWYER of New Jersey.

H.R. 3918: Mr. McGRATH and Mr. REED.

H.R. 3939: Mr. RUSSO, Mr. DWYER of New Jersey, Mr. GILCHREST, Mr. MAVROULES, Mr. TORRES, and Mr. WAXMAN.

H.R. 3960: Mr. SERRANO, Mr. RANGEL, Mr. GREEN of New York, and Mr. OWENS of New York.

H.R. 3975: Mr. MAVROULES, Mr. YATES, Mr. WASHINGTON, Ms. DELAURO, Mr. JONES of North Carolina, Mr. LANTOS, Mr. FASCELL, Mr. DELLUMS, Mr. VENTO, and Mr. KENNEDY.

H.R. 3978: Mr. JONTZ.

H.R. 3986: Mr. MRAZEK and Ms. NORTON.

H.R. 3998: Mr. KLUG, Mr. COLORADO, and Mr. ATKINS.

H.R. 4013: Mr. DEFazio, Mr. KOSTMAYER, and Mr. SANDERS.

H.R. 4083: Mr. SOLOMON, Mr. ANDREWS of Maine, Mr. SISISKY, and Mr. FORD of Tennessee.

H.R. 4100: Ms. LONG, Ms. NORTON, Mr. ENGEL, Mr. SANDERS, Mr. DWYER of New Jersey, Mr. DYMALLY, and Mr. WISE.

H.R. 4130: Mr. RHODES and Mr. GUNDERSON.

H.R. 4149: Mr. SANDERS.

H.R. 4155: Mr. SENSENBRENNER, Mr. ZIMMER, Mr. ARCHER, Mr. WALSH, Mr. EWING, Mr. BURTON of Indiana, Mr. LENT, Mr. MARLENEE, and Mr. DORNAN of California.

H.R. 4178: Mr. AUCCOIN and Mr. SMITH of Florida.

H.R. 4190: Mr. BLACKWELL, Mr. POSHARD, Mr. HAYES of Louisiana, and Mr. COMBEST.

H.R. 4207: Mr. HAMILTON, Mr. GILLMOR, Mr. RAVENEL, Mr. HANSEN, and Mr. SCHIFF.

H.R. 4234: Mr. PAXON and Mr. DERRICK.
 H.R. 4278: Mr. ALEXANDER.
 H.R. 4279: Mr. ESPY, Mr. WILSON, Mr. STALLINGS, and Mr. ALLARD.
 H.R. 4342: Mr. ROSE and Mr. BLAZ.
 H.R. 4351: Mr. DOOLEY and Mr. FRANK of Massachusetts.
 H.R. 4356: Mr. MRAZEK, Mr. MORAN, and Mr. ROE.
 H.R. 4399: Mr. GEKAS.
 H.R. 4410: Mr. TOWNS.
 H.R. 4414: Mr. WYDEN.
 H.R. 4416: Mr. ROYBAL, Mr. OLIN, Mr. GAYDOS, Mr. TAYLOR of Mississippi, Mr. JEFFERSON, Mr. KOLTER, Mr. FLAKE, and Mr. BERMAN.
 H.R. 4419: Mr. PANETTA, Mr. MRAZEK, Mr. LAGOMARSINO, Mr. SYNAR, Mr. PENNY, Mr. KOSTMAYER, Mr. BACCHUS, Mr. SPRATT, Mr. BLACKWELL, Mr. HUBBARD, Mr. OLIN, Mrs. KENNELLY, Mr. HORTON, Ms. SLAUGHTER, Mr. SOLOMON, Mr. HOCHBRUECKNER, and Mr. DOOLEY.
 H.R. 4430: Mr. OXLEY.
 H.R. 4460: Mr. HENRY, Mr. SMITH of Texas, Mr. ROHRBACHER, Mr. CAMPBELL of California, Mr. RHODES, Mr. ALLEN, Mr. BARTON of Texas, and Mr. JOHNSON of Texas.
 H.R. 4530: Mr. HOCHBRUECKNER, Mr. POSHARD, Mr. RHODES, Mr. TAYLOR of Mississippi, and Mr. VALENTINE.
 H.J. Res. 81: Mr. KOLTER and Mr. DORNAN of California.
 H.J. Res. 336: Ms. PELOSI, Mr. QUILLEN, and Mr. MARTINEZ.
 H.J. Res. 357: Mr. DELAY.
 H.J. Res. 358: Mr. SCHUMER, Mr. BILIRAKIS, Mr. VENTO, Mr. BONIOR, Mr. BENNETT, Mr. SHAYS, Ms. WATERS, Mr. BLACKWELL, Mr. FASCELL, Mr. ROYBAL, Mr. ALEXANDER, Mr. BELLENSON, Mrs. BOXER, Mr. BREWSTER, Mr. BRYANT, Mr. CARPER, Mr. CHAPMAN, Mr. CONDIT, Mr. COX of California, Mr. DREIER of California, Mr. EVANS, Mr. FLAKE, Mr. FRANK of Massachusetts, Mr. GEREN of Texas, Mr. GORDON, Mr. HAYES of Illinois, Mr. KLECZKA, Mr. LEWIS of Georgia, Mr. MONTGOMERY, Mr. OLIN, Mr. ROBERTS, Mr. ROSE, Mr. ROWLAND, Mr. SANDERS, Mr. WYDEN, Mr. TALLON, Mr. VALENTINE, Mr. WASHINGTON, Mr. KANJORSKI, and Mr. KOLTER.
 H.J. Res. 371: Mr. APPELGATE, Mr. BATEMAN, Mr. GREEN of New York, Mrs. JOHNSON of Connecticut, Mr. KOSTMAYER, Mr. MORAN, and Mr. MURPHY.
 H.J. Res. 400: Mr. GILMAN, Ms. DELAURO, Mr. FOGLETTA, Mr. ESPY, Mr. ANNUNZIO, Mr. RINALDO, Mr. NEAL of Massachusetts, Mr. TRAXLER, Mr. LAROCCO, Mr. LAFALCE, Mr. MCGRATH, Mr. FASCELL, Mr. McNULTY, Mr. BILBRAY, Mr. ERDREICH, Mr. ALEXANDER, Mr. HATCHER, Mr. DEFazio, Mr. PANETTA, Mr. TOWNS, Mr. SMITH of Florida, Mr. LEWIS of Florida, Mr. CLEMENT, Mr. MARTINEZ, Mr. MORAN, Mr. LAGOMARSINO, Mr. GREEN of New York, Mr. HUGHES, and Mr. MACHTLEY.
 H.J. Res. 430: Mr. ROYBAL, Mr. CALLAHAN, Mr. ESPY, Mr. FORD of Tennessee, Mr. SOLARZ, Ms. KAPTUR, Mr. COYNE, Mr. MAVROULES, Mr. HYDE, Mr. JONTZ, Mr. PALLONE, Mr. LEVIN of Michigan, Mr. DOWNEY, Mr. SMITH of Florida, Mr. HORTON, Mrs. BENTLEY, Mr. EMERSON, Mr. OWENS of New York, and Mr. CLAY.
 H.J. Res. 442: Mr. GINGRICH, Mr. MCDADE, Mr. PURSELL, Mr. DICKINSON, Mr. WEBER, Mr. LOWERY of California, Mr. HORTON, Mr. SKEEN, Mr. BENNETT, Mr. LEHMAN of Florida, Mr. KILDEE, Mr. BEVILL, Mr. MFUME, Mrs. UNSOELD, Mrs. MINK, Mr. JEFFERSON, Mr. MORAN, and Mr. LANCASTER.
 H. Con. Res. 180: Mrs. BOXER.
 H. Con. Res. 192: Mr. HOUGHTON, Mr. EVANS, Mr. MCEWEN, Mr. OXLEY, Mr. WASHINGTON,

Mr. ENGEL, Mr. HATCHER, Mr. JONES of Georgia, Mr. CONYERS, and Mr. MICHEL.
 H. Con. Res. 212: Mr. SIKORSKI.
 H. Con. Res. 224: Mr. MCDERMOTT and Mr. VENTO.
 H. Con. Res. 284: Mr. BROOMFIELD.
 H. Con. Res. 297: Ms. ROS-LEHTINEN, Mr. OWENS of Utah, Mr. MAVROULES, Mr. SARPALIUS, Mr. MATSUI, Mr. KOSTMAYER, and Mr. SCHUMER.
 H. Res. 245: Mr. ALLEN.
 H. Res. 314: Mr. ALLEN.
 H. Res. 321: Mr. PALLONE and Mr. ATKINS.
 H. Res. 332: Mr. FRANKS of Connecticut.
 H. Res. 347: Mr. ALLEN and Mr. RITTER.
 H. Res. 376: Mr. PETRI and Mr. ZIMMER.
 H. Res. 380: Mr. ERDREICH and Mrs. MEYERS of Kansas.
 H. Res. 384: Mr. NOWAK, Mr. SCHIFF, and Mr. HOCHBRUECKNER.
 H. Res. 387: Mr. DERRICK, Mr. SHAYS, and Mr. SKAGGS.
 H. Res. 404: Mr. HEFLEY.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3428

By Mr. GONZALEZ:

—At the end of the bill, insert the following:

TITLE IX—NON-PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

SEC. 901. FUNDING OF INTERNATIONAL DEVELOPMENT INSTITUTIONS DENIED.

(a) FUNDING PROHIBITION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, beginning 1 year after the date of the enactment of this Act, no department, agency, or officer of the United States Government may, on behalf of the United States, provide funds to any international development institution, or enter into any agreement to do so, if the most recent determination of the Secretary of the Treasury pursuant to paragraph (2) is that a member country of the institution—

(A) is capable of producing, or is seeking to produce, a type of weapon that is a subject of a regime for controlling weapons of mass destruction; and

(B) is not adhering to the regime.

(2) ROLE OF THE SECRETARY OF THE TREASURY.—Within 6 months after the date of the enactment of this Act, and annually thereafter, the Secretary of the Treasury, in consultation with the Secretary of State, the Secretary of Defense, and the Director of the Central Intelligence Agency, shall—

(A) determine which member countries referred to in paragraph (1) are capable of producing or are seeking to produce, a type of weapon that is a subject of a regime for controlling weapons of mass destruction;

(B) with respect to each country described in subparagraph (A)—

(i) identify the international development institutions of which the country is a member; and

(ii) determine whether or not the country is adhering to the regime; and

(C) report such information to the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(b) UNITED STATES TO URGE ADOPTION OF REQUIREMENT.—The Secretary of the Treasury shall instruct the United States Executive Director of each international development institution to use the voice and vote of the United States to urge the respective institution to amend the charter of the insti-

tion to require that, not later than 1 year after the date of the enactment of this Act, each member country of the institution which is capable of producing, or is seeking to produce, a type of weapon that is a subject of a regime for controlling weapons of mass destruction adhere to the regime.

(c) DEFINITIONS.—As used in this section:

(1) ADHERE.—The terms “adhere” and “adhering” mean, with respect to a country and a regime, that the country is honoring a formal commitment to participate in the regime that was made by the country to the other participants in the regime.

(2) INTERNATIONAL DEVELOPMENT INSTITUTION.—The term “international development institution” means the International Monetary Fund, the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, the African Development Bank, the African Development Fund, the Asian Development Bank, the Inter-American Development Bank, and the Inter-American Investment Corporation.

(3) REGIME FOR CONTROLLING WEAPONS OF MASS DESTRUCTION.—The term “regime for controlling weapons of mass destruction” means—

(A) the nuclear weapons non-proliferation regime;

(B) the chemical weapons non-proliferation regime;

(C) the biological weapons non-proliferation regime; and

(D) the Missile Technology Control Regime (as defined in section 11B(c) of the Export Administration Act of 1979).

(4) NUCLEAR WEAPONS NON-PROLIFERATION REGIME.—The term “nuclear weapons non-proliferation regime” means—

(A) the Treaty on the Non-Proliferation of Nuclear Weapons, signed at Washington, D.C., London, and Moscow on July 1, 1968, (TIAS 6839), and any amendments thereto;

(B) Additional Protocols I and II to the Treaty for the Prohibition of Nuclear Weapons in Latin America (also known as the “Treaty of Tlatelolco”), signed at Mexico on February 14, 1967, (TIAS 7137), and any amendments thereto;

(C) the guidelines adopted by the Nuclear Suppliers Group, also known as the “London Club”; and

(D) the Convention on the Physical Protection of Nuclear Material, and any amendments thereto.

(5) CHEMICAL WEAPONS NON-PROLIFERATION REGIME.—The term “chemical weapons non-proliferation regime” means—

(A) the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (also known as the “Geneva Protocol of 1925”), and any amendments thereto; and

(B) the chemicals export controls adopted by the group known as the “Australia Group”.

(6) BIOLOGICAL WEAPONS NON-PROLIFERATION REGIME.—The term “biological weapons non-proliferation regime” means—

(A) the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (also known as the “Geneva Protocol of 1925”), and any amendments thereto; and

(B) the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and

Toxin Weapons and on Their Destruction (also known as "Biological Weapons Convention"), and any amendments thereto.

SEC. 902. PROHIBITION AGAINST EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO CERTAIN COUNTRIES NOT ADHERING TO REGIMES FOR CONTROLLING WEAPONS OF MASS DESTRUCTION.

Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i(b)) is amended by adding at the end the following:

"(13) The Bank may not guarantee, insure, extend credit, or participate in the extension of credit in connection with any export of goods or services to any country which—

"(A) is capable of producing, or is seeking to produce, a type of weapon that is a subject of a regime for controlling weapons of mass destruction (as defined in section 901(c) of the International Development, Trade, and Finance Act of 1991); and

"(B) is not adhering to the regime (as determined in accordance with subsection (a) of such section)."

Amend the table of contents accordingly.

H.R. 3553

By Mr. BOEHNER:

—Page 356, strike out lines 13 through 20 and insert the following:

(a) IN GENERAL.—Section 484(a) of the Act is amended—

(1) in paragraph (1), by inserting "(including a program of study abroad approved for credit by the eligible institution)" immediately following "or other program";

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

"(2) satisfy the minimum academic achievement standards specified in subsection (c);"

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

—Page 357, line 8, redesignate paragraph (3) as paragraph (4).

—Page 357, line 10, redesignate paragraph (4) as paragraph (5).

—Page 358, after line 11, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(c) MINIMUM ACADEMIC ACHIEVEMENT STANDARDS.—Section 484(c) of the Act is amended to read as follows:

"(c) MINIMUM ACADEMIC ACHIEVEMENT STANDARDS.—For the purposes of subsection (a)(2), a student shall meet minimum academic achievement standards established by the institution. Such standards shall be established in accordance with regulations of the Secretary and shall be at least as rigorous as the equivalent of a cumulative 'C' average, unless the institution demonstrates to the satisfaction of the Secretary that a different standard is more appropriate for its students."

By Mr. COLEMAN of Missouri:

—Page 86, line 20, strike the close quotation marks and following period and after such line insert the following:

"(7) No basic grant shall be awarded under this subpart to any individual who is incarcerated in any Federal or State penal institution."

—Page 177, after line 12, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(1) GUARANTY AGENCY INCENTIVE PAYMENTS.—Section 428(b)(3) of the Act is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(2) by inserting after subparagraph (A) the following new subparagraph:

"(B) offer, directly or indirectly, any premium, payment, or other inducement to any lender, or any agent or employee of any lender, in order to secure the designation of that guaranty agency loans made under this part (other than a loan made under section 428H);"

—At each of the following locations, strike out "Presidential" and insert "Congressional": page 132, lines 18, 21, and 22; page 133, lines 2, 5, and 7; page 134, line 11; page 135, line 1; page 136, lines 8 and 20; page 137, line 5.

—At each of the following locations, strike out "Congressional" and insert "Presidential": page 146, lines 6; page 114, lines 14 and 16; and page 149, lines 5, 7, 13, and 17.

Conform the table of contents accordingly. —Page 273, line 24, after the quotation marks insert "(b) ADMINISTRATIVE EXPENSES.—", and before such line insert the following:

"(a) LOAN FUNDS AUTHORIZED.—There are authorized to be appropriated for the purpose of making direct loan payments under section 451(b)(1), not to exceed \$500,000,000 for fiscal year 1994 and each of the 4 succeeding fiscal years.

—Page 262, line 15, after "shall" insert " , subject to subsection (c)".

—Page 262, after line 17, insert the following new subsection:

"(c) ACCESS TO LOANS WHEN DEMAND EXCEEDS SUPPLY.—If the demand for loans under this part for any academic year at institutions with which the Secretary has an agreement under section 454 exceeds, in the aggregate, the amount available (pursuant to section 459A(a)) for such loans for such academic year, the Secretary shall notify each such institution of that fact and establish for each such institution an allocation (from such available amount) that such institution will be permitted to lend under this part. Each such institution shall make that allocation available for loans to its students on a first-come, first-served basis, in accordance with regulations prescribed by the Secretary. Any additional demand for loans from such students shall be met by providing such students with the certifications required to permit such students to obtain loans under part B of this title.

—Page 263, beginning on line 14, strike "was \$500,000,000 in the most recent year for which data is available" and insert "can reasonably be expected to be \$500,000,000 in each year of the demonstration program".

—Page 267, line 6, after "will not" insert " , except as necessary because of the application of section 451(c)".

—Page 271, strike line 3, and insert the following (and indent lines 4 through 15 accordingly)

"(d) CONTROL GROUP.—

"(1) REGULAR REPAYMENT.—To assist the Comptroller

—Page 271, after line 15 insert the following new paragraphs:

"(2) INCOME CONTINGENT REPAYMENT.—Within the control group selected under paragraph (1), the Secretary shall identify a group of institutions to serve as a control group for comparison with the institutions offering income contingent loans under this part pursuant to section 454(6). The institutions selected for the control group under this paragraph shall select a reasonable cross section of the institutions selected under paragraph (1). The Secretary shall publish an identification of the institutions that are so selected. Any eligible lender of a loan to a student for attendance at any such institution shall, in accordance with regulations prescribed by the Secretary, offer such stu-

dents the option of repaying such loans on an income contingent basis consistent with such regulations.

"(3) INCOME CONTINGENT TERMS AND CONDITIONS.—The Secretary shall, by regulation, establish the terms and conditions for loans that are subject to paragraph (2) of this subsection. Such terms and conditions shall, to the extent practicable, be the same as the terms and conditions of loans made pursuant to section 454(6). The Secretary is authorized to enter into such agreements (and amendments to agreements) under part B of this title as may be necessary to carry out paragraph (2) and this paragraph.

—Page 267, line 11, strike "and", and after such line insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

"(6) In the case of 20 percent of the institution selected by the Secretary for operations under this part, include such terms and conditions as the Secretary may require by regulation for testing income contingent repayment methods, which shall include—

"(A) requiring such institutions to offer the option of income contingent repayment, based on an annual review of the borrower's Federal income tax return, to any student who applies for a loan under this part;

"(B) the additional or different terms and conditions to be included in the notes or other agreements entered into by the borrower, as required by such regulations, including provisions with respect to the disclosure by the borrower of subsequent income;

"(C) providing for the discharge of loans after not more than 25 years of income contingent repayment;

"(D) such data and reporting requirements and such other provisions as the Secretary considers necessary to carry out the purposes of section 458(d)(2) and to the protection of the Federal fiscal interest; and

—Page 268, line 6, insert after the quotation marks the following: "(a) IN GENERAL.—"

—Page 268, line 10, insert before the semicolon the following: " , at least one of which shall be for serving loans that are subject to Income contingent repayment".

—Page 268, line 19, insert the following new subsection:

"(b) SERVICING FOR INCOME CONTINGENT LOANS.—The Secretary shall, through contract, ensure the availability of servicing of loans made pursuant to section 454(6) at a cost comparable to that available for loans under part B of this title (that are not subject to income contingent repayment).

"(c) INFORMATION ON INCOME CONTINGENT LOANS.—The Secretary shall acquire such information as is necessary regarding the adjusted gross income of borrowers (under this part and under part B) of loans that are subject to income contingent repayment for the purpose of determining the annual repayment obligations of such borrowers. The Secretary shall, not less provide often than once per year, provide to the servicer, lender, or holder of a loan the Secretary's determination of the borrower's repayment obligation on that loan for such year.

By Mr. COYNE:

—Page 392, after line 5, insert the following new subsection (and redesignate the succeeding subsection accordingly):

(g) AUDIT REFUNDS.—Section 487(c) of the Act is further amended by adding at the end the following new paragraph:

"(7) Effective with respect to any audit conducted under this subsection after December 31, 1988, if, in the course of conducting any such audit, the personnel of the Department of Education discover, or are in-

formed of, grants or other assistance provided by an institution in accordance with this title for which the institution has not received funds appropriated under this title (in the amount necessary to provide such assistance), including funds for which reimbursement was not requested prior to such discovery or information, such institution shall be permitted to offset that amount against any sums determined to be owed by the institution pursuant to such audit, or to receive reimbursement for that amount (if the institution does not owe any such sums)."

By Mr. DICKS:

—Page 31, line 13, strike "and" and after such line insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

"(4) to develop agreements with local educational agencies for vocational course equivalency approval procedures for purposes of satisfying entrance requirements to qualified institutions; and

By Mr. ENGEL:

—Page 169, line 23, strike "and"; on page 170, line 5, insert "and" after the semicolon; and after line 5, insert the following:

"(ii) not in excess of 2 years during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service, or serving in an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers post-graduate training;"

—Page 170, line 16, strike "and"; on line 23, insert "and" after the semicolon; and after line 23, insert the following:

"(iii) not in excess of 2 years during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service, or serving in an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers post-graduate training;"

By Mr. FORD of Michigan:

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end thereof the following new paragraph:

"(6) PLUS LOANS.—With respect to any loans made under section 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 2 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

—Page 208, insert the following after line 23 (and redesignate the following subsections accordingly):

(a) DEFAULT REDUCTION.—Section 431 of the Act is amended by adding at the end the following new subsection:

"(c) USE FOR DEFAULT REDUCTION MANAGEMENT.—(1) USE REQUIRED.—The Secretary shall expend no less than \$25,000,000 for fiscal year 1994 and \$24,000,000 for fiscal year 1995

from funds under this section for default reduction management activities. Such funds shall be in addition to, and not in lieu of, other appropriations made for such purposes.

"(2) ALLOWABLE ACTIVITIES.—Allowable activities for which such funds shall be expended by the Secretary shall include (but not be limited to) the following: (a) program reviews; (B) audits; (c) debt management programs; (D) training activities; and (E) such other management improvement activities approved by the Secretary.

"(3) PLAN FOR USE REQUIRED.—The Secretary shall submit a plan, for inclusion in the materials accompanying the President's budget each fiscal year, detailing the expenditure of funds authorized by this section. At the conclusion of each fiscal year, the Secretary shall report his findings and activities concerning the expenditure of funds authorized by this section to the Appropriations Committees of the House of Representatives and the Senate and to the Committee on Education and Labor of the House and the Committee on Labor and Human Resources of the Senate.

"(4) TRAINING ACTIVITIES.—Not less than \$5,000,000 for fiscal years 1994 and 1995 of the amount made available under paragraph (1) of this subsection shall be used to carry out section 486 of this Act."

—Page 208, insert the following after line 23 (and redesignate the following subsections accordingly):

(a) DEFAULT REDUCTION.—Section 431 of the Act is amended by adding at the end the following new subsection:

"(c) USE FOR FINANCIAL ASSISTANCE.—The Secretary shall expend no less than \$95,000,000 for fiscal year 1994 and each of the succeeding three fiscal years from funds under this section to provide student financial assistance to eligible students, with need determined pursuant to Part F of this title, in accordance with regulations prescribed by the Secretary. Such funds shall be in addition to, and not in lieu of, other appropriations made for such purposes."

—Page 208, insert the following after line 23 (and redesignate the following subsections accordingly):

(a) DEFAULT REDUCTION.—Section 431 of the Act is amended by adding at the end the following new subsections:

"(c) USE FOR FINANCIAL ASSISTANCE.—The Secretary shall expend no less than \$95,000,000 for fiscal year 1994 and each of the succeeding three fiscal years from funds under this section to provide student financial assistance to eligible students, with need determined pursuant to Part F of this title, in accordance with regulations prescribed by the Secretary. Such funds shall be in addition to, and not in lieu of, other appropriations made for such purposes.

"(d) AUTHORIZATION.—There are authorized to be appropriated such sums as necessary to carry out the purposes of subsection (c)."

—Page 190, insert the following new subsection (b) after line 16 and redesignate the following subsections accordingly:

(b) INCREASED LOAN LIMITS DUE TO ORIGINATION FEES.—Section 428A(b)(1) of the Act is amended by striking "\$4,000" and inserting "\$4,200".

—Page 309, line 10, strike "and"; on line 12, strike the period and insert "; and"; and after line 12 insert the following:

"(D) the amount (if any) by which the parents' contribution from adjusted available income (as determined by subsection (b)) is less than zero.

—Page 190, insert the following new subsection (b) after line 16 and redesignate the following subsections accordingly:

(b) INCREASED LOAN LIMITS DUE TO ORIGINATION FEES.—Section 428A(b)(1) of the Act is amended by striking "\$4,000" and inserting "\$4,200".

—Page 299, line 21, strike the semicolon and insert a period and strike lines 22 and 23.

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end thereof the following new paragraph:

"(6) NEW ORIGINATION FEES.—(A) With respect to any loans made under section 428 on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 4.75 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower.

"(B) With respect to any loans made under section 428A or 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 5 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end thereof the following new paragraph:

"(6) NEW ORIGINATION FEES.—(A) With respect to any loans made under section 428 on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 4.75 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower.

"(B) With respect to any loans made under section 428A on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 4.5 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower.

"(C) With respect to any loans made under section 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 5 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

—Page 231, strike line 18 and all that follows through line 5 on page 233 and insert the following:

(2) by adding at the end thereof the following new paragraph:

"(6) PLUS LOANS.—(A) With respect to any loans made under section 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 5 percent of the principal amount of the loan, to be deducted proportionately from each installment payment on the proceeds of the loan prior to payments to the borrower."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end thereof the following new paragraph:

"(6) SLS AND PLUS LOANS.—With respect to any loans made under section 428A or 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 3 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end thereof the following new paragraph:

"(6) SLS AND PLUS LOANS.—With respect to any loans made under section 428A or 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 2 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end thereof the following new paragraph:

"(6) SLS AND PLUS LOANS.—With respect to any loans made under section 428A or 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 2 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end thereof the following new paragraph:

"(6) SLS AND PLUS LOANS.—With respect to any loans made under section 428A or 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 4 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end thereof the following new paragraph:

"(6) PLUS LOANS.—With respect to any loans made under section 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 1 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end thereof the following new paragraph:

"(6) PLUS LOANS.—With respect to any loans made under section 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 4 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end thereof the following new paragraph:

"(6) PLUS LOANS.—With respect to any loans made under section 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 3 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

By Mr. GOODLING:
—Page 201 beginning on line 6, strike "No origination fee" and all that follows through "this section." on line 8.

—Page 202, after line 8 insert the following new subsection:

"(h) LOAN ORIGINATION FEE.—With respect to loans for which a completion note or other written evidence of the loan was sent or delivered to the borrower for signing, each eligible lender shall charge to the borrower an origination fee of two percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payment to the borrower. Such origination fee shall be transmitted to the Secretary, who shall use such fee to pay the Federal costs of default claims under this part and to reduce the cost of special allowances paid under section 438(b).

—Page 346, line 7, strike "(i)" and all the follows through line 12 and insert the following: "the institution shall provide assurances to the Secretary that it has a completion rate of at least 70 percent and a placement rate of at least 70 percent."

—Page 375, after line 13, insert the following new paragraph:

(4) EFFECTIVE DATE PROVISION.—The amendment made by this subsection to subparagraph (F)(ii) of section 485(f)(1) of the Act shall be effective with respect to reports made pursuant to such section on or after September 1, 1993. The statistics required by subparagraph (F) of such section shall—

(A) in the report required on September 1, 1992, include statistics concerning the occurrence on campus of offenses during the period from August 1, 1991, to July 31, 1992;

(B) in the report required on September 1, 1993, include statistics concerning the occurrence on campus of offenses during (i) the period from August 1, 1991, to December 31, 1991, and (ii) the calendar year 1992;

(C) in the report required on September 1, 1994, include statistics concerning the occurrence on campus of offenses during (i) the period from August 1, 1991, to December 31, 1991, and (ii) the calendar years 1992 and 1993; and

(D) in the report required on September 1 of 1995 and each succeeding year, include statistics concerning the occurrence on campus of offenses during the two calendar years preceding the year in which the report is made.

—Page 346, line 7, strike "(i)" and all that follows through line 12 and insert the following: "the institution shall provide assurances to the Secretary that it has a completion rate of at least 70 percent and a placement rate of at least 70 percent."

—Page 426, after line 2, insert the following new part (and conform the table of contents accordingly):

PART J—AMENDMENTS TO RELATED PROGRAMS.

SEC. 499A. EXCELLENCE IN MATHEMATICS, SCIENCE AND ENGINEERING EDUCATION ACT OF 1990.

Section 601(b) of the Excellence in Mathematics, Science and Engineering Education Act of 1990 is amended—

(1) by striking "1992 and" and inserting "1992,"; and

(2) by striking "1993" and inserting "1993, and such sums as may be necessary for each of the 4 succeeding fiscal years."

By Mr. GORDON:
—Page 86, line 20, strike the close quotation marks and following period and after such line insert the following:

"(7) No basic grant shall be awarded under this subpart to any individual who is incarcerated in any Federal or State penal institution."

—Page 184, beginning on line 24, strike all of subsection (u) through page 185, line 12, and

redesignate the succeeding subsections accordingly.

—Page 185, line 5, strike out "36 months" and insert in lieu thereof "at any time".

—Page 416, strike line 20 and all that follows through line 6 on page 417 and insert the following:

"(1)(a) a cohort default rate (as defined in section 435(m)) equal to or greater than 15 percent; or

"(B) a cohort default rate (as so defined) equal to or greater than 10 percent and either—

"(i) more than two-thirds of this total undergraduates enrolled on a half-time or more basis receive assistance under this title (except subparts 4 and 6 of part A), or

"(ii) two-thirds or more of the institution's education and general expenditures are derived from funds provided to students enrolled at the institution from the programs established by this title (except subparts 4 and 6 of part A and section 428B);

—Page 345, after line 16, insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

"(4) An institution may not qualify as an institution of higher education for purposes of the Pell Grant program under subpart 2 of part A of this title if such institution is ineligible to participate in a loan program under part B of this title as a result of a default rate determination under section 435(a), unless the majority of the undergraduate programs of study offered by such institution lead to an associate or baccalaureate degree.

—Page 685, line 25, strike "and", on page 686, line 5, strike out "and", and after such line insert the following:

"(J) default rates in the student loan programs under title IV of this Act,

"(K) record of student complaints, and

"(L) compliance with its program responsibilities under title IV of this Act, including any results of financial or compliance audits, program reviews, and such other information as the Secretary may provide to the agency or association, and

By Mr. GRADISON:

—Page 233, beginning on line 6, strike out all of Section 439 through page 251, line 15 and insert the following new section.

SEC. 439. STUDENT LOAN MARKETING ASSOCIATION FINANCIAL SAFETY AND SOUNDNESS.

(a) **SHORT TITLE.**—This section may be cited as the "Government-Sponsored Education Association Financial Safety and Soundness Act of 1992".

(b) **CONGRESSIONAL FINDINGS.**—The Congress finds that—

(1) the Student Loan Marketing Association has important public missions that are reflected in the statutes establishing the Association;

(2) because the continued ability of the Student Loan Marketing Association to accomplish its public missions is important to providing education in the United States, more effective Federal regulation is needed to reduce the risk of failure of the Association;

(3) the Student Loan Marketing Association currently poses minimal financial risk to the Federal Government;

(4) the Student Loan Marketing Association is not backed by the full faith and credit of the United States;

(5) the entity regulating the Student Loan Marketing Association should have sufficient autonomy from the Association and special interest groups; and

(6) the entity regulating the Student Loan Marketing Association should have the au-

thority to establish capital standards, require financial disclosure, prescribe adequate standards for books and records and other internal controls, conduct examinations when necessary, and enforce compliance with the standards and rules that it establishes.

(c) **DEFINITIONS.**—For purposes of this Act:

(1) **COMPENSATION.**—The term "compensation" means any payment of money or the provision of any other thing of current or potential value in connection with employment.

(2) **CORE CAPITAL.**—The term "core capital" means, with respect to the Student Loan Marketing Association, the sum of the following (as determined in accordance with generally accepted accounting principles):

(A) The par value of outstanding common stock.

(B) The par value of outstanding preferred stock.

(C) Paid-in capital.

(D) Retained earnings.

(3) **DIRECTOR.**—The term "Director" means the Director of the Office of SLMA Market Examination and Oversight of the Department of Treasury.

(4) **ASSOCIATION.**—The term "Association" means the Student Loan Marketing Association and any subsidiary thereof, other than the College Construction Loan Insurance Association.

(5) **EXECUTIVE OFFICER.**—The term "executive officer" means, with respect to the Association, the chief executive officer of the Association, chief financial officer of the Association, president of the Association, vice chairman of the Association, any executive vice president of the Association, and any senior vice president of the Association in charge of a principal business unit, division, or function.

(6) **OFFICE.**—The term "Office" means the Office of SIMA Market Examination and Oversight of the Department of Treasury.

(7) **REGULATORY CAPITAL.**—The term "regulatory capital" means, with respect to the Association—

(A) the core capital of the Association plus any allowances for losses (including any allowance for losses related to student loan purchases); plus

(B) any other amounts from sources of funds available to absorb losses incurred by the Association, that the Director by regulation determines are appropriate to include in determining regulatory capital.

(8) **SECRETARY.**—The term "Secretary" means the Secretary of Treasury.

(9) **CAPITAL DISTRIBUTION.**—

(A) **IN GENERAL.**—The term "Capital Distribution" means—

(i) a dividend or other distribution in cash or in kind made with respect to any share or other ownership interest of the Association, except a dividend consisting only of shares of the Association;

(ii) a payment made by the Association to repurchase, redeem, retire, or otherwise acquire any of its shares, including any extension of credit made to finance an acquisition of such share, or

(iii) a transaction that the Director determines by an order or regulation to be in substance the distribution of capital.

(B) **EXCEPTION.**—A payment made by the Association to repurchase its shares for the purpose of fulfilling the Association's obligation under an existing employee stock ownership plan that is a qualified plan under Section 401 of the Internal Revenue Code shall not be considered a capital distribution.

(d) **ESTABLISHMENT OF OFFICE OF SLMA MARKET EXAMINATION AND OVERSIGHT.**—Ef-

fective January 1, 1993, there shall be established in the Department of Treasury the Office of SLMA Market Examination and Oversight, which shall be an office within the Department.

(e) **DIRECTOR.**—The Office shall be under the management of a full-time Director, who shall be selected by and report to the Secretary. An individual may not be selected as Director if the individual has served as an executive officer of the Association at any time during the 5-year period ending upon the selection of such individual.

(f) **AUTHORITY OF DIRECTOR.**—

(1) **EXCLUSIVE AUTHORITY.**—The Director shall make determinations and take actions that the Director determines necessary with respect to the Association regarding—

(A) examinations of the Association under subsection (2);

(B) decisions to appoint conservators for the Association;

(C) enforcement actions under this Act, including any final decisions in contested administrative enforcement proceedings; and

(D) approval of capital distributions by the Association under section 439(f) of the Higher Education Act.

The authority of the Director under this paragraph shall not be subject to the review or approval of the Secretary.

(2) **AUTHORITY SUBJECT TO APPROVAL OF SECRETARY.**—Any authority of the Director not referred to in paragraph (1), including the authority to issue rules and regulations, shall be subject to the review and approval of the Secretary, but the Secretary may delegate the authority to review to other officers and employees of the Department of Treasury.

(3) **DELEGATION OF AUTHORITY.**—The Director may delegate to employees of the Office any of the functions, powers, and duties of the Director, as the Director considers appropriate.

(g) **PERSONNEL.**—The Director shall hire such employees of the Office as the Director considers necessary to carry out the functions of the Director and the Office.

(h) **FUNDING.**—

(1) **ASSESSMENTS AND FEES.**—The Director may establish and collect from the Association such assessments, fees, and other charges that the Director considers necessary so that the amount collected is an amount sufficient to provide for reasonable costs and expenses of the Office of SLMA Market Examination and Oversight, including the expenses of any examinations under subsection (2).

(2) **FUND.**—There is established in the Treasury of the United States a fund to be known as the SLMA Market Examination and Oversight Fund. Any assessments, fees, and charges collected pursuant to paragraph (1) shall be deposited in the Fund. Amounts in the Fund shall be available, to the extent provided in appropriations Acts—

(A) to carry out the responsibilities of the Director relating to the Association; and

(B) for necessary administrative and non-administrative expenses of the Office to carry out the purposes of this Act.

(i) **ANNUAL REPORTS.**—The Director shall submit to the Congress, not later than April 15 of each year, a written report, which shall include—

(1) a description of the actions taken, and being undertaken, by the Director to carry out this Act;

(2) a description of the financial safety and soundness of the Association, including the results and conclusions of the annual examinations of the Association conducted under subsection (2)(1)(A); and

(3) any recommendations for legislation to enhance the financial safety and soundness of the Association.

(j) **DISCLOSURE.**—The Director of the Office and any conservators and examiners under this Act, shall each submit to the Secretary of Treasury annually during such individual's tenure in such position—

(1) a statement disclosing personal income and finances, which shall be consistent with Federal financial disclosure laws relating to Federal employees; and

(2) a statement certifying that no conflict of interest exists with the position occupied by such individual and describing any circumstance which may reasonably be perceived as a conflict of interest, which shall be consistent with Federal laws relating to conflict of interest.

(k) **INFORMATION, RECORDS, AND MEETINGS.**—For purposes of subchapter II of chapter 5 of title 5, United States Code (5 U.S.C. 551 et seq.), the Office shall be considered an agency responsible for the regulation or supervision of financial institutions.

(l) **REGULATIONS AND ORDERS.**—Subject to the approval of the Secretary (as provided in subsection (f)(2)), the Director shall issue any regulations and orders necessary to carry out the duties of the Director and to carry out this Act. The regulations under this subsection shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (b)(B) and (d)(3) of such section).

(m) **AMENDMENTS TO THE HIGHER EDUCATION ACT.**—Section 439 of the Higher Education Act of 1965 (20 U.S.C. 1087-2) is amended by—

(1) amending subsection (c) to read as follows:

“(c) **BOARD OF DIRECTORS.**—
“(1) **COMPOSITION OF BOARD; CHAIRMAN.**—The Association shall have a Board of Directors which shall consist of 21 members, 7 of whom shall be appointed by the President of the United States and shall be representative of the general public. The remaining 14 directors shall be elected by the common stockholders of the Association entitled to vote pursuant to subsection (f). Commencing with the annual shareholders meeting to be held in 1993—

“(A) 7 of the elected directors shall be affiliated with an eligible institution, and

“(B) 7 of the elected directors shall be affiliated with an eligible lender.

The President shall designate one of the directors to serve as Chairman.

“(2) **TERMS OF APPOINTED AND ELECTED MEMBERS.**—The directors appointed by the President shall serve at the pleasure of the President and until their successors have been appointed and have qualified. The remaining directors shall each be elected for a term ending on the date of the next annual meeting of the common stockholders of the Association, and shall serve until their successors have been elected and have qualified. Any appointive seat on the Board which becomes vacant shall be filled by appointment of the President. Any elective seat on the Board which becomes vacant after the annual election of the directors shall be filled by the Board, but only for the unexpired portion of the term.

“(3) **AFFILIATED MEMBERS.**—For the purpose of this subsection, the references to a director ‘affiliated with an eligible institution’ or a director ‘affiliated with an eligible lender’ mean an individual who is, or within 5 years of election to the Board has been, an employee, officer, director, or similar official of—

“(A) an eligible institution or an eligible lender;

“(B) an association whose members consist primarily of eligible institutions or eligible lenders; or

“(C) a State agency, authority, instrumentality, commission, or similar institution, the primary purpose of which relates to educational matters or banking matters.

“(4) **MEETINGS AND FUNCTIONS OF THE BOARD.**—The Board of Directors shall meet at the call of its Chairman, but at least semi-annually. The Board shall determine the general policies which shall govern the operations of the Association. The Chairman of the Board shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the officers of the Association and shall discharge all such functions, powers, and duties.”

(2) amending subsection (f) to read as follows:

“(f) **STOCK OF THE ASSOCIATION.**—

“(1) **VOTING COMMON STOCK.**—The Association shall have voting common stock having such par value as may be fixed by the Board from time to time. Each share of voting common stock shall be entitled to 1 vote with rights of cumulative voting at all elections of directors.

“(2) **NUMBER OF SHARES; TRANSFERABILITY.**—The maximum number of shares of voting common stock that the Association may issue and have outstanding at any one time shall be fixed by the Board from time to time. Any voting common stock issue shall be fully transferable, except that, as to the Association, it shall be transferred only on the books of the Association.

“(3) **DIVIDENDS.**—

“(A) To the extent that net income is earned and realized, subject to subsection (g)(2), dividends may be declared on voting common stock by the Board. Such dividends as may be declared by the Board shall be paid to the holders of outstanding shares of voting common stock, except that no such dividends shall be payable with respect to any share which has been called for redemption past the effective date of such call. All dividends shall be charged against the general surplus account of the Association.

“(B) The Association may not make any capital distribution that would decrease the regulatory capital of the Association (as such term is defined in subsection (c) of the Government-Sponsored Education Association Financial Safety and Soundness Act of 1992) to an amount less than the risk-based capital level for the Association established under subsection (p) of such Act or that would decrease the core capital of the Association (as such term is defined in such subsection (c)) to an amount less than the minimum capital level for the Association established under subsection (q) of such Act, without prior written approval of the payment by the Director of the Office of SLMA Market Examination and Oversight of the Department of Treasury.

“(C) The Director of the Office of SLMA Market Examination and Oversight may require the Association to submit a report to the Director after the declaration of any dividend by the Association and before the payment of the dividend. The report shall be made in such form and under such circumstances and shall contain such information as the Director shall require.”

“(4) **SINGLE CLASS OF VOTING COMMON STOCK.**—As of the effective date of the Stu-

dent Loan Marketing Association Financial Safety and Soundness Act of 1992, all of the previously authorized shares of voting common stock and nonvoting common stock of the Association shall be converted to shares of a single class of voting common stock on a share-for-share basis, without any further action on the part of the Association or any holder. Each outstanding certificate for voting or nonvoting common stock shall evidence ownership of the same number of shares of voting stock into which it is converted. All preexisting rights and obligations with respect to any class of common stock of the Association shall be deemed to be rights and obligations with respect to such converted shares.”

(3) by striking paragraph (h)(2) and inserting the following new paragraph:

“(2) **DEBT.**—The Association shall insert appropriate language in all of the securities issued by it clearly indicating that such securities, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than the Association.”

(4) in paragraph (i)(8) by inserting a period after “thereof” and inserting the following new sentence: Salaries shall be set at such levels as the Board of Directors determines reasonable and comparable with compensation for employment in positions in other similar businesses (including other major financial services companies) involving similar duties and responsibilities, except that a significant portion of potential compensation of all executive officers of the Association shall be based on the performance of the Association; and by adding at the end the following new paragraph:

“(10)(A) Not later than June 30, 1993, and annually thereafter, the Association shall submit a report to the Congress on (i) the comparability of the compensation policies of the Association with the compensation policies of other similar businesses, (ii) in the aggregate, the percentage of total cash compensation and payments under employee benefit plans (which shall be defined in a manner consistent with the Association's proxy statement for the annual meeting of shareholders for the preceding year) earned by executive officers of the Association during the preceding year that was based on the Association's performance, and (iii) the comparability of the Association's financial performance with the performance of other similar businesses. The report shall include a copy of the Association's proxy statement for the annual meeting of shareholders for the preceding year.

“(B) After the date of the enactment of the Government-Sponsored Education Association Financial Safety and Soundness Act of 1992, the Association may not enter into any agreement or contract to provide any payment of money or other thing of current or potential value in connection with the termination of employment of any executive officer of the Association, unless such agreement or contract is approved in advance by the Secretary of the Treasury. The Secretary may not approve any such agreement or contract unless the Secretary determines that the benefits provided under the agreement or contract are comparable to benefits under such agreements for officers of other public and private entities involved in financial services and education interests who have comparable duties and responsibilities. For purposes of this subparagraph, any renegotiation, amendment, or change after such date of enactment to any such agreement or con-

tract entered into on or before such date of enactment shall be considered entering into an agreement or contract.

"(C) For purposes of this paragraph, the term 'executive officer' has the meaning given the term in subsection (c) of the Government-Sponsored Education Association Financial Safety and Soundness Act of 1992."

(5) in subsection (j) by adding onto the end thereof the following new sentence: "The programs, activities, receipts, expenditures, and financial transactions of the Association shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General."

(6) by adding the following new subsection: "(r) QUARTERLY REPORTS.—"

"(1) TIMING.—The Association shall submit to the Director of the Office of SLMA Market Examination and Oversight of the Department of the Treasury quarterly reports of the financial condition of the Association which shall be in such form, contain such information, and be submitted on such dates as the Director of the Office of SLMA Market Examination and Oversight shall require.

"(2) Each report of condition shall contain a declaration by the president, vice president, treasurer, or any other officer designated by the Board of Directors of the Association to make such declaration, that the report is true and correct to the best of such officer's knowledge and belief.

"(3) The Director of the Office of SLMA Market Examination and Oversight may require the Association to submit additional reports of financial condition, which shall be in such form, contain such information, and be submitted on such dates as the Director may require. The Director may also require the Association to submit special reports whenever, in the judgment of the Director, such reports are necessary to carry out the purposes of the Government-Sponsored Education Association Financial Safety and Soundness Act of 1992. The Director may not require the inclusion in any such special report of any information that is not reasonably obtainable by the Association. The Director shall notify the Association, a reasonable period in advance of the date for submission of any report, of any specific information to be contained in the report and the date for the submission of the report."

(7) EFFECTIVE DATE.—Except as otherwise provided in this subsection and the amendments made by this subsection, the amendments made by this subsection shall take effect on January 1, 1993.

(n) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—

(1) DIRECTOR AT LEVEL II OF EXECUTIVE SCHEDULE.—Section 5313 of title 5, United States Code, is amended by inserting at the end the following new item: "Director of the Office of SLMA Market Examination and Oversight, Department of the Treasury."

(2) DEFINITION OF AGENCY.—Section 3132(a)(1)(D) of title 5, United States Code, is amended by inserting "the Office of SLMA Market Examination and Oversight of the Department of Treasury," after "Farm Credit Administration,".

(o) IMPLEMENTATION.—

(1) IN GENERAL.—The Secretary of the Treasury and the Director of the Office of SLMA Market Examination and Oversight of the Department of the Treasury, as appropriate, shall issue final regulations providing for the implementation of the provisions of this Act and the amendments made by this Act not later than the expiration of the 18-

month period beginning on the date of the enactment of this Act. Such regulations shall clearly delineate the responsibilities and authority of the Secretary and the Director pursuant to the provisions of and amendments made by this Act. Any regulations issued by the Director pursuant to this subsection shall be issued under the authority provided in subsection (1).

(2) NOTICE AND COMMENT.—The regulations under this subsection shall be issued after notice and opportunity for public comment pursuant to the provisions of section 533 of title 5, United States Code (notwithstanding subsections (b)(B) and (d)(3) of such section).

(p) RISK-BASED CAPITAL LEVEL.—

(1) RISK-BASED CAPITAL TEST.—The Director shall, by regulation, establish a risk-based capital test under this subsection for the Association. When applied to the Association, the risk-based capital test shall determine the amount of regulatory capital for the Association that is sufficient for the Association to maintain positive capital during a 10-year period in which both of the following circumstances occur:

(A) CREDIT RISK.—With respect to student loans owed by the Association, other assets or obligations, and other activities of the Association related to credit risk (including any off-balance sheet obligations), the Director will establish risk-based capital requirements based on the expected losses of the various classes of financial assets and obligations occurring on a nationwide basis at a rate that is reasonably related to the worst actual two-year regional (contiguous area of the United States containing an aggregate of not less than 5 percent of the total population of the United States) experience for such financial instruments and activities.

(B) INTEREST RATE RISK.—Interest rates on Treasury obligations of varying terms increase or decrease over the first 12 months of such 10-year period by not more than the lesser of (i) 50 percent (with respect to the average interest rates on such obligations during the 12-month period preceding the 10-year period), or (ii) 600 basis points, and remain at such level for the remainder of the period. This subparagraph may not be construed to require the Director to determine interest rate risk under this subparagraph based on the interest rates for various long-term and short-term obligations all increasing or all decreasing concurrently.

(2) CONSIDERATIONS.—In establishing the risk-based capital test under paragraph (1), the Director shall take into account appropriate distinctions based on various types of loans, varying terms of Treasury obligations, and any other factors the Director considers appropriate.

(3) RISK-BASED CAPITAL LEVEL.—For purposes of this Act, the risk-based capital level for the Association shall be equal to the sum of the following amounts:

(A) CREDIT AND INTEREST RATE RISK.—The amount of regulatory capital determined by applying the risk-based capital test under paragraph (1) to the Association, adjusted to account for foreign exchange risk.

(B) MANAGEMENT AND OPERATIONS.—To provide for management and operations risk, the Director shall establish a requirement of regulatory capital that is a fixed percentage of the amount of capital established under the risk-based capital test under paragraph (1).

(4) REGULATIONS.—The Director shall issue final regulations establishing the risk-based capital test under this subsection not later than the expiration of the 2-year period beginning on the date of the enactment of this

Act. Such regulations shall contain specific requirements, definitions, methods, variables, and parameters used under the risk-based capital test and in implementing the test (such as loan loss severity, float income, taxes, yield curve slopes, default experience, and prepayment rates). The regulations shall be sufficiently specific to permit an individual other than the Director to apply the test in the same manner as the Director.

(5) AVAILABILITY OF MODEL.—The Director shall make copies of the statistical model or models used to implement the risk-based capital test under this subsection available for public acquisition and may charge a reasonable fee for such copies.

(q) MINIMUM CAPITAL LEVEL.—For purposes of this Act, the minimum capital level for the Association shall be an amount of core capital equal to the sum of—

(1) 2.0 percent of the aggregate on-balance sheet assets of the Association, as determined in accordance with generally accepted accounting principles; and

(2) 0.4 percent of the aggregate off-balance sheet obligations of the Association, as determined in accordance with generally accepted accounting principles.

(r) CRITICAL CAPITAL LEVEL.—For purposes of this Act, the critical capital level for the Association shall be an amount of core capital equal to the sum of—

(1) 1.0 percent of the aggregate on-balance sheet assets of the Association, as determined in accordance with generally accepted accounting principles; and

(2) 0.2 percent of the aggregate off-balance sheet obligations of the Association, as determined in accordance with generally accepted accounting principles.

(s) ENFORCEMENT LEVELS.—

(1) IN GENERAL.—The Director shall classify the Association, for purposes of this Act, according to the following enforcement levels:

(A) LEVEL I.—The Association shall be classified as within level I if it—

(i) maintains an amount of regulatory capital that is equal to or exceeds the risk-based capital level established for the Association under subsection (p); and

(ii) equals or exceeds the minimum capital level for the Association established under subsection (q).

(B) LEVEL II.—The Association shall be classified as within level II if—

(i) the Association—

(a) maintains an amount of regulatory capital that is less than the risk-based capital level established for the Association; and

(b) equals or exceeds the minimum capital level for the Association; or

(ii) the Association is otherwise classified within level II under paragraph (2) of this subsection.

(C) LEVEL III.—The Association shall be classified as within level III if—

(i) the Association—

(a) does not equal or exceed the minimum capital level for the Association; and

(b) equals or exceeds the critical capital level for the Association established under subsection (r); or

(ii) the Association is otherwise classified within level III under paragraph (2) of this subsection.

(D) LEVEL IV.—The Association shall be classified as within level IV if the Association—

(i) does not equal or exceed the critical capital level for the Association; or

(ii) is otherwise classified level IV under paragraph (2) of this subsection.

(2) DISCRETIONARY CLASSIFICATION.—If at any time the Director determines in writing

that the Association is taking any action not approved by the Director that could result in a rapid depletion of core capital or that the value of the loans held by the Association has decreased significantly, the Director may classify the Association—

(A) as within level II, if the Association is otherwise within level I;

(B) as within level III, if the Association is otherwise within level II; or

(C) as within level IV, if the Association is otherwise within level III.

(3) QUARTERLY DETERMINATION.—The Director shall determine the classification of the Association for purposes of this Act on not less than a quarterly basis (and as appropriate under paragraph (2)). The first such determination shall be made for the quarter ending March 31, 1993.

(4) NOTICE.—Upon determining under paragraph (2) or (3) that the Association is within level II or III, the Director shall provide written notice to the Congress and to the Association—

(A) that the Association is within such level;

(B) that the Association is subject to the provisions of subsection (t) or (u), as applicable; and

(C) stating the reasons for the classification of the Association within such level.

(5) IMPLEMENTATION.—Notwithstanding paragraph (1)(A), during the period beginning on the date of the enactment of this Act and ending upon the effective date of subsection (t) (as provided in paragraph (t)(4)), the Association shall be classified as within level I if the Association equals or exceeds the applicable minimum capital level for the Association under subsection (q).

(t) MANDATORY SUPERVISORY ACTIONS APPLICABLE TO THE ASSOCIATION WITHIN LEVEL II.—

(1) CAPITAL RESTORATION PLAN.—The Association within level II shall, within the time period provided in subsection (x)(2) and in consultation with the Director, submit to the Director a capital restoration plan that complies with subsection (x) and, after approval, carry out the plan.

(2) RESTRICTION ON CAPITAL DISTRIBUTIONS.—The Association within level II may not make any capital distribution that would result in the Association being reclassified as within level III or IV.

(3) RECLASSIFICATION FROM LEVEL II TO LEVEL III.—The Director shall immediately reclassify the Association within level II as within level III (and the Association shall be subject to the provisions of subsection (u), if—

(A) the Association does not submit a capital restoration plan that is substantially in compliance with subsection (x) within the applicable period or the Director does not approve the capital restoration plan submitted by the Association; or

(B) the Director determines that the Association has failed to make, in good faith, reasonable efforts necessary to comply with the capital restoration plan and fulfill the schedule for the plan approved by the Director.

(4) EFFECTIVE DATE.—This subsection shall take effect upon the expiration of the 1-year period beginning on the date of the effectiveness of the regulations issued under subsection (p) establishing the risk-based capital test.

(u) SUPERVISORY ACTIONS APPLICABLE TO THE ASSOCIATION WITHIN LEVEL III.—

(1) MANDATORY SUPERVISORY ACTIONS.—

(A) CAPITAL RESTORATION PLAN.—The Association within level III shall, within the time

period provided in subsection (x)(2) and in consultation with the Director, submit to the Director a capital restoration plan that complies with subsection (x) and, after approval, carry out the plan.

(B) RESTRICTIONS ON CAPITAL DISTRIBUTIONS.—

(i) PRIOR APPROVAL.—The Association within level III may not make any capital distribution that would result in the Association being reclassified as within level IV. An Association within level III may make any other capital distribution only if the Director approves the payment before the payment.

(ii) STANDARD FOR APPROVAL.—The Director may approve a capital distribution by the Association within level III only if the Director determines that the payment (a) will enhance the ability of the Association to meet the risk-based capital level and the minimum capital level for the Association promptly, (b) will contribute to the long-term safety and soundness of the Association, or (c) is otherwise in the public interest.

(C) APPROVAL OF ACTIVITIES.—The Association within level III may undertake an activity subject to the approval of the Secretary of Education or the Secretary of the Treasury under the Higher Education Act only with the additional approval of the Director.

(D) RECLASSIFICATION FROM LEVEL III TO LEVEL IV.—The Director shall immediately reclassify the Association within level III as within level IV (and the Association shall be subject to the provisions of subsection (v)), if—

(i) the Association does not submit a capital restoration plan that is substantially in compliance with subsection (x) within the applicable period or the Director does not approve the capital restoration plan submitted by the Association; or

(ii) the Director determines that the Association has failed to make, in good faith, reasonable efforts necessary to comply with the capital restoration plan and fulfill the schedule for the plan approved by the Director.

(2) DISCRETIONARY SUPERVISORY ACTIONS.—In addition to any other actions taken by the Director (including actions under paragraph (1)), the Director may, at any time, take any of the following actions with respect to the Association within level III:

(A) LIMITATION ON INCREASE IN OBLIGATIONS.—Limit any increase in, or order the reduction of, any obligations of the Association, including off-balance sheet obligations.

(B) LIMITATION ON GROWTH.—Limit or prohibit the growth of the assets of the Association or require contraction of the assets of the Association.

(C) PROHIBITION ON CAPITAL DISTRIBUTIONS.—Prohibit the Association from making any capital distribution.

(D) ACQUISITION OF NEW CAPITAL.—Require the Association to acquire new capital in any form and in any amount sufficient to provide for the reclassification of the Association as within level II.

(E) RESTRICTION OF ACTIVITIES.—Require the Association to terminate, reduce, or modify any activity that the Director determines creates excessive risk to the Association.

(F) CONSERVATORSHIP.—Appoint a conservator for the Association pursuant to subsection (w).

(3) EFFECTIVE DATE.—This subsection shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act.

(v) MANDATORY APPOINTMENT OF CONSERVATOR FOR THE ASSOCIATION WITHIN LEVEL IV.—

(1) NOTICE.—Upon determining that the Association is within level IV, the Director shall provide written notice to the Congress and to the Association—

(A) that the Association is within level IV;

(B) that a conservator shall be appointed for the Association pursuant to this section.

(2) APPOINTMENT.—If the Director determines that the Association is within level IV, the Director shall, not later than 30 days after providing notice under paragraph (1), appoint a conservator for the Association. A conservator appointed pursuant to this subsection shall have the authority, in the discretion of the conservator, to take any actions under subsections (t) and (u) not inconsistent with the authority of the conservator and to take any other actions authorized under subsection (w).

(3) APPROVAL OF ACTIVITIES.—The conservator of any Association within level IV may undertake an activity subject to the approval of the Secretary of Education or the Secretary of the Treasury under the Higher Education Act only with the additional approval of the Director.

(4) EFFECTIVE DATE.—This subsection shall take effect on January 1, 1993.

(w) CONSERVATORSHIP.—

(1) APPOINTMENT.—

(A) DISCRETIONARY AUTHORITY.—The Director may, after providing notice under subparagraph (B), appoint a conservator for the Association upon a determination—

(i) that the Association is not likely to pay its obligations in the normal course of business;

(ii) that—

(a) the Association has incurred or is likely to incur losses that will deplete all or substantially all of its core capital; and

(b) there is no reasonable likelihood that the Association will replenish its core capital without Federal assistance;

(iii) that the Association has concealed books, papers, records, or assets of the Association that are material to the discharge of the Director's responsibilities under this Act, or has refused to submit such books, papers, records, or information regarding the affairs of the Association for inspection to the Director upon request; or

(iv) that the Association is classified within level III.

(B) NOTICE.—Upon making a determination under subparagraph (A) to appoint a conservator under this subsection for the Association, the Director shall provide written notice to the Congress and to the Association—

(i) that a conservator will be appointed for the Association under this subsection;

(ii) stating the reasons under subparagraph (A) for the appointment of the conservator; and

(iii) identifying the person, company, or governmental agency that the Director intends to appoint as conservator.

(2) JUDICIAL REVIEW.—

(A) IN GENERAL.—

(i) TIMING AND JURISDICTION.—Upon the appointment of a conservator (pursuant to this subsection or subsection (v)), the Association may bring an action in the United States District Court for the District of Columbia, for an order requiring the Director to terminate the appointment of the conservator. The court, upon the merits, shall dismiss such action or shall direct the Director to terminate the appointment of the conservator. Such an action may be commenced only before the expiration of the 20-day period be-

ginning upon the appointment of the conservator.

(ii) **STANDARD.**—A decision of the Director to appoint a conservator may be set aside under this subparagraph only if the court finds that the decision was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with applicable laws.

(B) **STAY.**—

(i) **IN GENERAL.**—A conservator appointed pursuant to this subsection or subsection (v) may request that any judicial action or proceeding to which the conservator or the Association is or may become a party be stayed for a period not exceeding 45 days commencing upon the appointment of the conservator. Upon petition, the court shall grant such stay as to all parties.

(ii) **FEDERAL AGENCY AS CONSERVATOR.**—In any case in which the conservator appointed for the Association is a Federal agency or an officer or employee of the Federal Government, the conservator may make a request for a stay under clause (i) only with the prior consent of the Attorney General and subject to the direction and control of the Attorney General.

(C) **ACTIONS AND ORDERS.**—

(i) **LIMITATION ON JURISDICTION.**—Except as otherwise provided in this paragraph, no court may take any action regarding the removal of a conservator or otherwise restrain or affect the exercise of powers or functions of a conservator.

(ii) **ENFORCEMENT OF ORDERS.**—The Director, with the prior consent of the Attorney General and subject to the direction and control of the Attorney General, may apply to a court which shall have the jurisdiction to enforce an order of the Director relating to—

(a) the conservatorship and the Association in conservatorship; or

(b) restraining or affecting the exercise of authority or functions of a conservator.

(3) **APPOINTMENT BY CONSENT.**—Notwithstanding paragraph (1), the Director may appoint a conservator for the Association if the Association, by an affirmative vote of a majority of its board of directors or by an affirmative vote of a majority of its shareholders, consents to such appointment.

(4) **EXCLUSIVE APPOINTMENT AUTHORITY AND LIMITATION.**—The Director shall have exclusive authority to appoint a conservator for the Association. The Director may not appoint as a conservator for the Association the Office of SLMA Market Examination and Oversight, the Department of Treasury, the Department of Education, or any officer or employee of such Office or Departments.

(5) **REPLACEMENT OF CONSERVATOR.**—The Director may, without notice of hearing, replace a conservator with another conservator. Such replacement shall not affect the right of the Association under paragraph (2) to obtain judicial review of the decision of the Director to appoint a conservator.

(6) **EXAMINATIONS.**—The Director may examine and supervise any Association in conservatorship during the period in which the Association continues to operate as a going concern.

(7) **TERMINATION.**—

(A) **DISCRETIONARY.**—At any time the Director determines that termination of a conservatorship pursuant to an appointment under paragraph (1) is in the public interest and may safely be accomplished, the Director may terminate the conservatorship and permit the Association to resume the transaction of its business subject to such terms, conditions, and limitations as the Director may prescribe.

(B) **MANDATORY.**—Except upon a determination under paragraph (1), the Director

shall terminate a conservatorship pursuant to this subsection or subsection (v) upon a determination by the Director that the Association equals or exceeds the minimum capital level for the Association established under subsection (q). The Director may not impose any terms, conditions, or limitations on the transaction of business of the Association whose conservatorship is terminated under this subparagraph.

(8) **POWERS AND DUTIES.**—

(A) **GENERAL POWERS.**—A conservator shall have all the powers of the shareholders, directors, and officers of the Association under conservatorship and may operate the Association in the name of the Association, unless the Director provides otherwise.

(B) **LIMITATIONS BY DIRECTOR.**—A conservator shall be subject to any rules, regulations, and orders issued from time to time by the Director and, except as otherwise specifically provided in such rules, regulations, or orders or in paragraph (9), shall have the same rights and privileges and be subject to the same duties, restrictions, penalties, conditions, and limitations applicable to directors, officers, or employees of the Association.

(C) **PAYMENT OF CREDITORS.**—The Director may require a conservator to set aside and make available for payment to creditors any amounts that the Director determines may safely be used for such purpose. All creditors who are similarly situated shall be treated in a similar manner.

(D) **COMPENSATION OF CONSERVATOR AND EMPLOYEES.**—A conservator and professional employees (other than Federal employees) appointed to represent or assist the conservator may be compensated for activities conducted as conservator. Compensation may not be provided in amounts greater than the compensation paid to employees of the Federal Government or similar services, except that the Director may provide for compensation at higher rates (but not in excess of rates prevailing in the private sector), if the Director determines that compensation at higher rates is necessary in order to recruit and retain competent personnel.

(E) **EXPENSES.**—All expenses of a conservatorship pursuant to this subsection (including compensation under subparagraph (D)) shall be paid by the Association and shall be secured by a lien on the Association, which shall have priority over any other lien.

(9) **LIABILITY PROTECTIONS.**—

(A) **FEDERAL AGENCIES AND EMPLOYEES.**—In any case in which the conservator is a Federal agency or an officer or employee of the Federal Government, the provisions of chapters 161 and 171 of title 28, United States Code, shall apply with respect to the liability of the conservator for acts or omissions performed pursuant to and in the course of the duties and responsibilities of the conservatorship.

(B) **OTHER CONSERVATORS.**—In any case where the conservator is not a conservator described in subparagraph (A), the conservator shall not be personally liable for damages in tort or otherwise for acts or omissions performed pursuant to and in the course of the duties and responsibilities of the conservatorship, unless such acts or omissions constitute gross negligence, including any similar conduct or any form of intentional tortious conduct.

(C) **INDEMNIFICATION.**—The Director, with the approval of the Attorney General, may indemnify the conservator on such terms as the Director considers appropriate.

(X) **CAPITAL RESTORATION PLANS.**—

(1) **CONTENTS.**—Each capital restoration plan submitted under this Act shall set forth a feasible plan for the Association to equal or exceed the minimum capital level for the Association and for restoring the level of regulatory capital of the Association subject to the plan to not less than the risk-based capital level for the Association. Each capital restoration plan shall—

(A) specify the level of capital the Association will achieve and maintain;

(B) describe the actions that the Association will take to equal or exceed the minimum capital level for the Association and to restore the regulatory capital of the Association to not less than the risk-based capital level for the Association;

(C) establish a schedule for completing the capital restoration plan;

(D) specify the types and levels of activities in which the Association will engage during the term of the capital restoration plan; and

(E) describe the actions that the Association will take to comply with any mandatory and discretionary requirements imposed under this Act.

(2) **DEADLINES FOR SUBMISSION.**—The Director shall, by regulation, establish a deadline for submission of a capital restoration plan, which may not be more than 45 days after the Association is notified in writing that a plan is required. The regulations shall provide that the Director may extend the deadline to the extent that the Director determines necessary. Any extension of the deadline shall be in writing and for a time certain.

(3) **APPROVAL.**—The Director shall review each capital restoration plan submitted under this subsection and, not later than 45 days after submission of the plan, approve or disapprove the plan. The Director may extend the period for approval or disapproval for any plan for a single additional 45-day period if the Director determines it necessary. The Director shall notify any Association submitting a plan in writing of the approval or disapproval for the plan (which shall include the reasons for any disapproval of the plan) and of any extension of the period for approval or disapproval. The Director shall provide by regulation for resubmission and review of any plans disapproved.

(Y) **JUDICIAL REVIEW OF DIRECTOR ACTION—GENERALLY.**—

(1) **JURISDICTION.**—

(A) **FILING OF PETITION.**—Except as otherwise provided in this act, the Association within level I, II, or III, that is the subject of a mandatory or discretionary supervisory action taken under this Act by the Director (other than action under subsection (v), (w), (bb), (cc) or (gg)) may obtain review of the action by filing, within 10 days after receiving written notice of the Director's action, a written petition requesting that the action of the Director be modified, terminated, or set aside.

(B) **PLACE FOR FILING.**—A petition filed pursuant to this subsection shall be filed in the United States Court of Appeals for the District of Columbia Circuit.

(2) **SCOPE OF REVIEW.**—An action taken by the Director under this Act (other than under subsection (v), (w), (bb), (cc) or (gg)) may be modified, terminated, or set aside only if the court finds, on the record on which the Director acted, that the action of the Director was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with applicable laws.

(3) **UNAVAILABILITY OF STAY.**—The commencement of proceedings for judicial review

pursuant to this subsection shall not operate as a stay of any action taken by the Director. Except with respect to any Association within level I or II that has not been reclassified to level III under subsection (s)(2) or (t)(3), no court shall have jurisdiction to stay, enjoin, or otherwise delay any mandatory or discretionary supervisory enforcement action taken by the Director under this Act pending judicial review of the action.

(4) LIMITATION ON JURISDICTION.—Except as provided in this subsection, no court shall have jurisdiction to affect, by injunction or otherwise, the issuance or effectiveness of any action of the Director under this Act (other than action under subsection (v), (w), (bb), (cc), or (gg)) or to review, modify, suspend, terminate, or set aside such action.

(z) EXAMINATIONS.—

(1) TIMING.—

(A) ANNUAL EXAMINATION.—The Director shall annually conduct an examination under this subsection of the Association to determine the condition of the Association for the purpose of ensuring its financial safety and soundness.

(B) OTHER EXAMINATIONS.—Whenever the Director determines that an examination is necessary to determine the condition of the Association for the purpose of ensuring its financial safety and soundness the Director may conduct an examination under this subsection.

(2) EXAMINERS.—The Director shall appoint examiners to conduct examinations of the Association under this subsection.

(3) TECHNICAL EXPERTS.—The Director may obtain the services of any technical experts the Director considers necessary and appropriate to provide temporary technical assistance relating to examinations to the Director and officers and employees of the Office of SLMA Market Examination and Oversight. The Director shall describe, in the public record of each examination, the nature and extent of any such temporary technical assistance.

(4) OATHS, EVIDENCE, SUBPOENA POWERS.—In connection with examinations under this subsection, the Director may—

- (A) administer oaths and affirmations;
- (B) take and preserve testimony under oath; and
- (C) issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence.

The attendance of witnesses and the production of evidence may be required from any place within any State at any designated place where a hearing relating to an examination is conducted.

(5) SECOND EXAMINATION BY GAO.—Upon a determination by the Director that an examination of the Association is necessary under paragraph (1)(B), the Comptroller General shall conduct an examination of the Association solely to provide an independent determination regarding the safety and soundness of the Association. The examination shall be conducted at a time and in a manner that results in minimal disruption to the normal business activities of the Association. The Comptroller General may obtain the services of technical experts in the same manner as the Director may obtain such services under paragraph (3), except that any entity that assists the Director in examining the Association may not concurrently assist the Comptroller General to examine the Association under this subsection.

(aa) SAFE HARBOR.—

(1) VOLUNTARY RATINGS.—Upon request from the Association, the Director shall con-

tract with two nationally recognized statistical rating organizations—

(A) to assess the likelihood that the Association might not be able to meet its future obligations from its own resources and to express that likelihood as a traditional credit rating; and

(B) to review the rating of the Association for one year from the effective date of the rating.

(2) QUALIFICATION FOR SAFE HARBOR.—

(A) DETERMINATION BY DIRECTOR.—If, after receiving a rating from each statistical rating organization described in paragraph (1), the Director determines that the Association merits the highest investment grade rating awarded by that organization, the Association shall be deemed, effective for one year following the date of the Director's determination, to meet the minimum risk-based capital levels for all relevant capital measures for purposes of subsection(s).

(B) WRITTEN FINDING REQUIRED.—If—

- (i) each statistical rating organization described in paragraph (1) assigns the Association the highest investment grade rating awarded by that organization, and
 - (ii) the Director fails to make the determination described in subparagraph (A),
- the Director shall make a written finding detailing the reasons for the Director's failure to make such determination.

(3) EARLY TERMINATION OF SAFE HARBOR.—Paragraph (2) shall cease to apply at such time as any such statistical rating organization described in paragraph (1) notifies the Director, and the Director determines, that the Association no longer merits the highest investment grade rating awarded by that organization. The Director shall promptly notify the Association that the Director has received the notice described in this paragraph.

(4) ASSESSMENTS FOR RATINGS.—The Director shall impose and collect an assessment on the Association, if it requests ratings under paragraph (1), to cover the full cost to the Federal Government of obtaining the ratings.

(5) DISCRETIONARY RATINGS.—Nothing in this subsection shall prevent the Director from contracting with any nationally recognized statistical rating organization to rate the Association at any time and for any purpose that the Director deems appropriate.

(6) DEFINITION OF NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION.—For purposes of this subsection, the term "nationally recognized statistical rating organization" means any entity effectively recognized by the Division of Market Regulation of the Securities and Exchange Commission as a nationally recognized statistical rating organization for the purposes of the capital rates for broker-dealers.

(bb) CEASE-AND-DESIST PROCEEDINGS.—

(1) GROUNDS FOR ISSUANCE.—The Director may issue and serve upon the Association or any executive officer of the Association a notice of charges under this subsection if, in the determination of the Director, the Association or executive officer—

(A) is engaging or has engaged, or the Director has reasonable cause to believe that the Association or executive officer is about to engage, in any activity that could result in a rapid depletion of the core capital of the Association; or

(B) is violating or has violated, or the Director has reasonable cause to believe that the Association or executive officer is about to violate—

- (i) any law, rule, or regulation; or
- (ii) any written agreement entered into by the Association with the Director.

(2) PROCEDURE.—

(A) NOTICE OF CHARGES.—Each notice of charges shall contain a statement of the facts constituting the alleged violation or violations or the activity that could result in a rapid depletion of the core capital of the Association, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist from such violation or activity should issue against the Association or executive officer.

(B) DATE OF HEARING.—A hearing pursuant to a notice under subparagraph (A) shall be fixed for a date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is met by the Director at the request of the Association or executive officer served.

(C) FAILURE TO APPEAR.—Unless the Association or executive officer served appears at the hearing through a duly authorized representative, the Association or executive officer shall be deemed to have consented to the issuance of the cease-and-desist order.

(D) ISSUANCE OF ORDER.—In the event of such consent, or if, upon the record made at any such hearing, the Director finds that any violation or activity specified in the notice of charges has been established, the Director may issue and serve upon the Association or executive officer an order requiring the Association or executive officer to cease and desist from any such violation or activity and to take affirmative action to correct the conditions resulting from any such violation or activity.

(3) AFFIRMATIVE ACTION TO CORRECT CONDITIONS RESULTING FROM VIOLATIONS OR ACTIVITIES.—The authority under this subsection and subsection (cc) to issue any order which requires the Association or executive officer to take affirmative action to correct or remedy any conditions resulting from any violation or activity with respect to which such order is issued includes the authority to require such Association or executive officer—

- (A) to make restitution or provide reimbursement, indemnification, or guarantee against loss if the violation or activity involves a reckless disregard for the law or any applicable regulations or prior order of the Director or the Association or executive officer was unjustly enriched in connection with such violation or practice;
- (B) to restrict the growth of the Association;
- (C) to dispose of any asset involved;
- (D) to rescind agreements or contracts;
- (E) to employ qualified officers or employees (who may be subject to approval by the Director at the direction of the Director); and
- (F) to take such other action as the Director determines appropriate.

(4) AUTHORITY TO LIMIT ACTIVITIES.—The authority to issue an order under this subsection or subsection (cc) includes the authority to place limitations on the activities or functions of the Association or any director or executive officer of the Association.

(5) EFFECTIVE DATE.—A cease-and-desist order under this subsection shall become effective upon the expiration of the 30-day period beginning on the service of the order upon the Association or executive officer concerned (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable as provided in the order, except to the extent that the order is stayed, modified, terminated, or set aside by action of the Director or otherwise as provided in this Act.

(cc) TEMPORARY CEASE-AND-DESIST ORDERS.—

(1) GROUNDS FOR ISSUANCE AND SCOPE.—Whenever the Director determines that any violation, threatened violation, or activity that could result in a rapid depletion of the capital of the Association, specified in the notice of charges served upon the Association or executive officer pursuant to subsection (bb)(1), or the continuation thereof, is likely—

(A) to cause insolvency of the Association, or

(B) to weaken the condition of the Association prior to the completion of the proceedings conducted pursuant to subsection (bb)(2),

the Director may issue a temporary order requiring the Association or executive officer to cease-and-desist from any such violation or practice and to take affirmative action to prevent and remedy such insolvency or condition pending completion of such proceedings. Such order may include any requirements authorized under subsection (bb)(3).

(2) EFFECTIVE DATE.—An order issued pursuant to paragraph (1) shall become effective upon service upon the Association or executive officer and, unless set aside, limited, or suspended by a court in proceedings pursuant to paragraph (4), shall remain in effect and enforceable pending the completion of this proceedings pursuant to such notice and shall remain effective until the Director dismisses the charges specified in the notice or until superseded by a cease-and-desist order issued pursuant to subsection (bb).

(3) INCOMPLETE OR INACCURATE RECORDS.—

(A) TEMPORARY ORDER.—If a notice of charges served under subsection (bb)(1) specifies that the books and records of the Association served are so incomplete or inaccurate that the Director is unable, through the normal supervisory process, to determine the financial condition of the Association or the details or the purpose of any transaction or transactions that may have a material effect on the financial condition of that Association, the Director may issue a temporary order requiring—

(i) the cessation of any activity or practice which gave rise, whether in whole or in part, to the incomplete or inaccurate state of the books or records; or

(ii) affirmative action to restore the books or records to a complete and accurate state, until the completion of the proceedings under subsection (bb).

(B) EFFECTIVE PERIOD.—Any temporary order issued under subparagraph (A)—

(i) shall become effective upon service; and

(ii) unless set aside, limited, or suspended by a court in proceedings pursuant to paragraph (4), shall remain in effect and enforceable until the earlier of—

(a) the completion of the proceeding initiated under subsection (bb) in connection with the notice of charges; or

(b) the date the Director determines, by examination or otherwise, that the books and records of the Association are accurate and reflect the financial condition of the Association.

(4) JUDICIAL REVIEW.—Within 10 days after the Association or executive officer has been served with a temporary cease-and-desist order pursuant to this subsection, the Association or executive officer may apply to the United States District Court for the District of Columbia for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of the administrative proceedings pursuant to the notice of charges served upon the Association or executive officer under subsection (bb)(1). Such court

shall have jurisdiction to issue such injunction.

(5) ENFORCEMENT BY ATTORNEY GENERAL.—In the case of violation or threatened violation of, or failure to obey, a temporary order issued pursuant to this subsection, the Director may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia for an injunction to enforce such order. If the court finds any such violation, threatened violation, or failure to obey, the court shall issue such injunction.

(dd) HEARINGS.—

(1) VENUE AND PROCEDURE.—Any hearing under subsection (bb), (cc), or (gg)—

(A) shall be held in the Federal judicial district or in the territory in which the home office of the Association is located unless the Association consents to another place; and

(B) shall be conducted in accordance with the provisions of chapter 5 of title 5, United States Code.

(2) ISSUANCE OF ORDER.—

(A) IN GENERAL.—After any such hearing, and within 90 days after the Director has notified the parties that the case has been submitted to the Director for final decision, the Director shall render the decision (which shall include findings of fact upon which the decision is predicated) and shall issue and serve upon each party to the proceeding an order or orders consistent with the provisions of this Act.

(B) MODIFICATION.—Except as provided in subsection (cc)(4), judicial review of any such order shall be exclusively as provided in subsection (ee). Unless such a petition for review is timely filed as provided in subsection (ee), and thereafter until the record in the proceeding has been filed as so provided, the Director may at any time, modify, terminate, or set aside any such order, upon such notice and in such manner as the Director considers proper. Upon such filing of the record, the Director may modify, terminate, or set aside any such order with permission of the court.

(ee) JUDICIAL REVIEW OF CEASE-AND-DESIST ORDERS AND CIVIL MONEY PENALTIES.—

(1) COMMENCEMENT.—Any party to a proceeding under subsection (bb) or (gg) may obtain review of any final order issued under such subsection by filing in the United States Court of Appeals for the District of Columbia Circuit, within 30 days after the date of service of such order, a written petition praying that the order of the Director be modified, terminated, or set aside. The clerk of the court shall transmit a copy of the petition to the Director.

(2) FILING OF RECORD.—Upon receiving a copy of a petition, the Director shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code.

(3) JURISDICTION.—Upon the filing of a petition, such court shall have jurisdiction, which upon the filing of the record by the Director shall (except as provided in the last sentence of subsection (dd)(2)(B)) be exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the Director.

(4) REVIEW.—Review of such proceedings shall be governed by chapter 7 of title 5, United States Code.

(5) ORDER TO PAY PENALTY.—Notwithstanding any other provision of law, such court shall have the authority in any such review to order payment any penalty imposed by the Director under this Act.

(6) NO AUTOMATIC STAY.—The commencement of proceedings for judicial review under

this subsection shall not, unless specifically ordered by the court, operate as a stay of any order issued by the Director.

(ff) ENFORCEMENT AND JURISDICTION.—

(1) ENFORCEMENT.—The Director may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia for the enforcement of any effective notice or order issued under this Act, and the court shall have jurisdiction and power to order and require compliance herewith.

(2) LIMITATION ON JURISDICTION.—Except as otherwise provided in this Act, no court shall have jurisdiction to affect, by injunction or otherwise, the issuance or enforcement of any notice or order under subsection (bb) or (cc), or to review, modify, suspend, terminate, or set aside any such notice or order.

(gg) CIVIL MONEY PENALTIES.—

(1) FAILURE TO SUBMIT REPORTS.—The Director may impose a civil money penalty, in accordance with the provisions of this subsection, on any Association that fails to make any report required under section 439(r) of the Higher Education Act within the period of time established by the Director for submission of the report (except in the case of a report submitted minimally late). The amount of the penalty, as determined by the Director, may not exceed \$5,000 per day for each day during which such failure continues.

(2) UNINTENTIONAL VIOLATIONS.—The Director may impose a civil money penalty, in accordance with the provisions of this subsection, on any Association that, without knowledge—

(A) violates any law, rule, or regulation;

(B) violates any final order or temporary order issued pursuant to subsection (bb) or (cc); or

(C) violates any written agreement between the Association and the Director.

The amount of the penalty, as determined by the Director, may not exceed \$5,000 for each day during which such violation continues.

(3) INTENTIONAL VIOLATIONS.—The Director may impose a civil money penalty, in accordance with the provisions of this subsection, on any Association that—

(A) submits to the Director any false or misleading report or information with actual knowledge of inaccuracy, deliberate ignorance of inaccuracy, or reckless disregard for accuracy; or

(B) knowingly commits any violation described in paragraph (2).

The amount of the penalty, as determined by the Director, may not exceed, for each day during which such violation, practice, or breach continues, the lesser of (i) \$1,000,000, or (ii) one percent of the total assets of the Association.

(4) PROCEDURES.—

(A) ESTABLISHMENT.—The Director shall establish standards and procedures governing the imposition of civil money penalties under paragraphs (1), (2), or (3). The standards and procedures—

(i) shall provide for the Director to make the determination to impose the penalty;

(ii) shall provide for the imposition of a penalty only after the Association has been given notice of, and opportunity for, a hearing on the record; and

(iii) may provide for review by the Director of any determination or order, or interlocutory ruling, arising from a hearing.

(B) FINAL ORDERS.—If the Association does not request a hearing within 20 days after receipt of a notice of opportunity for hearing, the imposition of a penalty shall constitute

a final and unappealable determination. If the Director reviews the determination on order, the Director may affirm, modify, or reverse the determination or order, and shall state with reasonable specificity the basis upon which any such affirmation, modification, or reversal is made. If the Director does not review the determination or order within 90 days after the issuance of the determination or order, the determination or order shall be final.

(C) FACTORS IN DETERMINING AMOUNT OF PENALTY.—In determining the amount of a penalty under paragraph (1), (2), or (3), the Director shall give consideration to such factors as the gravity of the violation, any history of prior violations (including violations occurring before the date under paragraph (9)), the effect of the penalty on the safety and soundness of the Association, any injury to the public, any benefits received, and deterrence of future violations, and any other factors the Director may determine by regulation.

(D) REVIEW OF IMPOSITION OF PENALTY.—The determination or order of the Director imposing a penalty under paragraph (1), (2), or (3) shall not be subject to review, except as provided in subsection (ee).

(5) ACTION TO COLLECT PENALTY.—If the Association fails to comply with a determination or order of the Director imposing a civil money penalty under paragraph (1), (2), or (3), after the determination or order is no longer subject to review as provided under paragraph (4)(A) and subsection (ee), the Director may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia to obtain a monetary judgment against the Association and such other relief as may be available. The monetary judgment may, in the discretion of the court, include any attorneys fees and other expenses incurred by the United States in connection with the action. In an action under this paragraph, the validity and appropriateness of the determination or order of the Director imposing the penalty shall not be subject to review.

(6) SETTLEMENT BY DIRECTOR.—The Director may compromise, modify, or remit any civil money penalty which may be, or has been imposed under this subsection.

(7) AVAILABILITY OF OTHER REMEDIES.—Any civil money penalty under this subsection shall be in addition to any other available civil remedy and may be imposed whether or not the Director imposes other administrative sanctions.

(8) DEPOSIT OF PENALTIES.—The Director shall deposit any civil money penalties collected under this subsection into the general fund of the Treasury.

(9) APPLICABILITY.—This subsection shall apply only to violations under paragraphs (1), (2), and (3) occurring on or after January 1, 1993.

(hh) NOTICE OF SERVICE.—Any service required or authorized to be made by the Director under this Act may be made by registered mail, or in such other manner reasonably calculated to give actual notice as the Director may by regulation or otherwise provide.

(11) SUBPOENA AUTHORITY.—
(1) IN GENERAL.—In the course of or in connection with any administrative proceeding under this Act, the Director shall have the authority—

- (A) to administer oaths and affirmations;
- (B) to take or cause to be taken depositions;
- (C) to issue subpoenas and subpoenas duces tecum; and

(D) to revoke, quash, or modify subpoenas and subpoenas duces tecum issued by the Director.

(2) WITNESSES AND DOCUMENTS.—The attendance of witnesses and the production of documents provided for in this subsection may be required from any place in any State at any designated place where such proceeding is being conducted.

(3) ENFORCEMENT.—The Director may request the Attorney General of the United States to bring an action in the United States district court for the judicial district in which such proceeding is being conducted, or where the witness resides or conducts business, or the United States District Court for the District of Columbia, for enforcement of any subpoena or subpoena duces tecum issued pursuant to this subsection. Such courts shall have jurisdiction and power to order and require compliance therewith.

(4) FEES AND EXPENSES.—Witnesses subpoenaed under this subsection shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. Any court having jurisdiction of any proceeding instituted under this subsection by the Association may allow to any such party such reasonable expenses and attorneys fees as the court deems just and proper. Such expenses and fees shall be paid by the Association or from its assets.

(jj) STUDY OF IMPACT OF PRIVATIZATION OF THE ASSOCIATION.—

(1) IN GENERAL.—The Comptroller General of the United States, in consultation with the Secretary of Education and the Secretary of the Treasury, shall conduct and submit to the Congress, not later than the expiration of the 1-year period beginning on the date of the enactment of this Act, a study regarding the effect of repealing the Federal charter of the Student Loan Marketing Association and allowing the Association to continue to operate as a fully private entity.

(2) REQUIREMENTS.—In evaluating the effect of such action, the study shall particularly examine the impact on—

- (A) the availability and supply of student loans;
- (B) the availability of financing for student loans and the interest rates for such loans in the secondary markets;
- (C) the size, liquidity, and stability of the secondary market for student loans; and
- (D) the overall banking and financial system

The study shall also examine the direct and indirect monetary benefits that accrue to the Student Loan Marketing Association from its quasi-governmental status.

(3) INFORMATION.—The Student Loan Marketing Association shall provide full and prompt access to the Comptroller General, the Secretary of Education and the Secretary of the Treasury to any books, records, and other information requested for the purposes of conducting the study under this subsection.

By Mr. GUNDERSON:
—Page 63, strike out lines 12 through 14 and insert in lieu thereof the following:

amended in the first sentence therein—
(A) by inserting immediately after “full-time basis” the following: “(including a student who attends an institution of higher education on less than a half-time basis)”; and

(B) by inserting before the period at the end thereof the following: “, computed in accordance with this subpart”.

—Page 86, line 16, strike out “and inserting” through line 20 and insert a period.

—Page 201 beginning on line 6, strike “No origination fee” and all that follows through “this section.” on line 8.

—Page 202, after line 8 insert the following new subsection:

“(h) LOAN ORIGINATION FEE.—With respect to loans for which a completion note or other written evidence of the loan was sent or delivered to the borrower for signing, each eligible lender shall charge to the borrower an origination fee of two percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payment to the borrower. Such origination fee shall be transmitted to the Secretary, who shall use such fee to pay the Federal costs of default claims under this part and to reduce the cost of special allowances paid under section 438(b).

—Page 63, strike out lines 12 through 14 and insert in lieu thereof the following:

amended in the first sentence therein—

(A) by inserting immediately after “full-time basis” the following: “(including a student who attends an institution of higher education on less than a half-time basis)”; and

(B) by inserting before the period at the end thereof the following: “, computed in accordance with this subpart”.

—Page 86, line 16, strike out “and inserting” through line 20 and insert a period.

—Page 265, line 10, strike “15 percent” and insert “5 percent”.

—Page 265, line 11, insert the following before the “.” “and the Secretary shall determine that such guarantee agency will remain financially sound.”

By Mr. HENRY:

—Page 265, line 9, strike out “section.” and insert in lieu thereof “section, provided that such additional standards are not applied in a manner that is inconsistent with the institution’s mission or contrary to the religious beliefs espoused by the institution.”

—Page 690, line 9, strike out “section.” and insert in lieu thereof “section, provided that such additional standards are not applied in a manner that is inconsistent with the institution’s mission or contrary to the religious beliefs espoused by the institution.”

—Page 358, strike line 12 and all that follows through line 9 on page 359 and insert the following:

(c) ELIMINATION OF ABILITY-TO-BENEFIT PROVISIONS FROM STUDENT ELIGIBILITY REQUIREMENTS.—

(1) REPEAL.—Subsection (d) of section 484 of the Act is repealed.

(2) CONFORMING AMENDMENTS.—

(A) Section 435 of the Act is amended—

(i) in subsection (b)(1), by striking “, or who are beyond the age of compulsory school attendance”; and

(ii) in subsection (c), by striking paragraph (1) and inserting the following:

“(1) admits as regular students only persons having secondary education, or the recognized equivalent of such certificate.”

(B) Section 481 of the Act is amended—

(i) by striking the second sentence of subsection (b); and

(ii) by striking the second sentence of subsection (c).

—Page 383, strike line 9 and all that follows through line 3 on page 884 and insert the following:

“(2)(A) With respect to any institution that offers athletically related student aid, the institution will—

“(i) cause an annual compilation, independently audited not less often than every 3 years, to be prepared within 6 months after the end of its fiscal year, of—

"(I) the total revenues, and the revenues from football, men's basketball, women's basketball, all other men's sports combined, and all other women's sports combined, derived by the institution from its intercollegiate athletics activities;

"(II) the total expenses, and the expenses attributable to football, men's basketball, women's basketball, all other men's sports combined and all other women's sports combined, made by the institution for its intercollegiate athletics activities; and

"(III) the total revenues and operating expenses of the institution; and

"(i) make the reports on such compilations and, where allowable by State law, the audits available for inspection by the Secretary and the public.

"(B) For the purpose of subparagraph (A)—

"(1) revenues from intercollegiate athletics activities allocable to a sport shall include without limitation gate receipts, broadcast revenues, appearance guarantees and options, concessions and advertising, but revenues such as student activities fees or alumni contributions not so allocable shall be included in the calculation of total revenues only; and

"(ii) expenses for intercollegiate athletics activities allocable to a sport shall include without limitation grants-in-aid, salaries, travel, equipment, and supplies, but expenses such as general and administrative overhead not so allocable shall be included in the calculation of total expenses only.

By Mr. JEFFERSON:

—Page 52, line 8, strike "and", on line 10 strike the periods and quotation marks and insert a semicolon, and after line 10 insert the following:

"(11) Morgan State Graduate School
 "(12) Hampton University Graduate School
 "(13) Alabama A&M Graduate School
 "(14) North Carolina A&T State University Graduate School

"(15) University of Maryland Eastern Shore Graduate School and

"(16) Jackson State Graduate School
 —Page 53, lines 2, 9, and 16, strike "(10)" and insert "(16)".

By Mr. JOHNSON of South Dakota:

—Page 534, line 25, strike the close quotation marks and following period and after such line insert the following new part (and conform the table of contents accordingly):

"PART D—SMALL STATE TEACHING INITIATIVE
 "SEC. 596A. MODEL PROGRAMS AND EDUCATIONAL EXCELLENCE.

"(a)(1) PURPOSE.—It is the purpose of this section to provide sufficient funds to small States to develop model programs for educational excellence, teacher training and educational reform.

"(2) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to institutions of higher education for the purpose of enhancing and improving the quality of teacher education, training, and recruitment in the Nation's smallest States.

"(3) INSTITUTIONAL USE OF FUNDS.—Eligible institutions of higher education receiving funds under this section may use such funds for the development of innovative teaching techniques and materials, preservice and in-service training programs, renovation of training facilities and construction of model classrooms. Special consideration should be given to proposals that include the rehabilitation of historic education facilities.

"(b) ALLOTMENT OF FUNDS.—The Secretary shall allot funds in equal portions among the eligible applicants.

"(c) DEFINITIONS.—

"(1) SMALL STATE.—For the purposes of this section the term "Small State" includes

the several States whose population is in each case less than 1,108,500 as reported in the 1990 Census of Population and Housing.

"(2) INSTITUTIONS OF HIGHER EDUCATION.—For the purposes of this section, the term "institution of higher education" mean an institution (as defined in section 1201) that the Secretary determines is under public supervision and control.

"(d) APPLICATION.—IN GENERAL.—Any eligible institution which desires to receive an allotment under this section shall submit to the Secretary an application which—

"(1) certifies that the State educational agency has approved the plan and entered into a partnership for its implementation.

"(2) provides for a process of active discussion and consultation with an advisory committee convened by the State educational agency and the eligible institution;

"(3) describes how the institution will use the funding;

"(4) describes how the plan will be evaluated for dissemination.

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of this part there are authorized to be appropriated \$5,000,000 for fiscal year 1993 and such sums as may be necessary in each of the six succeeding fiscal years."

By Mr. KASICH:

—Page 168, after line 19, insert the following subsection (and redesignate the succeeding subsections and the table of contents accordingly):

(c) RISK SHARING BY LENDERS.—

Section 428(b)(1)(G) of the Act (20 U.S.C. 1078(b)(1)(G)) is amended to read as follows:

"(G) insures not less than 90 percent of the unpaid principal of loans insured under the program.

—Page 217, after line 6, subsection (n)(1) shall read as follows:

(1) AUTHORIZATION.—There are authorized to be appropriated \$25,000,000 for fiscal year 1993 and each of the four succeeding fiscal years for the Secretary to expend for default reduction management activities to result in a performance measure of reducing defaults by 5% relative to the prior fiscal year. Such funds shall be in addition to, and not in lieu of, other appropriations made for such purposes.

After line 20, subsection (n)(3) shall read as follows:

(3) PLAN FOR USE REQUIRED.—The Secretary shall submit a plan, for inclusion in the materials accompanying the President's budget each fiscal year, detailing the expenditure of funds authorized by this section to accomplish the 5% reduction in defaults. At the conclusion of the fiscal year, the Secretary shall report his findings and activities concerning the expenditure of funds and whether the performance measure was met. If the performance measure was not met, the Secretary shall report the following:

(A) why the goal was not met, including an indication of any managerial deficiencies or of any legal obstacles;

(B) plans and schedule for achieving the established performance goal;

(C) recommended legislative or regulatory changes necessary to achieve the goal; and

(D) if the performance standard or goal is impractical or infeasible, why that is the case and what action is recommended, including whether the goal should be changed or the program altered or eliminated.

This report shall be submitted to the Appropriations Committees of the House of Representatives and the Senate and to the Committee on Education and Labor of the House of Representatives and the Committee

on Labor and Human Resources of the Senate.

—Page 180, after line 17, insert the following new subsection (and redesignate the succeeding subsections accordingly):

(p) ADDITIONAL LENDER COLLECTION EFFORTS.—Section 428(b) of the Act is further amended by adding at the end the following new paragraph:

"(9) ADDITIONAL LENDER COLLECTION EFFORTS.—Notwithstanding any other provision of this part, for any loan made after the date of enactment of this paragraph a lender shall be required to retain for collection, for an additional 90 days, any loan that, but for this paragraph, is eligible to be presented to the guaranty agency for reimbursement. Notwithstanding such provisions, during such additional 90 days—

"(A) the lender may not present such loan for reimbursement;

"(B) no interest shall accrue on the loan;

"(C) the lender may use its normal, consumer loan collection practices in seeking to obtain payment from the borrower on the loan (without regard to procedures established under this part concerning due diligence); and

"(D) if the borrower makes payments sufficient to return the loan to current status, the interest that is prohibited from accruing under subparagraph (B) shall be added to principal."

By Mr. KLUG:

—Page 169, line 23, and page 170, line 16, strike "and"; and on page 170, after line 5 and after line 23, insert the following new clauses:

"(iii) not in excess of 3 years during which the borrower is engaged as a full-time teacher in a public or nonprofit private elementary or secondary school in a teacher shortage area established by the Secretary pursuant to paragraph (4) of this subsection;

—Page 177, strike lines 13 through 16 and redesignate the succeeding subsections accordingly.

—Page 177, line 18, strike "428(b)(4) of the Act as redesignated)" and insert "428(b)(5) of the Act".

—Page 178, line 4, and page 179, lines 14 and 23, redesignate paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively.

By Mr. KOLBE:

—Page 416, strike line 20 and all that follows through line 6 on page 417 and insert the following:

"(1)(A) a cohort default rate (as defined in section 435(m)) equal to or greater than 15 percent; or

"(B) a cohort default rate (as so defined) equal to or greater than 10 percent and either—

"(i) more than two-thirds of its total undergraduates enrolled on a half-time or more basis receive assistance under this title (except subparts 4 and 6 of part A), or

"(ii) two-thirds or more of the institution's education and general expenditures are derived from funds provided to students enrolled at the institution from the programs established by this title (except subparts 4 and 6 of part A and section 428B);

By Mr. MCCURDY:

—Page 356, line 18, strike "and"; and after line 18 insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

(2) by striking paragraph (2) and inserting the following:

"(2)(A) if the student is enrolled or accepted for enrollment in the first year of an educational program on or after August 1, 1995, comply with the minimum achievement re-

quirements applicable under subsection (j); or

"(B) if the student is enrolled or accepted for enrollment in a second or any succeeding year of an educational program, be maintaining satisfactory progress in the course of study the student is pursuing in accordance with the provisions of subsection (c);";

—Page 357, line 9, strike "and"; on line 14, strike the second period and insert "; and"; and after such line insert the following new paragraph:

(6) in subsection (c)(1), by striking "subsection (a)(2)" and inserting "subsection (a)(2)(B)".

—Page 365, line 6, strike the close quotation marks and following period and after such line insert the following new subsection:

"(j) MINIMUM ACHIEVEMENT REQUIREMENTS.—For the purposes of subsection (a)(2)(A), a student complies with the minimum achievement requirements applicable under this subsection if—

"(1) in the case of a student enrolled or accepted for enrollment in an institution of higher education that provides an educational program for which it awards a bachelor's degree, such student has—

"(A) scored in or above the 55th percentile on a nationally accepted college entrance examination approved by the Secretary for the purposes of this subsection; or

"(B) attained, in non-elective academic courses in secondary school, a cumulative grade point average of at least 2.5 (out of a possible 4.0) or the equivalent of such a grade point average as determined under regulations prescribed by the Secretary; or

"(2) in the case of a student enrolled or accepted for enrollment in a proprietary institution of higher education, a postsecondary vocational institution, or an institution of higher education that provides a two-year educational program that is acceptable for credit toward a bachelor's degree, such student has—

"(A) passed an ability-to-benefit test approved by the Secretary for purposes of this subsection; or

"(B) obtained a diploma or certificate of graduation from a secondary school or the recognized equivalent of such a diploma or certificate.".

—Page 655, line 11, strike "(a) AMENDMENT.—"

—Page 655, beginning on line 15, strike all of part A through page 658, line 14, and redesignate the succeeding parts accordingly.

—Page 680, strike lines 16 and 17.

By Mrs. MINK:

—Page 169, line 23, strike "and"; on page 170, line 5, insert "and" after the semicolon; and after line 5, insert the following.

"(ii) not in excess of 2 years during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service, or serving in an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers post-graduate training;";

—Page 170, line 16, strike "and"; on line 23, insert "and" after the semicolon; and after line 23, insert the following.

"(iii) not in excess of 2 years during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service, or serving in an internship or residency program leading to a degree or certificate awarded by an institution of higher edu-

cation, a hospital, or a health care facility that offers post-graduate training;";

—Page 231, strike line 22 and all that follows through line 22 on page 232 and insert the following:

(d) ORIENTATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end thereof the following new paragraph:

"(6) PHASEOUT OF ORIENTATION FEE.—For each of the following academic years, the origination fee shall not exceed the following percentages of the principal amount of the loan:

"(A) For the academic year beginning July 1, 1993, 4 percent.

"(B) For the academic year beginning July 1, 1994, 3 percent.

"(C) For the academic year beginning July 1, 1995, 2 percent.

"(D) For the academic year beginning July 1, 1996, 1 percent.

"(E) For the academic year beginning July 1, 1997, and thereafter, the origination fee shall be zero."

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

By Mr. PANETTA:

—Page 449, line 23, strike "5 core" and insert "6 core"; and on line 25, insert "foreign languages," after "history,".

—Page 450, line 18, insert "foreign languages," after "history,".

—Page 451, line 1, strike "five core" and insert "6 core".

—Page 534, line 25, strike the close quotation marks and following period and after such line insert the following new part (and conform the table of contents accordingly):

"PART D—FOREIGN LANGUAGE INSTRUCTION
"SUBPART 1—DEMONSTRATION GRANTS FOR CRITICAL LANGUAGE AND AREA STUDIES

"SEC. 596A. DEMONSTRATION GRANTS FOR CRITICAL LANGUAGE AND AREA STUDIES.

"(a) PROGRAM AUTHORITY.—The Secretary is authorized to make demonstration grants to eligible consortia to enable such eligible consortia to—

"(1) operate critical language and area studies programs;

"(2) develop and acquire educational equipment and materials; and

"(3) develop teacher training programs, texts, curriculum, and other activities designed to improve and expand the instruction of foreign languages at elementary and secondary schools across the Nation.

"(b) GRANT LIMITATION.—The Secretary shall not award a grant which exceeds \$2,000,000 to an eligible consortium under this section in any fiscal year, but shall award grants of sufficient size, scope and quality for a program of comprehensive instruction of foreign languages.

"(c) SPECIAL RULES.—

"(1) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to eligible consortia with demonstrated, proven effectiveness in the field of critical language and area studies and which have been in existence for at least 1 year prior to applying for a grant under this section.

"(2) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary shall take into consideration providing an equitable geographic distribution of such grants among the regions of the United States.

"(3) PROGRAM REQUIREMENT.—Each eligible consortium receiving a grant under this sec-

tion shall include in the activities assisted pursuant to such grant, a study abroad or cultural exchange program.

"(d) ELIGIBLE CONSORTIUM.—

"(1) IN GENERAL.—For the purpose of this section, the term 'eligible consortium' means a cooperative effort between entities in one or more States that must include at least 4 schools, of which—

"(A) one shall be an institution of higher education;

"(B) one shall be a secondary school with experience in teaching critical languages;

"(C) one shall be a secondary school with experience in teaching critical languages and in which at least 25 percent of the students are eligible to be counted under chapter 1 of title I of the Elementary and Secondary Education Act of 1965; and

"(D) one shall be a secondary school in which at least 25 percent of the students are eligible to be counted under chapter 1 if title I of the Elementary and Secondary Education Act of 1965.

"(2) NONPROFIT ORGANIZATIONS.—Each eligible consortium described in paragraph (1) may include a nonprofit organization to provide services not otherwise available from the entities described in paragraph (1).

"(e) ADMINISTRATION.—Each eligible consortium receiving a grant under this section may use not more than 10 percent of such grant for administrative expenses.

"(f) APPLICATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), each eligible consortium desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(2) SPECIAL RULE.—The State educational agency or State higher education agency responsible for the supervision of any one school participating in an eligible consortium may submit the application described in paragraph (1) on behalf of such eligible consortium.

"(g) DEFINITIONS.—For purpose of this section the term 'critical language' means each of the languages obtained in the list of critical foreign languages designated by the Secretary pursuant to section 212(d) of the Education for Economic Security Act (50 Federal Register 149, 31413).

"SUBPART 2—DEVELOPMENT OF FOREIGN LANGUAGE AND CULTURE INSTRUCTIONAL MATERIALS

"SEC. 596B. DEVELOPMENT OF FOREIGN LANGUAGE AND CULTURE INSTRUCTIONAL MATERIALS.

"(a) GRANTS AUTHORIZED.—The Secretary of Education is authorized to provide grants on a competitive basis to qualified State and local educational agencies, institutions of higher education, private nonprofit foreign language organizations, nonprofit education associations, or a consortium thereof, to enable such entity or entities to act as a resource center for—

"(1) coordinating the development of and disseminating foreign language and culture instructional material, including children's literature in foreign languages, videotapes and computer software, and teacher's instructional kits relating to international study; and

"(2) encouraging the expanded use of technology in teaching foreign languages and culture at the elementary school level and, when the needs of elementary schools have been met, at the secondary school level, with a particular emphasis on expanding the use of technology in teaching foreign languages

and culture at elementary and secondary schools that have proportionally fewer resources available for teaching foreign languages and cultures, including schools in urban and rural areas.

"(b) COORDINATION.—In developing materials and technologies under this section, the Secretary shall, where appropriate, make use of materials and technologies developed under the Star Schools Assistance Program Act."

—Page 432, after line 4, insert the following new subsection:

"(d) PART D.—

"(1) CRITICAL LANGUAGE AND AREA STUDIES.—There are authorized to be appropriated \$15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out the provisions of subpart 1.

"(2) FOREIGN LANGUAGE AND CULTURE INSTRUCTIONAL MATERIALS.—There are authorized to be appropriated \$4,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years to carry out the provisions of subpart 2.

By Mr. PETRI:

—Page 63, strike lines 12 through 14 and insert the following:

(A) by inserting after "full-time basis" in the first sentence the following: "(including a student who attends an institution of higher education on less than a half-time basis)"; and

(B) by inserting before the period at the end of such sentence the following: ", computed in accordance with this subpart".

—Page 86, beginning on line 16, strike "and inserting the" and all that follows through line 20 and insert a period.

—Page 165, after line 3 insert the following new section (and conform the table of contents accordingly):

LESS THAN HALF-TIME ATTENDANCE

SEC. 426A. (a) FISL PROGRAM.—Section 427 of the Act is amended—

(1) in subsection (a)—

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

"(1) made to a student who (A) is an eligible student under section 484, and (B) has agreed to notify promptly the holder of the loan concerning any change of address; and"; and

(B) in paragraph (2)(B)(i), by striking out the semicolon at the end thereof and inserting in lieu thereof "and subsection (d)"; and

(2) by adding at the end thereof the following new subsection:

"(d) SPECIAL RULE FOR LESS THAN HALF-TIME STUDENTS.—A borrower who is attending an eligible institution on a less than half-time basis (as determined by the institution)—

"(1) shall be required

"(A) without regard to the borrower's less than half-time attendance, to repay any loans received while attending an eligible institution on at least a half-time basis; and

"(B) to commence repayment of any loans received under this part while attending on a less than half-time basis immediately upon ceasing such attendance; and

"(2) may receive deferments under subsection (a)(2)(C)(ii) for loans received while attending on a less than half-time basis."

(b) GSL PROGRAM.—Section 428(b) of the Act is amended—

(1) in the matter preceding clause (i) of paragraph (1)(A), by striking "who is carrying at an eligible institution at least one-half the normal full-time academic workload (as determined by the institution)" and in-

serting "who is enrolled at an eligible institution";

(2) by adding at the end thereof the following new paragraph:

"(7) SPECIAL RULE FOR LESS THAN HALF-TIME STUDENTS.—A borrower who is attending an eligible institution on a less than half-time basis (as determined by the institution) shall be required—

"(A) without regard to the borrower's less than half-time attendance, to repay any loans received while attending an eligible institution on at least a half-time basis; and

"(B) to commence repayment of any loans received under this part while attending on a less than half-time basis immediately upon ceasing such attendance; and"

—Page 233, after line 7 insert the following new subsection (and redesignate the succeeding subsections accordingly):

(a) LIFETIME LINE OF CREDIT; INCOME CONTINGENT LOAN REPAYMENT PROGRAMS.—Section 439 of the Act is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(B) by inserting immediately after paragraph (1) the following: "(2) through such corporation, to enable working men and women desiring to upgrade their job skills, and unemployed individuals, or those not in the labor force, who are seeking new skills, to borrow funds for less than-half time study as described in subsection (r); (3) to provide for agreements between such corporation and a limited number of institutions for the replacement of such institutions' current participation in the loan program under section 428A with loans originated by such corporation that shall be repaid on a income contingent basis in accordance with subsection (s)";

(2) in subsection (d)(1)—

(A) in subparagraph (D), by striking out "and" at the end thereof;

(B) by redesignating subparagraph (E) as subparagraph (F); and

(C) by inserting immediately after subparagraph (D) the following:

"(E) to issue obligations to carry out the purposes of subsections (r) and (s), in the amounts specified therein; and"; and

(3) by adding at the end thereof the following new subsections:

"(r) LIFETIME LINE OF CREDIT.—(1) PURPOSE.—In order to enhance the lifetime education and training opportunities available to working men and women desiring to upgrade their job skills, or unemployed individuals, or those not in the labor force, who are seeking new skills, it is the purpose of this subsection to require the Association to originate loans for such individuals who are enrolled at an eligible institution on a less than half-time basis, under the terms and conditions described in this subsection. The Association shall issue obligations in an amount sufficient to carry out the purposes of this subsection and subsection (s), but in no case to exceed \$100,000,000 for fiscal year 1993 and each of the four succeeding fiscal years.

"(2) APPLICABILITY OF GSL LOAN LIMITS.—A student who is enrolled at an eligible institution on a less than half-time basis may borrow up to \$25,000 in the aggregate under this section, which shall be counted toward his or her aggregate loan limits under sections 427, 428, and 428A. In no case may a loan made under this subsection for a period of enrollment exceed the student's cost of attendance for such period of enrollment.

"(3) REPAYMENT.—(A) The Secretary shall enter into an agreement with the Associa-

tion specifying the terms of loans originated under this subsection, which shall include the availability of such loans to all students eligible under this subsection (subject to the availability of funds the issuance of the obligations described in paragraph (1)), and the establishment of income-contingent repayment schedules satisfactory to the Secretary and the Association for such loans. Such agreements shall also specify the maximum interest rate that the Association may charge, and such other terms as the Secretary may require to accomplish the purposes of this subsection.

"(B) The Secretary shall establish in regulations the procedures necessary for the efficient collection of loans made under this subsection. Notwithstanding any other provision of law, the Secretary may enter into such arrangements with another Federal agency or agencies as the Secretary determines are necessary to support the efficient administration of the program by the Association.

"(4) ELIGIBLE PROVIDERS OF TRAINING.—The Secretary, in consultation with the Secretary of Labor, may specify in regulations such other providers of training that are not currently eligible to participate in programs under this part, such as community-based organizations, public or private agencies, and private sector employers, that, along with other institutions, may be considered eligible for participation for purposes of loans made under this subsection, provided that the Secretary determines that adequate controls on program integrity and accountability can be maintained, and that participation would supplement, and not supplant, current expenditures for training by such providers.

"(5) OTHER TERMS AND CONDITIONS.—The Secretary shall establish in regulations such other terms and conditions for loans under this subsection as are consistent with the purposes of this subsection.

"(6) FEASIBILITY STUDY.—Notwithstanding any other provision of law, the Secretary, in consultation with the Secretary of Labor, shall examine the feasibility of integrating the multiple data systems relating to the benefits available to students under Federal postsecondary education and training programs through the use of an electronic card by borrowers of loans made under this section, and by other participants in such Federal programs.

"(B) The Secretary of Education shall report his findings to Congress within one year of the date of enactment of this Act.

"(C) There are authorized to be appropriated \$1,000,000 to carry out the study authorized by this paragraph.

"(s) INCOME CONTINGENT LOANS.—(1) From funds available from the issuance of the obligations described in subsection (r)(1), the Association shall enter into agreements with no more than 50 eligible institutions to replace all or part of such institutions' participation in the loan program under section 428A with a program of income-contingent loans originated by the Association. Such agreements shall be subject to the approval of the Secretary.

"(2) The Secretary shall prescribe in regulations such minimum or model terms for such agreements, loan terms and conditions, and collection procedures as the Secretary determines are necessary to carry out the purposes of this subsection.

"(3) Notwithstanding any other provision of law, the Secretary may enter into such arrangements with another Federal agency or agencies as the Secretary determines are

necessary to support the efficient administration of the program by the Association.

"(4) Notwithstanding paragraph (1), when the program authorized under this subsection has been in operation for at least 2 years, the Secretary and the Association may agree to expand the number of schools participating under this subsection, or the volume of loans made under this subsection, or both, if, in the judgment of both the Secretary and the Association, the success of such program warrants such expansion."

—Page 341, strike out lines 1-16, and insert in lieu thereof the following:

"(d) INDEPENDENT STUDENT.—The term "independent," when used with respect to a student, means by individual who—

"(A) is 26 years of age or older by December 31 of the award year; or

"(B) meets the requirements of paragraph (2).

"(2) Except as provided in paragraph (3), an individual meets the requirements of this paragraph if such individual—

"(A) is an orphan or ward of the court;

"(B) is a veteran of the Armed Forces of the United States;

"(C) is a graduate or professional student;

"(D) is a married individual;

"(E) has legal dependents other than a spouse;

"(F) is a single undergraduate student with no dependents who—

"(i) did not live with his or her parents for more than six weeks in the aggregate during the calendar year preceding the award year;

"(ii) will not live with his or her parents for more than six weeks in the aggregate during the first calendar year of the award year; and

"(iii) prior to the disbursement of assistance under this title, demonstrates to the student financial aid administrator self-sufficiency during each of the two calendar years preceding the award year by demonstrating annual total income (excluding resources from parents, student financial assistance, and living allowances from programs established under the National and Community Service Act of 1990) that is equal to or exceeds the amount specified in the Department of Labor's Lower Living Standard Income Level, adjusted for a family size of one; or

"(G) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

"(3) An individual who meets the requirements of paragraphs (1) and (2) may, in unusual circumstances, be determined to be a dependent student by a student financial aid administrator, provided that such determination is documented."

—Page 356, strike out line 13 and insert in lieu thereof "paragraphs:"

—Page 356, line 16, strike out close quotation mark and the following period and after line 16 insert the following new paragraph:

"(6) Notwithstanding subsection (a), in order to be eligible to receive a loan under part B of this title (other than a loan under section 428C), a student who is enrolled at an institution on a less than half-time basis (as determined by the institution) shall be—

"(A) enrolled in a program of study leading to a degree or certificate; or

"(B) enrolled in training designed to prepare students for gainful employment in a recognized occupation."

By Mr. PETRI:
—Page 190, after line 11, insert the following new subsection:

(1) INCOME CONTINGENT REPAYMENT.—
(1) ESTABLISHMENT OF REPAYMENT MECHANISM.—Section 428 of the Act is amended by

adding at the end the following new subsection:

"(m) INCOME CONTINGENT REPAYMENT.—

"(1) ESTABLISHMENT OF TERMS AND CONDITIONS.—The Secretary may establish by regulation terms and conditions requiring the income contingent repayment of loans that are required to be repaid under this subsection. Such regulations shall specify the schedules under which the borrower's income will be assessed for repayment of loans, shall permit the discharge of remaining obligation on the loan not later than 25 years after the commencement of income contingent repayment, and may provide for the potential collection of amounts in excess of the principal and interest owed on the original loan or loans.

"(2) COLLECTION MECHANISM.—The Secretary shall, to the extent funds are available therefor, enter into one or more contracts or other agreements with private firms or other agencies of the Government as necessary to carry out the purposes of this subsection. The regulations required by paragraph (1) shall not be effective unless the Secretary publishes a finding that—

"(A) the Secretary has, pursuant to this paragraph, established a collection mechanism that will provide a high degree of certainty that collections will be made in accordance with the repayment option established under paragraph (1); and

"(B) the use of such repayment option and collection mechanism will result in an increase in the net amount the Government will collect.

"(3) LOANS FOR WHICH INCOME CONTINGENT REPAYMENT IS REQUIRED.—A loan made under this part (other than under section 428B) is required to be repaid under this section if—

"(A) the note or other evidence of the loan contains a notice that it is subject to repayment under this subsection;

"(B) the note or other evidence of the loan has been assigned to the Secretary for collection pursuant to subsection (b)(3); and

"(C) the Secretary has published the finding required by paragraph (2) of this subsection.

"(4) ADDITIONAL AUTHORITY.—The Secretary is authorized to prescribe such regulations as are necessary to carry out the purposes of this section and to protect the Federal fiscal interest."

(b) CONFORMING AMENDMENT.—Section 428(b)(1)(D) is amended by inserting before the semicolon at the end thereof the following: ", and shall contain a notice that repayment may, following a default by the borrower, be subject to repayment in accordance with the regulations required by subsection (m) if the Secretary has published the finding required by paragraph (2) of such subsection"

—Page 184, strike out line 24 and all that follows through line 12 on page 185 and redesignate the succeeding subsections accordingly.

By Mr. PETRI:
—Page 231, after line 3 insert the following new section (and conform the table of contents accordingly):

SEC. 436A. DEBT MANAGEMENT OPTIONS.
Part B of title IV of the Act is amended by inserting after section 437 the following new section:

"DEBT MANAGEMENT OPTIONS
"SEC 437A. (a) PROGRAM AUTHORITY.—For the purpose of offering additional debt management options, the Secretary is authorized, to the extent of funds appropriated under subsection (d)—

"(1) to acquire from eligible holders the notes of borrowers under this part (other

than section 428B) who are considered to be at high risk of default and who submit a request to the Secretary for an alternative repayment option;

"(2) to offer such borrowers one or more alternative repayment options, which may include graduated or extended repayment and which shall, subject to subsection (b)(2), include an income contingent repayment option established in accordance with subsection (b);

"(3) to enter into contracts or other agreements with private firms or other agencies of the Government as necessary to carry out the purposes of this section.

"(b) INCOME CONTINGENT REPAYMENT OPTIONS.—

"(1) REGULATIONS.—For the purposes of subsection (a)(2), the Secretary shall, by regulation, establish the terms and conditions for an income contingent repayment option. Such regulations shall specify the schedules under which income will be assessed for repayment of loans, shall permit the discharge of remaining obligation on the loan not later than 25 years after the commencement of income contingent repayment, and may provide for the potential collection of amounts in excess of the principal and interest owed on the original loan or loans.

"(2) COLLECTION MECHANISM DETERMINATION REQUIRED.—Such regulations shall not be effective unless the Secretary publishes a finding that—

"(A) the Secretary has, pursuant to subsection (a)(3), established a collection mechanism that will provide a high degree of certainty that collections will be made in accordance with the repayment option established under paragraph (1); and

"(B) the use of such repayment option and collection mechanism will result in an increase in the net amount the Government will collect.

"(c) DETERMINATIONS OF HIGH RISK OF DEFAULT.—In making determinations under subsection (a)(1), the Secretary shall—

"(1) consider the ratio of part B debt repayment to income; or

"(2) establish, by regulation, such other indicators of high risk as the Secretary considers appropriate.

"(d) LOAN LIMITATION.—Not more than \$200,000,000 may be used to acquire loans under this section in any fiscal year.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 1994 and for each of the 4 succeeding fiscal years."

By Mr. PETRI:
—At the end of the bill add the following new title:

TITLE XV—INCOME-DEPENDENT EDUCATION ASSISTANCE LOANS

PART A—LENDING AUTHORITY
SEC. 1501. PROGRAM AUTHORITY.

(a) IN GENERAL.—The Secretary of Education (hereinafter referred to as the "Secretary") shall, in accordance with the provisions of this title—

(1) make loans to eligible students in accordance with this title, and

(2) establish an account for each borrower of such a loan, and collect repayments on such loans in accordance with this title; and

(3) enter into agreements with other agencies of the Government as may be necessary to carry out the purposes of this title, and delegate to such agencies any of the Secretary's functions specified herein.

(b) LIMITATION ON AUTHORITY.—The authority granted by this title shall not be effective unless the Secretary publishes a finding

that the Secretary has, pursuant to this title, established a collection mechanism that will provide a high degree of certainty that collections will be made in accordance with the repayment provisions established under part B of this title.

SEC. 1502. AGREEMENTS BY ELIGIBLE INSTITUTIONS.

(a) **TERMS OF AGREEMENT.**—In order to qualify its students for loans under this title, an eligible institution shall enter into an agreement with the Secretary which—

(1) provides that the institution will collect applications for loans under this title from its students that are in such form and contain or are accompanied by such information as the Secretary may require by regulation;

(2) contains assurances that the institution will, on the basis of such applications, provide to the Secretary the information required by section 1504 and will certify to the Secretary—

(A) the cost of attendance determination for each student; and

(B) the amount of any outstanding loans to such student under title IV of the Higher Education Act of 1965 or title VII of the Public Health Service Act;

(3) provides that the institution will provide to each student applying for a loan under this title a notice provided by the Secretary of the student's obligations and responsibilities under the loan;

(4) provides that, if a student withdraws after receiving a loan under this title and is owed a refund—

(A) the institution will pay to the Secretary a portion of such refund, in accordance with regulations prescribed by the Secretary to ensure receipt of an amount which bears the same ratio to such refund as such loan bore to the cost of attendance of such student; and

(B) the amount of such refund will be credited to the student's account in accordance with regulations prescribed by the Secretary; and

(5) contains such additional terms and conditions as the Secretary prescribes by regulation to protect the fiscal interest of the United States and to ensure effective administration of the program under this title.

(b) **ENFORCEMENT OF AGREEMENT.**—The Secretary may, after notice and opportunity for a hearing to the institution concerned, suspend or revoke, in whole or in part, the agreement of any eligible institution if he finds that such institution has failed to comply with this title or any regulation prescribed under this title or has failed to comply with any term or condition of its agreement under subsection (a). No funds shall be loaned under this title to any student at any institution while its agreement is suspended or revoked, and the Secretary may institute proceedings to recover any funds held by such an institution. The Secretary shall have the same authority with respect to his functions under this Act as he has with respect to his functions under part B of title IV of the Higher Education Act of 1965.

SEC. 1503. AMOUNT AND TERMS OF LOANS.

(a) **ELIGIBLE AMOUNTS.**—

(1) **ANNUAL LIMITS.**—Any individual who is determined by an eligible institution to be an eligible student for any academic year shall be eligible to receive an IDEA loan for such academic year in an amount which is not less than \$500 or more than the cost of attendance at such institution, determined in accordance with section 484 of the Higher Education Act of 1965. The amount of such loan shall not exceed—

(A) \$6,500 in the case of any student who has not completed his or her second year of undergraduate study;

(B) \$8,000 in the case of any student who has completed such second year but who has not completed his or her course of undergraduate study;

(C) \$30,000 in the case of any student who is enrolled in a graduate degree program in medicine, dentistry, veterinary medicine, podiatry, optometry, or osteopathic medicine; or

(D) \$22,500 in the case of any student who is enrolled in a graduate degree program in pharmacy, chiropractic, public health, health administration, clinical psychology, or allied health fields, or in an undergraduate degree program in pharmacy; or

(E) \$11,000 in the case of any other student.

(2) **LIMITATION ON BORROWING CAPACITY.**—No individual may receive any amount in an additional IDEA loan if the sum of the original principal amounts of all IDEA loans to such individual (including the pending additional loan) would equal or exceed—

(A) \$70,000, minus

(B) the product of (i) the number of years by which the borrower's age (as of the close of the preceding calendar year) exceeds 35, and (ii) one-twentieth of the amount specified in subparagraph (A), as adjusted pursuant to paragraph (3).

(3) **EXCEPTIONS TO BORROWING CAPACITY LIMITS FOR CERTAIN GRADUATE STUDENTS.**—For a student who is—

(A) a student described in paragraph (1)(C), paragraph (2) shall be applied by substituting "\$143,370" for "\$70,000"; or

(B) a student described in paragraph (1)(D), paragraph (2) shall be applied by substituting "\$115,770" for "\$70,000".

(4) **ADJUSTMENT OF LIMITS FOR INFLATION.**—Each of the dollar amounts specified in paragraphs (1), (2), and (3) shall be adjusted for any academic year after calendar year 1995 by the cost-of-living adjustment for the calendar year preceding such academic year determined as the percentage (if any) by which the CPI for the preceding calendar year exceeds the CPI for the calendar year 1995, rounded to the nearest multiple of \$100 (or, if such adjustment is a multiple of \$50 and not a multiple of \$100, such adjustment shall be increased to the next higher multiple of \$100).

(5) **COMPUTATION OF OUTSTANDING LOAN OBLIGATIONS.**—For the purposes of this subsection, any loan obligations of an individual under student loan programs under title IV of the Higher Education Act of 1965 or title VII of the Public Health Service Act shall be counted toward IDEA annual and aggregate borrowing capacity limits. For purposes of annual and aggregate loan limits under any such student loan program, IDEA loans shall be counted as loans under such program.

(6) **ADJUSTMENTS OF ANNUAL LIMITS FOR LESS THAN FULL-TIME STUDENTS.**—For any student who is enrolled on a less than full-time basis, loan amounts for which such student shall be eligible for any academic year under this subsection shall be reduced in accordance with regulations prescribed by the Secretary of Education.

(b) **DURATION OF ELIGIBILITY.**—An eligible student shall not be eligible to receive a loan under this title for more than a total of the full-time equivalent of 9 academic years, of which not more than the full-time equivalent of 5 academic years shall be as an undergraduate student and not more than the full-time equivalent of 5 academic years shall be as a graduate student.

(c) **TERMS OF LOANS.**—Each eligible student applying for a loan under this title shall sign a written agreement which—

(1) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required,

(2) provides that such student will repay the principal amount of the loan and any interest or additional charges thereon in accordance with part B of this title;

(3) provides that the interest on the loan will accrue in accordance with section 1505;

(4) certifies that the student has received and read the notice required by section 1502(a)(3); and

(5) contains such additional terms and conditions as the Secretary may prescribe by regulation.

(d) **DISBURSEMENT OF PROCEEDS OF LOANS.**—The Secretary shall, by regulation, provide for the distribution of loans to eligible students and for the appropriate notification of eligible institutions of the amounts of loans which are approved for any eligible student, and for the allocation of the proceeds of such loan by semester or other portion of an academic year. The Secretary shall distribute the proceeds of loans under this title by disbursing to the institution a check or other instrument that is payable to and requires the endorsement or other certification by the student. Such proceeds shall be credited to any obligations of the eligible student to the institution related to the cost of attendance at such institution, with any excess being paid to the student. The first installment of the proceeds of any loan under this title that is made to a student borrower who is entering the first year of a program of undergraduate education, and who has not previously obtained a loan under this title, shall not be presented by the institution to the student for endorsement until 30 days after the borrower begins a course of study, but may be delivered to the eligible institution prior to the end of that 30-day period.

SEC. 1504. INFORMATION REQUIREMENTS FOR LOAN PROGRAM.

(a) **RESPONSIBILITIES OF ELIGIBLE INSTITUTIONS.**—Each eligible institution which receives funds under this title shall—

(1) submit to the Secretary, at such time and in such form as the Secretary may require by regulation, a machine-readable list of applicants and the amounts for which they are qualified under section 1503;

(2) promptly notify the Secretary, on request, of any change in enrollment status of any recipient of a loan under this title; and

(3) submit, at such time and in such forms as the Secretary may require by regulation for use in determining the repayment status of borrowers, a machine-readable list of eligible students who have previously received loans under this title but who are not included as current applicants in the list required by such paragraph.

(b) **RESPONSIBILITIES OF THE SECRETARY.**—The Secretary shall, on the basis of the lists received under subsection (a)(2), establish an obligation account, by name and taxpayer identification number, with respect to each recipient of a loan under this title. The Secretary shall provide for the increase in the total amounts subsequently loaned to that recipient under this title and by the amount of any interest charges imposed pursuant to section 1505. The Secretary shall transmit to each recipient of a loan under this title a statement of the total amount of the obligation of such recipient as of the close of the preceding calendar year.

SEC. 1505. INTEREST CHARGES.

Interest charges on loans made under this title shall be added to the recipient's obliga-

tion account at the end of each calendar year. Such interest charges shall be based upon an interest rate equal to the lesser of—

- (1) the sum of the average bond equivalent rates of 91-day Treasury bills auctioned during that calendar year, plus 2 percentage points, rounded to the next higher one-eighth of 1 percent; or
- (2) 10 percent.

SEC. 1506. CONVERSION AND CONSOLIDATION OF OTHER LOANS.

(a) **IN GENERAL.**—The Secretary may, upon request of a borrower who has received a federally insured or guaranteed loan or loans under title IV of the Higher Education Act of 1965 or under title VII of the Public Health Service Act, make a new loan to such borrower in an amount equal to the sum of the unpaid principal on the title IV or title VII loans. The proceeds of the new loan shall be used to discharge the liability on such title IV or title VII loans. Except as provided in subsection (b), any loan made under this subsection shall be made on the same terms and conditions as any other loan under this Act and shall be considered a new IDEA loan for purposes of this title.

(b) **CONVERSION REGULATIONS.**—The Secretary shall prescribe regulations concerning the methods and calculations required for conversion to IDEA loans under subsection (a). Such regulations shall provide appropriate adjustments in the determination of the principal and interest owned on the IDEA loan in order to—

(1) secure payments to the Government commensurate with the amounts the Government would have received had the original loans been IDEA loans;

(2) fairly credit the borrower for principal and interest payments made on such original loans and for origination fees deducted from such original loans; and

(3) prevent borrowers from evading their obligations or otherwise taking unfair advantage of the conversion option provided under this section.

(c) **MANDATORY CONVERSION OF DEFAULTED LOANS.**—

(1) **CONVERSION IN ACCORDANCE WITH REGULATIONS.**—Any loan which is—

(A) made, insured, or guaranteed under title IV of the Higher Education Act of 1965 after the date of enactment of this Act, and

(B) assigned to the Secretary of Education for collection after a default by the borrower in repayment of such loan,

shall, in accordance with regulations prescribed by the Secretary be treated for purposes of collection as if such loan had been converted to an IDEA loan under subsections (a) and (b) of this section.

(2) **NOTICE.**—The Secretary shall notify the borrower of the conversion of the defaulted loans to an IDEA loan and of the procedures for collection.

SEC. 1507. TERMINATION OF OTHER STUDENT LOAN PROGRAMS.

The authority to make additional loans under section 428A and part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1078-1) is terminated for any academic year beginning after the date that regulations are prescribed by the Secretary to carry out this title. This section shall not affect the administration of such section and part with respect to loans made prior to that date.

SEC. 1508. AUTHORIZATION OF APPROPRIATIONS.

(a) **LOAN FUNDS.**—There are authorized to be appropriated to make distribution of loan funds under section 1502 such sums as may be necessary.

(b) **ADMINISTRATION EXPENSES.**—There are authorized to be appropriated such sums as

may be necessary to administer and carry out this title.

SEC. 1509. DEFINITIONS.

For purposes of this title—

(1) the term "eligible institution" has the meaning given it by section 435(a) (1) or (2) of the Higher Education Act of 1965;

(2) the term "eligible student" means a student who is eligible for assistance under title IV of the Higher Education Act of 1965 as required by section 484 of such Act (relating to eligibility for student assistance) and who is carrying at least one-half the normal full-time academic workload (as determined by the institution); and

(3) the term "IDEA loan" means a loan made under this title.

PART B—COLLECTION SYSTEM

SEC. 1521. COLLECTION OF INCOME-DEPENDENT EDUCATION ASSISTANCE LOANS.

(a) **NOTICE TO BORROWER.**—

(1) **IN GENERAL.**—Each year, the Secretary shall furnish to each borrower of an IDEA loan notices as to—

(A) whether the records of the Secretary indicate that such borrower is in repayment status,

(B) the maximum account balance of such borrower,

(C) the current account balance of such borrower as of the close of the preceding calendar year, and

(D) the procedure for computing the amount of repayment owing for the repayment year beginning in the preceding calendar year.

(2) **FORM, ETC.**—The notice under paragraph (1) shall be in such form as the Secretary may by regulations prescribe and shall be sent by mail to the individual's last known address or shall be left at the dwelling or usual place of business of such individual.

(b) **COMPUTATION OF ANNUAL REPAYMENT AMOUNT.**—

(1) **IN GENERAL.**—The annual amount payable under this section by the borrower for any repayment year shall be the lesser of—

(A) the product of—

(i) the base amortization amount, and

(ii) the progressivity factor for the borrower for such repayment year, or

(B) 20 percent of the excess of—

(i) the adjusted gross income of the borrower for such repayment year, over

(ii)(I) in the case of a married borrower, \$10,900 in 1994 and adjusted for inflation thereafter,

(II) in the case of an unmarried borrower who is a head of household, \$7,650 in 1994 and adjusted for inflation thereafter, and

(III) in the case of an unmarried borrower who is not a head of household, \$6,050 and adjusted for inflation thereafter.

(2) **BASE AMORTIZATION AMOUNT.**—

(A) **IN GENERAL.**—For purposes of this section, the term "base amortization amount" means the amount which, if paid at the close of each year for a period of 12 consecutive years, would fully repay (with interest) at the close of such period the maximum account balance of the borrower. For purposes of the preceding sentence, an 8-percent annual rate of interest shall be assumed.

(B) **MARRIED BORROWERS.**—In the case of a married borrower where each spouse has an account balance and is in repayment status, the amount determined under subparagraph (A) shall be the sum of the base amortization amounts of each spouse.

(3) **PROGRESSIVITY FACTOR.**—

(A) **IN GENERAL.**—For purposes of this section, the term "progressivity factor" means the number determined under tables prescribed by the Secretary which is based on

the following tables for the circumstances specified:

(i) **MARRIED BORROWERS.**—In the case of a married borrower—

If the borrower's adjusted gross income is:	The progressivity factor is:
Not over \$7,860	0.429
11,700	0.500
16,740	0.571
21,720	0.643
26,880	0.786
32,700	0.893
39,060	1.000
48,600	1.000
63,480	1.152
87,360	1.272
117,000	1.364
163,080	1.485
240,000 and over	2.000

(ii) **HEADS OF HOUSEHOLDS.**—In the case of an unmarried borrower who is a head of household—

If the borrower's adjusted gross income is:	The progressivity factor is:
Not over \$6,540	0.429
10,320	0.500
12,300	0.607
16,080	0.643
19,920	0.714
25,020	0.857
31,380	1.000
37,740	1.000
47,280	1.094
63,180	1.313
85,440	1.406
114,060	1.500
204,000 and over	2.000

(iii) **OTHER UNMARRIED INDIVIDUALS, ETC.**—In the case of an unmarried borrower who is not a head of household—

If the borrower's adjusted gross income is:	The progressivity factor is:
Not over \$6,540	0.467
9,000	0.500
11,580	0.533
14,220	0.600
16,740	0.667
19,920	0.767
25,020	0.867
31,380	1.000
37,740	1.000
45,360	1.118
58,080	1.235
82,260	1.412
94,320	1.500
168,000 and over	2.000

(B) **RATABLE CHANGES.**—The tables prescribed by the Secretary under subparagraph (A) shall provide for ratable increases (rounded to the nearest 1/1,000) in the progressivity factors between the amounts of adjusted gross income contained in the tables.

(C) **INFLATION ADJUSTMENT OF AGI AMOUNTS.**—For inflation adjustment of amounts of adjusted gross income, see subsection (h)(3).

(c) **TERMINATION OF BORROWER'S REPAYMENT OBLIGATION.**—

(1) **IN GENERAL.**—The repayment obligation of a borrower of an IDEA loan shall terminate only if there is repaid with respect to such loan an amount equal to—

(A) in the case of any repayment during the first 12 years for which the borrower is in repayment status with respect to any loan, the sum of—

- (i) the principal amount of the loan, plus
- (ii) interest computed for each year the loan is outstanding at an annual rate equal

to the annual rate otherwise applicable to such loan for such year, plus 1.5 percent, and

(B) in the case of any repayment during any subsequent year, the principal amount of the loan plus interest computed at the rates applicable to the loan.

(2) NO REPAYMENT REQUIRED AFTER 25 YEARS IN REPAYMENT STATUS.—No amount shall be required to be repaid under this section with respect to any loan for any repayment year after the 25th year for which the borrower is in repayment status with respect to such loan.

(3) EXCEPTION FOR DE MINIMUS LOANS REPAID DURING THE FIRST 12 YEARS IN REPAYMENT STATUS.—In any case where the maximum account balance of any borrower is \$3,000 or less, subparagraph (B), and not subparagraph (A), of paragraph (1) shall apply to repayment of such loan.

(4) DETERMINATION OF YEARS IN REPAYMENT STATUS.—For purposes of paragraphs (1)(A) and (2), the number of years in which a borrower is in repayment status with respect to any IDEA loan shall be determined without regard to any year before the most recent year in which the borrower received an IDEA loan.

(5) EXTENSION OF REPAYMENT YEARS FOR MEDICAL INTERNS.—The number of years specified in paragraphs (1)(A) and (2) shall be increased by 1 year for each calendar year during any 5 months of which the individual is an intern in medicine, dentistry, veterinary medicine, or osteopathic medicine.

(d) DEFINITIONS.—For purposes of this section—

(1) MAXIMUM ACCOUNT BALANCE.—The term "maximum account balance" means the highest amount (as of the close of any calendar year) of unpaid principal and unpaid accrued interest on all IDEA loan obligations of a borrower.

(2) CURRENT ACCOUNT BALANCE.—The term "current account balance" means the amount (as of the close of a calendar year) of unpaid principal and unpaid accrued interest on all IDEA loans of a borrower.

(3) REPAYMENT STATUS.—A borrower is in repayment status for any repayment year unless—

(A) such borrower was, during at least 7 months of such year, an eligible student, as that term is defined in section 109(3) of the Income-Dependent Education Assistance Act of 1991; or

(B) such repayment year was the first year in which the borrower was such an eligible student and the borrower was such an eligible student during the last 3 months of such repayment year.

(4) IDEA LOAN.—The term "IDEA loan" means any loan made under part A of this title.

(e) PAYMENT OF AMOUNT OWING.—The Secretary shall prescribe by regulation the definition of a repayment year and the terms and conditions for making payments.

(f) FAILURE TO PAY AMOUNT OWING.—The Secretary shall prescribe by regulation the procedures to assess and collect the unpaid amount if an individual fails to pay the full amount required to be paid on or before the last date described in the regulations required by subsection (e)(1).

(g) LOANS OF DECEASED AND PERMANENTLY DISABLED BORROWERS; DISCHARGE BY SECRETARY.—

(1) DISCHARGE IN THE EVENT OF DEATH.—If a borrower of an IDEA loan dies or becomes permanently and totally disabled (as determined in accordance with regulations of the Secretary), then the Secretary shall discharge the borrower's liability on the loan.

(2) LIMITATION ON DISCHARGE.—The discharge of the liability of an individual under this subsection shall not discharge the liability of any spouse with respect to any IDEA loan made to such spouse.

(h) CREDITING OF COLLECTIONS; SPECIAL RULES.—

(1) CREDITING OF AMOUNTS PAID BY MARRIED BORROWERS.—Amounts collected under this section from a husband and wife both of whom are in repayment status shall be credited to the accounts of such spouses in the following order:

(A) first, to repayment of interest added to each account at the end of the preceding calendar year in proportion to the interest so added to the respective accounts of the spouses, and

(B) then, to repayment of unpaid principal, and unpaid interest accrued before such preceding calendar year, in proportion to the respective maximum account balances of the spouses.

(2) COMPUTATION OF ALTERNATIVE ANNUAL PAYMENT FOR INDIVIDUALS WHO HAVE ATTAINED AGE 55.—In the case of an individual who attains age 55 before the close of the calendar year ending in the repayment year, or of an individual whose spouse attains age 55 before the close of such calendar year, the progressivity factor applicable to the base amortization amount of such individual for such repayment year shall not be less than 1.0.

(3) INFLATION ADJUSTMENT IN COMPUTATION OF PROGRESSIVITY FACTOR.—

(A) IN GENERAL.—Not later than December 15 of 1996 and of each 3d calendar year thereafter, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsection (b)(3)(A) with respect to the succeeding 3 calendar years.

(B) METHOD OF PRESCRIBING TABLES.—The table which under subparagraph (A) is to apply in lieu of the table contained in clause (i), (ii), (iii), or (iv) of subsection (b)(3)(A), as the case may be, shall be prescribed—

(i) by increasing each amount of adjusted gross income in such table by the cost-of-living adjustment for the calendar year, and

(ii) by not changing the progressivity factor applicable to the adjusted gross income as adjusted under clause (i).

If any increase under the preceding sentence is not a multiple of \$10, such increase shall be rounded to the nearest multiple of \$10 (or, if such increase is a multiple of \$5 and is not a multiple of \$10, such increase shall be increased to the next highest multiple of \$10).

(C) COST-OF-LIVING ADJUSTMENT.—For purposes of this paragraph, the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

(i) the CPI for the preceding calendar year, exceeds

(ii) the CPI for the calendar year 1995.

(D) CPI FOR ANY CALENDAR YEAR.—For purposes of subparagraph (C), the CPI for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on September 30 of such calendar year.

(E) CONSUMER PRICE INDEX.—For purposes of subparagraph (D), the term "Consumer Price Index" means the last Consumer Price Index for all-urban consumers published by the Department of Labor.

(5) RULES RELATING TO BANKRUPTCY.—

(A) IN GENERAL.—An IDEA loan shall not be dischargeable in a case under title 11 of the United States Code.

(B) CERTAIN AMOUNTS MAY BE POSTPONED.—If any individual receives a discharge in a case under title 11 of the United States Code,

the Secretary may postpone any amount of the portion of the liability of such individual on any IDEA loan which is attributable to amounts required to be paid on such loan for periods preceding the date of such discharge.

By Mr. RAMSTAD:

—Page 372, beginning on line 11, strike out paragraph (1) through line 18; on line 19, redesignate paragraph (2) as paragraph (1); on page 373, line 10, redesignate paragraph (3) as paragraph (2); and on page 372, beginning on line 13, strike out paragraph (7) through page 375, line 13, and insert the following:

"(7)(A) Each institution of higher education participating in any program under this title shall develop and distribute as part of the report described in paragraph (1) a statement of policy regarding—

"(i) such institution's campus sexual assault programs which shall be aimed at prevention of sex offenses; and

"(ii) the Procedures followed once a sex offense has occurred.

"(B) The policy described in subparagraph (A) shall address the following areas:

"(i) Education programs to promote the awareness of rape, acquaintance rape, and other sex offenses, and possible sanctions to be imposed following the final determination of an on campus disciplinary procedure.

"(ii) Procedures students should follow if a sex offense occurs, including who should be contacted, the importance of preserving evidence as may be necessary to the proof of criminal sexual assault, and to whom the alleged offense should be reported.

"(iii) Procedures for on-campus disciplinary action in cases of alleged sexual assault which shall include—

"(I) a clear statement that the accuser and the accused are entitled to the same opportunities to have others present during a campus disciplinary proceeding; and

"(II) a clear statement that both the accuser and the accused shall be informed of the outcome of any campus disciplinary proceeding brought alleging a sexual assault.

"(iv) Counseling students on their options to notify proper law enforcement authorities, both on campus and local police, and the option to be assisted by campus authorities in notifying such authorities, if the student so chooses.

"(v) Notification of students of existing counseling, mental health or student services for victims of sexual assault, both on campus and in the community.

"(vi) Notification of students of options for and available assistance in changing academic and living situations subsequent to an alleged sexual assault incident, if so requested by the victim and if they are reasonably available.

"(C) Nothing in this paragraph shall be construed to confer a private right of action upon any person to enforce the provisions of this paragraph."

By Mr. RICHARDSON:

—TITLE III—INSTITUTIONAL AID

PART D—GENERAL PROVISIONS

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 360.—

(2)(A) There are authorized to be appropriated to carry out part B (other than section 326), \$160,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

(B) There are authorized to be appropriated to carry out section 326, \$25,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

—Page 49, after line 22, insert the following new subsection (and redesignate the succeeding subsection accordingly):

(e) HISPANIC-SERVING INSTITUTIONS.—
 (1) IN GENERAL.—Part A of title III of the Act (20 U.S.C. 1057 et seq.) is amended—

(1) by redesignating sections 313 and 314 as sections 314 and 315, respectively; and
 (2) by inserting after section 313 the following new section:

“SEC. 313. HISPANIC-SERVING INSTITUTIONS.

“(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to Hispanic-serving institutions to enable such institutions to improve and expand their capacity to serve Hispanic and other low-income students.

“(b) DEFINITIONS.—For the purpose of this section—

“(1) the term ‘Hispanic-serving institution’ means an institution of higher education which—

“(A) has a full-time student undergraduate enrollment that is at least 25 percent Hispanic;

“(B) is duly accredited by an agency recognized for that purpose by the Secretary;

“(C) has been so accredited for 3 of its previous 5 years;

“(D) provides a 4-year program leading to a baccalaureate degree or a 2-year program leading to an associate’s degree; and

“(E) is a public or nonprofit private institution of higher education;

“(F) is described in section 312(a), meets the requirements of paragraphs (1), (2) and (3) of section 312(b) and has an enrollment of needy students; and

“(G) provides assurances that—

“(i) not less than 50 percent of its Hispanic students be low-income individuals who are first generation college students; and

“(ii) another 25 percent of its Hispanic students be either low-income individuals or be first generation college students;

“(2) the term ‘first generation college student’ means—

“(A) an individual both of whose parents did not complete a baccalaureate degree; or

“(B) in the case of any individual who regularly resided with and received support from only one parent, an individual whose only such parent did not complete a baccalaureate degree; and

“(3) the term ‘low-income individual’ means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.

“(c) AUTHORIZED ACTIVITIES.—

“(1) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this section shall be used by Hispanic-serving institutions of higher education to assist such institutions to plan, develop, undertake, and carry out programs in any of the following areas:

“(A) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

“(B) Renovation and improvement in classroom, library, laboratory, and other instructional facilities.

“(C) Faculty salaries and support of faculty exchanges, and faculty development and faculty fellowships to assist in attaining advanced degrees in their field of instruction.

“(D) Curriculum development and academic instruction.

“(E) Purchase of library books, periodicals, microfilm, and other educational materials.

“(F) Funds and administrative management, and acquisition of equipment for use in strengthening funds management.

“(G) Joint use of facilities such as laboratories and libraries.

“(H) Academic tutoring and counseling programs.

“(I) Transfer centers to support the development or expansion of centers designed to increase the transfer rate of underrepresented students from 2-year to 4-year institutions, which may include joint admissions programs, shared advisement programs, and student transfer management information data systems.

“(J) Academic partnership coalitions, including partnerships among colleges, elementary and secondary schools, community-based organizations, parents, and low-income students.

“(K) Collaborative arrangements with nonprofit organizations or private sector business entities, in order to carry out the activities described in this subsection.

“(d) APPLICATION PROCESS.—

“(1) INSTITUTIONAL ELIGIBILITY.—Each Hispanic-serving institution desiring to receive assistance under this Act shall submit to the Secretary such enrollment data as may be necessary to demonstrate that it is a Hispanic-serving institution as defined in paragraph (1) of subsection (b), along with such other information and data as the Secretary may be regulation require.

“(2) APPLICATIONS.—Any institution which is determined by the Secretary to be a Hispanic-serving institution (on the basis of the information and data submitted under paragraph (1) may submit an application for assistance under this section to the Secretary. Such application shall include—

“(A) a 5-year plan for improving the assistance provided by the Hispanic-serving institution to Hispanic and other low-income students at the collegiate and pre-collegiate levels;

“(B) satisfactory evidence that such institution will, if provided with assistance, enter into a collaborative arrangement with at least one local educational agency to provide such agency with assistance in reducing Hispanic dropout rates, improving Hispanic rates of academic achievement, and increasing the rates at which Hispanic high school graduates enroll in higher education; and

“(C) such other information and assurance as the Secretary may require.

“(3) APPROVAL.—The Secretary shall approve any application which meets the requirements of paragraph (1) and shall not disapprove any application submitted under this section, or any modification thereof, without first affording such institution reasonable notice and opportunity for hearing.

“(e) SPECIAL RULE.—For the purpose of this section, no Hispanic-serving college or university which is eligible for and receives funds under this section may concurrently receive other funds under this part or part B.”.

(2) TECHNICAL AND CONFORMING AMENDMENTS.—Title III of the Act is further amended—

(A) by adding at the end of subsection (b) of section 352 the following new paragraph:

“(4) The Secretary shall waive the requirements set forth in section 312(b)(1)(B) in the case of an institution which qualifies for assistance under section 313.”; and

(B) by striking \$150,000,000 on Page 59, line 11, and inserting \$160,000,000; and

(C) by striking \$20,000,000 on Page 59, line 15, and inserting \$25,000,000; and

(D) by adding at the end of subsection (a) of section 360 the following new paragraph:

“(5) There are authorized to be appropriated to carry out section 313, \$45,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years.”.

—Page 50, line 3, strike “315” and insert “316”.

—Page 49, after line 22, insert the following new subsection (and redesignate the succeeding subsection accordingly):

(e) HISPANIC-SERVING INSTITUTIONS.—
 (1) IN GENERAL.—Part A of title III of the Act (20 U.S.C. 1057 et seq.) is amended—

(1) by redesignating sections 313 and 314 as sections 314 and 315, respectively; and
 (2) by inserting after section 313 the following new section:

“SEC. 313. HISPANIC-SERVING INSTITUTIONS.

“(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to Hispanic-serving institutions to enable such institutions to improve and expand their capacity to serve Hispanic and other low-income students.

“(b) DEFINITIONS.—For the purpose of this section—

“(1) the term ‘Hispanic-serving institution’ means an institution of higher education which—

“(A) has a full-time student undergraduate enrollment that is at least 25 percent Hispanic;

“(B) is duly accredited by an agency recognized for that purpose by the Secretary;

“(C) has been so accredited for 3 of its previous 5 years;

“(D) provides a 4-year program leading to a baccalaureate degree or a 2-year program leading to an associate’s degree; and

“(E) is a public or nonprofit private institution of higher education;

“(F) is described in section 312(a), meets the requirements of paragraphs (1), (2) and (3) of section 312(b) and has an enrollment of needy students; and

“(G) provides assurances that—

“(i) not less than 50 percent of its Hispanic students be low-income individuals who are first generation college students; and

“(ii) another 25 percent of its Hispanic students be either low-income individuals or be first generation college students;

“(2) the term ‘first generation college student’ means—

“(A) an individual both of whose parents did not complete a baccalaureate degree; or

“(B) in the case of any individual who regularly resided with and received support from only one parent, an individual whose only such parent did not complete a baccalaureate degree; and

“(3) the term ‘low-income individual’ means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.

“(c) AUTHORIZED ACTIVITIES.—

“(1) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this section shall be used by Hispanic-serving institutions of higher education to assist such institutions to plan, develop, undertake, and carry out programs in any of the following areas:

“(A) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

“(B) Renovation and improvement in classroom, library, laboratory, and other instructional facilities.

“(C) Faculty salaries and support of faculty exchanges, and faculty development and faculty fellowships to assist in attaining advanced degrees in their field of instruction

“(D) Curriculum development and academic instruction.

“(E) Purchase of library books, periodicals, microfilm, and other educational materials.

"(F) Funds and administrative management, and acquisition of equipment for use in strengthening funds management.

"(G) Joint use of facilities such as laboratories and libraries.

"(H) Academic tutoring and counseling programs.

"(I) Transfer centers to support the development or expansion of centers designed to increase the transfer rate of underrepresented students from 2-year to 4-year institutions, which may include joint admissions programs, shared advisement programs, and student transfer management information data systems.

"(J) Academic partnership coalitions, including partnerships among colleges, elementary and secondary schools, community-based organizations, parents, and low-income students.

"(K) Collaborative arrangements with non-profit organizations or private sector business entities, in order to carry out the activities described in this subsection.

"(d) APPLICATION PROCESS.—

"(1) INSTITUTIONAL ELIGIBILITY.—Each Hispanic-serving institution desiring to receive assistance under this Act shall submit to the Secretary such enrollment data as may be necessary to demonstrate that it is a Hispanic-serving institution as defined in paragraph (1) of subsection (b), along with such other information and data as the Secretary may by regulation require.

"(2) APPLICATIONS.—Any institution which is determined by the Secretary to be a Hispanic-serving institution (on the basis of the information and data submitted under paragraph (1)) may submit an application for assistance under this section to the Secretary. Such application shall include—

"(A) a 5-year plan for improving the assistance provided by the Hispanic-serving institution to Hispanic and other low-income students at the collegiate and pre-collegiate levels;

"(B) satisfactory evidence that such institution will, if provided with assistance, enter into a collaborative arrangement with at least one local educational agency to provide such agency with assistance in reducing Hispanic dropout rates, improving Hispanic rates of academic achievement, and increasing the rates at which Hispanic high school graduates enroll in higher education; and

"(C) such other information and assurance as the Secretary may require.

"(3) APPROVAL.—The Secretary shall approve any application which meets the requirements of paragraph (1) and shall not disapprove any application submitted under this section, or any modification thereof, without first affording such institution reasonable notice and opportunity for hearing.

"(e) SPECIAL RULE.—For the purposes of this section, no Hispanic-serving college or university which is eligible for and receives funds under this section may concurrently receive other funds under this part or part B."

(2) TECHNICAL AND CONFORMING AMENDMENTS.—Title III of the Act is further amended—

(A) by adding at the end of subsection (b) of section 352 the following new paragraph:

"(4) The Secretary shall waive the requirements set forth in section 312(b)(1)(B) in the case of an institution which qualifies for assistance under section 313."; and

(B) by adding at the end of subsection (a) of section 360 the following new paragraph:

"(5) There are authorized to be appropriated to carry out section 313, \$45,000,000 for fiscal year 1993 and such sums as may be

necessary for each of the 6 succeeding fiscal years."

—Page 50, line 3, strike "315" and insert "316".

By Mr. ROHRABACHER:

—Page 700, strike lines 21 and 22 and insert the following:

(a) FINDINGS.—The Congress finds that—

(1) racial discrimination is indefensible, improper, and immoral;

(2) it has been reported that many institutions of higher education have instituted admissions quotas designed to limit the admission of Asian-Americans;

(3) these restrictive quotas are similar to those instituted in the 1920's to limit the admission of Jewish students;

(4) statistics show that Asian-American students face greater obstacles in their attempts to attend institutions of higher education than students of other races;

(5) the Office of Civil Rights of the Department of Education is conducting investigations at the University of California at Berkeley and the University of California at Los Angeles to determine whether the schools in violation of title VI (relating to nondiscrimination in federally assisted programs) of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-6); and

(6) the Chancellor of the University of California at Berkeley apologized to Asian-Americans for an admission process of the school which had a negative impact on the admission of Asian-Americans.

—Page 701, line 2, insert before the semicolon the following: "because of their race in violation of Regents of the University of California v. Bakke, 438 U.S. 265 (1978)".

By Mrs. ROUKEMA:

—Page 165, strike line 18 and all that follows through line 4 on page 167 and insert the following:

"(i) in the case of a student at an eligible institution who has not successfully completed the first year of a program of undergraduate education—

"(I) \$2,625, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) \$1,750, if student is enrolled in a program whose length is at least 2/3 of an academic year; and

"(III) \$875, if such student is enrolled in a program whose length is less than 2/3, but at least 1/3, of an academic year (as provided for in section 481(b));

"(ii) in the case of a student at an eligible institution who has successfully completed the first, but has not successfully completed the second, year of a program of undergraduate education—

"(I) \$3,500, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) \$2,334, if student is enrolled in a program whose length is at least 2/3 of an academic year; and

"(III) \$1,167, if such student is enrolled in a program whose length is less than 2/3, but at least 1/3, of an academic year (as provided for in section 481(b));

"(iii) in the case of a student at an eligible institution who has successfully completed such first and second year, but has not successfully completed the third year of a program of undergraduate education—

"(I) \$4,750, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) \$3,166, if student is enrolled in a program whose length is at least 2/3 of an academic year; and

"(III) \$1,583, if such student is enrolled in a program whose length is less than 2/3, but at

least 1/3, of an academic year (as provided for in section 481(b));

"(iv) in the case of a student at an eligible institution who has successfully completed such third year, but has not successfully completed the remainder of a program of undergraduate education—

"(I) \$5,000, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) \$3,334, if student is enrolled in a program whose length is at least 2/3 of an academic year; and

"(III) \$1,677, if such student is enrolled in a program whose length is less than 2/3, but at least 1/3, of an academic year (as provided for in section 481(b));

"(v) in the case of a graduate or professional student (as defined in regulations of the Secretary) at an eligible institution, \$9,000;"

—Page 167, strike line 9 and all that follows through line 18 on page 168 and insert the following:

"(i) in the case of a student at an eligible institution who has not successfully completed the first year of a program of undergraduate education—

"(I) \$2,625, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) \$1,750, if student is enrolled in a program whose length is at least 2/3 of an academic year; and

"(III) \$875, if such student is enrolled in a program whose length is less than 2/3, but at least 1/3, of an academic year (as provided for in section 481(b));

"(ii) in the case of a student at an eligible institution who has successfully completed the first, but has not successfully completed the second, year of a program of undergraduate education—

"(I) \$3,500, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) \$2,334, if student is enrolled in a program whose length is at least 2/3 of an academic year; and

"(III) \$1,167, if such student is enrolled in a program whose length is less than 2/3, but at least 1/3, of an academic year (as provided for in section 481(b));

"(iii) in the case of a student at an eligible institution who has successfully completed such first and second year, but has not successfully completed the third year of a program of undergraduate education—

"(I) \$4,750, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) \$3,166, if student is enrolled in a program whose length is at least 2/3 of an academic year; and

"(III) \$1,583, if such student is enrolled in a program whose length is less than 2/3, but at least 1/3, of an academic year (as provided for in section 481(b));

"(iv) in the case of a student at an eligible institution who has successfully completed such third year, but has not successfully completed the remainder of a program of undergraduate education—

"(I) \$5,000, if such student is enrolled in a program whose length is one academic year in length (as provided for in section 481(d));

"(II) \$3,334, if student is enrolled in a program whose length is at least 2/3 of an academic year; and

"(III) \$1,677, if such student is enrolled in a program whose length is less than 2/3, but at least 1/3, of an academic year (as provided for in section 481(b));

"(v) in the case of a graduate or professional student (as defined in regulations of

the Secretary) at an eligible institution, \$9,000."

—Page 168, after line 18, insert the following new paragraph:

(3) ADDITIONAL CONFORMING AMENDMENTS.—

(A) Section 425(a)(2) of the Act is amended—
(i) by striking "\$17,250" in clause (i) and inserting "\$21,125"; and

(ii) by striking "\$54,750" in clause (ii) and inserting "\$71,125".

(B) Section 428(b)(1)(B) of the Act is amended—

(i) by striking "\$17,250" in clause (i) and inserting "\$21,125"; and

(ii) by striking "\$54,750" in clause (ii) and inserting "\$71,125".

—Page 198, line 9, strike "UNSUBSIDIZED LOANS;"

—Page 198, line 12, strike "sections" and insert "section".

—Page 198 strike line 13 and all that follows through line 8 on page 202.

—Page 202, line 10, redesignate section 428H as section 428G.

—Page 225, line 16, strike "and" and after such line insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

(2) by striking clause (ii) of paragraph (3)(B) and inserting the following:

"(i) for any succeeding fiscal year—

"(I) 30 percent if a majority of the undergraduate programs of study offered by such institution lead to an associate or baccalaureate degree; or

"(II) 25 percent."; and

—Page 416, strike out lines 20 through 22 and insert the following (and redesignate the succeeding paragraphs accordingly):

"(1) a cohort default rate as defined in section 435(m) equal to or greater than 25 percent;

"(2) a cohort default rate as defined in section 435(m) equal to or greater than 20 percent and either—

By Mr. SHAW:
—Page 165, after line 3, insert the following new subsection:

(d) RATES FOR BORROWERS WHO ENTER THE TEACHING PROFESSION.—Section 427A of the Higher Education Act of 1965 is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection:

"(f) RATES FOR BORROWERS WHO ENTER THE TEACHING PROFESSION.—Notwithstanding subsections (a), (b), and (d) of this section, with respect to a loan (other than a loan made pursuant to section 428A, 428B, or 428C) to any borrower who qualifies for and obtains a deferment under section 427(a)(2)(C)(iv) or 428(b)(1)(M)(iv) for service as a full-time teacher for 3 years, the applicable rate of interest shall be 4 percent per year on the unpaid balance of the loan during the period from the end of such deferment and until the end of the repayment period or until the borrower ceases to be a full-time teacher, whichever first occurs."

—Page 169, line 23, and page 170, line 16, strike "and"; and on page 170, after line 5 and after line 23, insert the following new clause:

"(iv) not in excess of 3 years during which the borrower is engaged as a full-time teacher in a public or nonprofit private elementary or secondary school in a teacher shortage area established by the Secretary pursuant to paragraph (4) of this subsection;

—Page 177, strike lines 13 through 16 and redesignate the succeeding subsections accordingly.

—Page 177, line 18, strike "428(b)(4) of the Act as redesignated" and insert "428(b)(5) of the Act".

—Page 178, line 4, and page 179, lines 14 and 23, redesignate paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively.

By Mr. SLATTERY:

—Page 163, strike line 20 and all that follows through line 3 on page 164 and insert the following:

an adjustment shall be made—

"(A) by calculating excess interest in the amount computed under paragraph (4) of this subsection; and

"(B)(i) during any period in which a student is eligible to have interest payments paid on his or her behalf by the Government pursuant to section 428(a), by crediting the excess interest to the Government; or
(ii) during any other period, by crediting such excess interest to the reduction of principal to the extent provided in paragraph (5) of this subsection.

By Mr. SOLOMON:

—Page 364, strike out lines 10 through 18 and insert the following:

"(3) FIRST CONVICTIONS.—A student whose eligibility has been suspended under paragraph (1) and is convicted of his or her first offense may resume eligibility before the end of the period determined under such paragraph if—

"(A) the student demonstrates that he or she has enrolled or been accepted for enrollment in a drug rehabilitation program that complies with such criteria as the Secretary shall prescribe for purposes of this subsection; and

"(B) the student agrees that, if the student fails to complete such program within the earlier of (i) 2 years after the date the student enrolls in such programs, or (ii) 3 years after the date the student is accepted for enrollment in such program, the student will reimburse the Federal Government for the amount of grant or work assistance received pursuant to this paragraph and for twice the amount of any loan received pursuant to this paragraph, unless such failure is excused by the Secretary for good cause.

By Mr. TOWNS:

—On page 416, lines 18–22, substitute the following:

"REVIEW CRITERIA.—The criteria for the initial review of institutions of higher education are as follows:

"(1) a cohort default rate as defined in section 435(m) equal to greater than 25 percent or the total student loan dollar volume in default at the institution, for the relevant fiscal year, exceeds \$1 million and either—
Strike subparagraphs (A) and (B)

—In lieu of the matter proposed to be inserted on page 86 after line 20 by the Amendment of the Gentleman from Tennessee, insert the following:

"(7)(A) No basic grant shall be awarded to an incarcerated student under this subpart that exceeds the sum of the amount of tuition and fees normally assessed by the institution of higher education for the course of study such student is pursuing plus an allowance (determined in accordance with regulations issued by the Secretary) for books and supplies associated with such course of study, except that no basic grant shall be awarded to any incarcerated student serving under sentence of death or any life sentence without eligibility for parole or release, any individual who will not be eligible for parole or release within 5 years, or any individual classified as a 'habitual criminal' as defined by State statute.

"(B) Basic grants under this subpart shall only be awarded to incarcerated individuals

in a State if such grants are used to supplement and not supplant the level of post-secondary education assistance provided by such State to incarcerated individuals in fiscal year 1988.

"(C) No grant shall be awarded to an incarcerated individual to attend an institution unless the majority of the undergraduate programs of study offered by such institution lead to an associate or baccalaureate degree."

—Page 345, line 20, strike the close quotation marks and following period and after such line insert the following:

"(5) Any entity shall not be considered to be an institution of higher education pursuant to paragraph (1), if such entity has a student enrollment in which more than 30 percent of the students are incarcerated."

—Page 86, line 20, strike out the close quotation marks and following period and after such line insert the following:

"(7)(A) No basic grant shall be awarded to an incarcerated student under this subpart that exceeds the sum of the amount of tuition and fees normally assessed by the institution of higher education for the course of study such student is pursuing plus an allowance (determined in accordance with regulations issued by the Secretary) for books and supplies associated with such course of study, except that no basic grant shall be awarded to any incarcerated student serving under sentence of death or any life sentence without eligibility for parole or release, any individual who will not be eligible for parole or release within 5 years, or any individual classified as a 'habitual criminal' as defined by State statute.

"(B) Basic grants under this subpart shall only be awarded to incarcerated individuals in a State if such grants are used to supplement and not supplant the level of post-secondary education assistance provided by such State to incarcerated individuals in fiscal year 1988.

"(C) No grant shall be awarded to an incarcerated individual to attend an institution unless the majority of the undergraduate programs of study offered by such institution lead to an associate or baccalaureate degree."

—Page 345, line 20, strike the close quotation marks and following period and after such line insert the following:

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"(7)(A) No basic grant shall be awarded to an incarcerated student under this subpart that exceeds the sum of the amount of tuition and fee normally assessed by the institution of higher education for the course of study such student is pursuing plus an allowance (determined in accordance with regulations issued by the Secretary) for books and supplies associated with such course of study, except that no basic grant shall be awarded to any incarcerated student serving under sentence of death or any life sentence without eligibility for parole or release, any individual who will not be eligible for parole or release within 5 years, or any individual classified as a 'habitual criminal' as defined by State statute.

"(B) Basic grants under this subpart shall only be awarded to incarcerated individuals in a State if such grants are used to supplement and not supplant the level of post-

secondary education assistance provided by such State to incarcerated individuals in fiscal year 1988.

"(C) No grant shall be awarded to an incarcerated individual to attend an institution unless the majority of the undergraduate programs of study offered by such institution lead to an associate or baccalaureate degree."

—Page 345, line 20, strike the close quotation marks and following period and after such line insert the following:

"(5) Any entity shall not be considered to be an institution of higher education pursuant to paragraph (1), if such entity has a student enrollment in which more than 30 percent of the students are incarcerated."

—Page 416, strike line 23 and all that follows through line 6 on page 417 and insert the following:

"(1)(A) a cohort default rate as defined in section 435(m) equal to or greater than 25 percent, or

"(B) a total student loan volume in default at the institution (for the relevant fiscal year) exceeding \$1,000,000;

By Mr. TRAFICANT:

—Page 426, after line 2, insert the following new part (and conform the table of contents accordingly):

PART J—AMENDMENTS TO RELATED PROGRAMS

SEC. 499A. EXCELLENCE IN MATHEMATICS, SCIENCE AND ENGINEERING EDUCATION ACT OF 1990.

Section 621(o) of the Excellence in Mathematics, Science and Engineering Education Act of 1990 is amended by striking "fiscal year 1991" and inserting "each of the fiscal years 1993 and 1994".

—Page 426, after line 2, insert the following new part (and conform the table of contents accordingly):

PART J—AMENDMENTS TO RELATED PROGRAMS

SEC. 499A. EXCELLENCE IN MATHEMATICS, SCIENCE AND ENGINEERING EDUCATION ACT OF 1990.

Section 621 of the Excellence in Mathematics, Science and Engineering Education Act of 1990 is amended—

(1) in subsection (b), by amending paragraph (2) to read as follows:

"(2) FUNCTION.—The Advisory Board shall develop an exam for secondary students testing knowledge in science, mathematics, and engineering, or shall select an exam from among existing national exams, and shall annually administer such exam."

(2) by striking subsections (d), (e), and (f);

(3) by redesignating subsection (c) as subsection (d);

(4) by inserting after subsection (b), the following new subsection:

"(c) RESULTS OF EXAM.—The Advisory Board shall annually certify the top 10 scorers in each congressional district on the exam developed or selected under subsection (b)(2), and award to the top 2 scorers in each district a scholarship under this section."

(5) in subsection (d)(1), as so redesignated by paragraph (3) of this section, by striking "subsection (n)" and inserting in lieu thereof "subsection (l)";

(6) in subsection (d)(2), as so redesignated by paragraph (3) of this section, by striking "subsection (h)" and inserting in lieu thereof "subsection (g)";

(7) in subsection (d)(3), as so redesignated by paragraph (3) of this section—

(A) by striking "subsection (h)" and inserting in lieu thereof "subsection (f)"; and

(B) by inserting "such additional" after "maximum of 3";

(8) by redesignating subsections (g) through (o) as subsections (e) through (m), respectively;

(9) in subsection (f)(2), as so redesignated by paragraph (8) of this section, by striking "subsection (f)" and inserting in lieu thereof "subsection (d)(3)"; and

(10) in subsection (m), as so redesignated by paragraph (8) of this section by striking "\$2,200,000 for fiscal year 1991" and inserting in lieu thereof "\$4,400,000 for fiscal year 1993 and \$8,800,000 for fiscal year 1994".

—Page 579, line 15, strike the close quotation marks and following period and after such line insert the following new subsection:

"(c) BUY AMERICAN REQUIREMENT.—No funds appropriated pursuant to this section may be expended by an institution of higher education for any procurement contract that an agency of the Government would be prohibited from entering into under the Act of March 3, 1933 (41 U.S.C. 10a et seq., popularly known as the 'Buy American Act')."

—At the end of the bill add the following new title:

TITLE XV—BUY AMERICA

Sec. 1501. SENSE OF CONGRESS.

It is the sense of the Congress that a recipient (including a nation, individual group, or organization) of any form of student assistance or other Federal assistance under the Act should, in expanding that assistance, purchase American-made equipment and products.

SEC. 1502. NOTICE.

The Secretary of Education shall provide to each recipient of student assistance or other Federal assistance under the Act a notice describing the sense of the Congress states under section 1501.

By Mr. VENTO:

—Page 197, after line 10 insert the following new section (and conform the table of contents accordingly):

SEC. 430A. DEFAULT REDUCTION PROGRAMS.

Section 428F of the Act (20 U.S.C. 1078-6) amended—

(1) by striking subsection (a);

(2) in subsection (b)—

(A) in subparagraph (A) of paragraph (1)—

(i) by striking "Upon" and inserting "Each guaranty agency shall enter into an agreement with the Secretary which shall provide that upon"; and

(ii) by adding at the end the following new sentence: "Neither the guaranty agency nor the Secretary shall demand from a borrower as monthly payment amounts referred to in this paragraph more than is reasonable and affordable based upon the borrower's total financial circumstances.";

(B) in paragraph (3), by inserting "or grants" after "loans";

(3) by redesignating subsection (b) (as amended in paragraph (2)) as subsection (a); and

(4) by adding at the end the following new subsection:

"(b) SPECIAL RULE.—Each guaranty agency shall establish a program which allows a borrower with a defaulted loan or loans to renew their eligibility for all title IV student financial assistance (regardless of whether their defaulted loan has been sold to an eligible lender) upon the borrower's payment of 6 consecutive monthly payments. The guaranty agency shall not demand from a borrower as a monthly payment amount under this subsection more than is reasonable and affordable based upon the borrower's total financial circumstances."

By Ms. WATERS:

—Page 224, strike out line 5 through page 225, line 7 and insert in lieu thereof the following:

"(7) a statement that—

"(A) prominently and clearly states that the borrower is receiving a loan that must be repaid;

"(B) notwithstanding any other provision of Federal or State law, the borrower's loan repayment obligation is separate and distinct from the institution's obligation to the borrower and that except as provided in section 435A, a failure by the institution to comply with any Federal, State, or local law shall not excuse any portion of the borrower's obligation to repay the loan."

—Page 228, insert immediately after line 13 the following new section:

SEC. 435A. DEFENSES.

(a) Part B of title IV of the Act is further amended by inserting immediately following section 435 the following new section:

"DEFENSES

"SEC. 435A. Notwithstanding any other provision of Federal or State law, a borrower may assert the act or omission of an institution as a defense to repayment of a loan guaranteed under this part and made in connection with attendance at that institution only if—

"(1) at the time the loan was made, the lender had notice of a significant number of substantial complaints by students that the institution had failed to provide promised services, supplies or refunds and had failed to address satisfactorily such complaints within a reasonable time;

"(2) the lender delegated substantial loan making functions normally performed by lenders to the institution with respect to that loan;

"(3) the loan was made by the institution, or by a lender that is affiliated with a school, as defined in section 481(b), by common control, ownership, contract, or business arrangement or has an origination or referral agreement with said school; or

"(4) the terms of the loan agreement permit the borrower to raise such defenses."

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for loans made under this part on or after the date of enactment.

—Page 365, strike out line 19 through page 366, line 2.

—Page 225, strike line 9 and all that follows through line 5 on page 226 and insert the following (and redesignate the succeeding subsections accordingly):

(a) VOCATIONAL SCHOOLS.—Section 435(c) of the Act is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

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

"(5) has, as at least 15 percent of its students during any calendar year, students who do not have any part of their tuition, fees, or other charges paid for them by the institution or by any assistance under this title."

—Page 345, line 24, strike "and" and on 346, strike lines 1 through 12 and insert the following:

(2) by striking "and" at the end of clause (4);

(3) by striking the period at the end of clause (5) and inserting the following: " and (6) which has, as at least 15 percent of its students during any calendar year, students who do not have any part of their tuition, fees, or other charges paid for them by the institution or by assistance under this title."

—Page 197, after line 10, insert the following new section:

SEC. 430A. GARNISHMENT AND COLLECTION PROCEDURES.

(a) GARNISHMENT LIMITATIONS.—Section 428E of the Act is amended by adding at the end the following new subsection:

“(e) LIMITATIONS.—Notwithstanding any provision of law, no garnishment order or writ shall be issued or levied in connection with the collection of the amount due on a loan by a student borrower unless—

“(1) the net income of the student borrower and the borrower’s spouse, including any cash benefits received under a needs-based government assistance program, exceeds 150 percent of the poverty level for the size of family which the student borrower has;

“(2) the party attempting to garnish wages makes reasonable inquiry concerning the amount of the net income of the borrower and the borrower’s spouse;

“(3) the party attempting to garnish wages files a statement with the clerk of the court before the garnishment order or writ is issued that certifies that (A) the net income of the borrower and the borrower’s spouse exceeds the amount specified in paragraph (1) or (B) after reasonable inquiry, the party seeking the garnishment order or writ is unable to ascertain whether the net income of the borrower and the borrower’s spouse exceeds the amount specified in paragraph (1);

“(4) in the event a garnishment order or writ is issued and levied and the net income of the borrower and the borrower’s spouse is less than the amount specified in paragraph (1), the garnishment shall be terminated and all wages garnished shall be returned to the wage earner, and if after reasonable inquiry the party seeking the garnishment order or writ knew or should have known that the net income was less than the amount specified in paragraph (1), that party shall be subject to liability, if any, established under State law for wrongful garnishment; and

“(5) in the event a garnishment order or writ is issued and levied, that net amount garnished shall not reduce the borrower’s and the borrower’s spouse’s income to less than the amount specified in paragraph (1) and any amount which is garnished in violation of this paragraph shall be returned to the borrower.”

(b) COLLECTIONS ON DEFAULTED LOANS.—Section 430 of the Act is amended by adding at the end the following new subsections:

“(e) LIMITATION.—No action shall be commenced against a student borrower for any amount due on a loan made pursuant to this title unless the net income of the student borrower and the borrower’s spouse, including any cash benefits received under a needs-based government assistance program, exceeds 150 percent of the poverty level for the size of the family which the student borrower has.

“(f) OFFSET LIMITATION.—If the Secretary or a guaranty agency seeks to offset all or any portion of the amount owed on a loan made pursuant to this title against an income tax refund intercept under State or Federal law—

“(1) the student borrower shall be provided with written notice setting forth clearly and

conspicuously all of the applicable valid objections to offset and the borrower’s rights to a hearing;

“(2) if the student borrower objects to the offset and the objection is denied, the borrower shall be informed of all of the grounds for denial and of the borrower’s right of administrative appeal and judicial review;

“(3) if a tax intercept program under State law is invoked, all of the procedures for notice, hearing, and appeal under the State program shall be at least as protective of the student borrower as the procedures under Federal law, notwithstanding any contrary State law; and

“(4) if the requirements of the State or Federal income tax refund intercept program are not satisfied, the student borrower shall be entitled to recover treble the amount of the tax refund wrongfully intercepted as an offset to the balance of the loan debt, or as damages to the extent the amount exceeds the debt, plus reasonable attorney’s fees and costs.”

(c) FORBEARANCE AND DEFERMENT INFORMATION.—Part B of title IV of the Act is amended by inserting after section 430A the following new section:

“FORBEARANCE AND DEFERMENT INFORMATION

“SEC. 430B. (a) DESCRIPTION REQUIRED.—An eligible lender or loan servicing agent shall provide a student borrower with a clear, conspicuous, concise, and complete description of all of the student borrower’s rights to a forbearance or deferment at or before the time that the student borrower is first required to begin paying the loan and, if the student borrower becomes delinquent, at each time demand for payment is made following delinquency and before default.

“(b) APPLICABILITY.—If a student borrower is entitled to a forbearance or deferment, the forbearance or deferment shall relate back to the date on which the student borrower first became eligible to receive the forbearance or deferment notwithstanding whether the student has been placed in default status with regard to the loan.

“(c) CURE OF DELINQUENCY.—If a student borrower was eligible for a forbearance or deferment but was not adequately informed of the right to apply or was not given assistance in the completion of the application and if the student is deemed delinquent, all collection activity shall be suspended to provide a reasonable period for the student borrower to apply for a forbearance or deferment and for a decision to be made on the borrower’s application.

“(d) REMOVAL OF DEFAULT.—If a student borrower is granted a forbearance or deferment after being placed in default status, the default shall be removed, all collection activity shall terminate, and credit reporting agencies and the agency seeking collection shall be informed of the grant of a forbearance or deferment and the removal of the default.”

(d) COMPROMISE AND DISCHARGE.—Section 437 of the Act is amended by adding at the end the following new subsection:

“(c) FRAUD OR MISREPRESENTATION.—The Secretary shall discharge a student borrow-

er’s liability on a loan described in this subchapter and shall repay the amount of the loan discharged if a State attorney general or other law enforcement agency, State educational licensing agency, guaranty agency, or the Secretary finds or has substantial evidence or reason to believe that an institution has engaged in fraud or misrepresentation or any violation of State or Federal law in connection with soliciting, offering, contracting for, or providing instruction.”

(e) DUE PROCESS.—Part G of title IV of the Act is amended by adding at the end the following new section:

“DUE PROCESS

“SEC. 492. Lenders, guaranty agencies, and any other person involved in the collection of any amount due under a loan made under this title shall, in addition to any provisions of law applicable to them, be subject to section 552 of title 5, United States Code, and to the same constitutional and statutory requirements of due process, including requirements for notice and hearing, that would apply to the Secretary if the Secretary were collecting on the loan.”

—Page 191, after line 18, insert the following new subsection:

(d) LIMITATION.—Section 428A of the Act is amended by adding at the end the following new subsection:

“(e) LIMITATION.—No student shall be eligible to borrow funds under this section if the student is enrolled in an undergraduate degree or nondegree program of less than 2 academic years in an institution of higher education as defined in section 481(b) unless the student is ineligible to receive a Stafford loan.”

—Page 224, line 24, strike “and” and insert “or”.

—Page 350, line 9, strike “(other than subsection (b)(5))”.

—Page 351, line 19, strike the close quotation marks and following period and after such line insert the following new subsection:

“(j) TWO-YEAR RULE.—Notwithstanding any other provision of this title, for the purpose of subsection (b)(5), an institution shall be deemed not to have been in existence for 2 years if, within the preceding 2-year period, the institution has had a change of ownership or control, has substantially changed the program of instruction offered (including the curriculum, program length, and amount of tuition and other charges), or has increased the number of students enrolled by more than 100 students or 10 percent of the prior years enrollment (whichever is greater).”

By Mr. WISE:

—Page 299, line 21, strike the semicolon and insert a period and strike lines 22 and 23.

—Page 309, line 10, strike “and”; on line 12, strike the period and insert “; and”; and after line 12 insert the following:

“(D) the amount (if any) by which the parents’ available income (as determined under subsection (c)) is less than zero.