HOUSE OF REPRESENTATIVES—*Friday, September 8, 1995*

The House met at 9 a.m. and was called to order by the Speaker pro tempore [Mr. KOLBE].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 8, 1995.

I hereby designate the Honorable JIM KOLBE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

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

O gracious God, from whom we have received our very lives and in whom is our hope and confidence, we express our thanksgiving for this new day and the opportunities that are before us. We place before You our needs, those attitudes and feelings and hopes that are dear to us, asking that You would bless us so we choose the better way, confirm us in all truth, and forgive us in the depths of our hearts. May what we say and do and think this day be to Your glory and honor. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. 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 pro tempore. Will the gentleman from California [Mr. CUNNINGHAM] come forward and lead the House in the Pledge of Allegiance.

Mr. CUNNINGHAM 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.

DISAPPROVING THE RECOMMENDATIONS OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

Mr. SPENCE. Mr. Speaker, pursuant to section 2908 of Public Law 101-510 and by direction of the Committee on National Security, I call up the joint resolution (H.J. Res. 102) disapproving the recommendations of the Defense Base Closure and Realignment Commission, and ask unanimous consent for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

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

There was no objection.

The text of House Joint Resolution 102 is as follows:

H.J. RES. 102

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress disapproves the recommendations of the Defense Base Closure and Realignment Commission as submitted by the President on July 13, 1995.

The SPEAKER pro tempore. Pursuant to section 2908 of the Defense Base Closure and Realignment Act of 1990, the gentleman from South Carolina [Mr. SPENCE] and the gentleman from Texas [Mr. TEJEDA] will each be recognized for 1 hour.

The Chair recognizes the gentleman from South Carolina [Mr. SPENCE].

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

Mr. Speaker, today, the House will consider whether to disapprove the recommendations of the independent Defense Base Closure and Realignment Commission to close 28 major military installations and realign the mission at another 77 bases. I rise in opposition to House Joint Resolution 102, which would disapprove the Commission's recommendations, and I urge my colleagues to oppose it as well.

We are currently in the fourth round of base closures since 1989, and the third and final round under the Commission's present charter. We all recognize that base closures are a reality in the post-cold-war world, particularly in view of the reductions in force structure that have taken place over the past 6 years.

The Department of Defense is counting on the savings resulting from base closure and realignment to fund currently underfunded modernization and infrastructure improvements late this decade and into the next century. According to the Commission, implementation of their recommendations would result in one-time costs of approximately $3.6 billion. However, the Commission expects $1.6 billion in annual savings and net present value savings of $19.3 billion over the next 20 years to result from the 1995 base closure recommendations.

Personally, I am concerned about ongoing force structure reductions as well as the closing of a number of installations already in the works under BRAC. At least some of these bases are unique national assets that we will never reconstitute even if needed in the future.

A number of Members, including myself, have been skeptical when it comes to the rosy projections that have been made in previous base closure rounds concerning the savings that will accrue to the military services. To date, savings have fallen well short of expectations while the up-front costs of closures have soared beyond initial estimates and remain underfunded. Reluctantly, however, I realize that with the growing pressures on defense resources we simply cannot afford to keep all the installations and facilities open that I believe our military may one day need again.

Speaking from experience, I understand the pain and dislocation that a base closure or major realignment can inflict on a community, even a region. In the past, even if I was not supportive of the closing of bases, I was at least satisfied that the Commission and the closure process had essentially worked as intended—that politics had not been the determining factor in the development of the administration's or the Commission's numerous recommendations.

In this sense, I was especially concerned about the administration's handling of the Commission's recommendations. There is no question that Presidential politics were paramount in the White House's very public and tortured consideration of the Commission's recommendations. The veneer of a national security justification for rejection of the list was dropped as politics quickly took center stage. Fortunately, common sense prevailed over politics and the administration ultimately backed down and allowed the process to proceed. For the sake of the process, I am nonetheless relieved that the President finally opted to allow substance and process to prevail over politics in his decision to submit the Commission's recommendations to the Congress.

However, I remain concerned about recent comments made by senior administration officials implying that the White House will find a way to assist a select few installations in politically sensitive States by "privatizing

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in place." Some have gone so far as to guarantee employment to workers at installations scheduled to be closed—a guarantee that everyone knows will be nearly impossible to honor.

While I am sympathetic to the desire to preserve defense skills and jobs, it is clear that the Commission was seriously concerned about the cost of maintaining excess capacity at several types of installations, particularly Air Force depots. Privatization of workloads at these particular installations was only one of several options recommended by the Commission. Contrary to the assertions of some, Congress ultimately will retain the authority to determine how and if privatization in place makes sense.

Mr. Speaker, the National Security Committee considered the recommendations of the Commission very carefully. While some Members expressed concern with individual recommendations contained in the Commission's report, the committee decided to support the Commission's findings. The committee voted 43 to 10 to report House Joint Resolution 102 adversely. In the committee's judgment, this resolution should be defeated. I urge a "no" vote to my colleagues.

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

Mr. TEJEDA. Mr. Speaker, I ask unanimous consent to divide my 1 hour of debate so the gentleman from California [Mr. FAZIO] is able to control 20 minutes of that time and I will control 40 minutes.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas [Mr. TEJEDA] will be recognized for 40 minutes, and the gentleman from California [Mr. FAZIO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. TEJEDA].

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

Mr. Speaker, this resolution represents the end of a long and painful process for many communities and their citizens. While these communities are now turning their attention toward reuse efforts and planning for the future, we have this final opportunity to overturn the Base Closure Commission's recommendations.

In my opinion, the base Closure Commission made a mistake in voting to close two of the Air Force's air logistics centers. These depots are located in San Antonio, TX and Sacramento, CA. My colleagues from San Antonio and Sacramento will speak to this decision in a few minutes, so I will not add to that specific debate yet.

It should come as no surprise, then, that the San Antonio and Sacramento delegations introduced resolutions of disapproval. This issue is not a partisan issue. Base closures and economic losses cut across party lines. I stand here before the House because my constituents and my district, in fact this Nation, does not deserve the closure of Kelly Air Force Base. I do not believe that closure of Kelly Air Force Base is in the best interest of our national security. If there is a way to keep Kelly open, we will fight that fight, and this is what this resolution of disapproval is all about.

I expect nothing less from my colleagues across the Nation who also lose bases and jobs in this process. And we will hear from them. In contrast, I expect those whose districts stand to gain from these recommendations to voice their strong support for the Base Closure Commission's recommendations.

I have no illusions about the final outcome of this matter. It is the bottom of the ninth and we are behind by a lot of runs. But this does not mean we give up and walk off the field. There are important issues which need to be addressed, and I look forward to a lively discussion during the next 2 hours.

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

Mr. FAZIO of California. Mr. Speaker, I appreciate the gentleman from Texas sharing his time with me, and I yield myself such time as I may consume.

Mr. Speaker, I rise in strong opposition to the BRAC Commission's 1995 base closure list and in support of this resolution. I do so for the first time. While this is the fourth round of base closure, it is the first time that I have risen in opposition, despite the fact that it is the third of four rounds that have impacted the community, Sacramento, CA, that I represent along with several of my colleagues who will appear later today.

I want to join with the comments that my friend, Mr. TEJEDA, of San Antonio has made with reference to my particular opposition to the decision to close two of the five Air Logistics Centers under the Materiel Command based in Dayton, OH. I strongly supported the position that the Air Force and DOD took to downsize in place. I think that was the right decision, both in terms of keeping capacity available for any international emergency that would have required surge capability.

I regret the decision, which was very hard fought within the Commission, to close the two facilities that now will undergo privatization. As my friend from San Antonio said, we will hear a good deal from people who expected to gain a great deal from the closure of our two bases, who are troubled by the report of the DOD Commission on Roles and Missions which has advocated strongly the privatization of our heretofore public Air Force Logistics Centers.

I know what I am engaging in here today is probably under the rubric of a primal scream. I understand that I am probably engaging in a fruitless protest, and I have seen others whose bases have closed do so in prior discussions of resolutions to, in effect, reverse the decisions of the BRAC process of the Commission. But I think I have justification in using this last opportunity to express my measure of protest, because in fact nowhere in the United States has the BRAC had such a devastating impact as it has had in the Sacramento area.

In all four rounds of the BRAC, the Sacramento area has shouldered well over a quarter of all the jobs lost in California due to BRAC. In fact, the Sacramento area standing alone has absorbed more base closure losses in terms of direct and indirect jobs than any other State in the Nation. In fact, the same could be said of the Sacramento as well as San Francisco Bay area individually.

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

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

Mr. Speaker, I rise in opposition to House Joint Resolution 102 and I urge my colleagues to vote against it.

I supported the establishment of the current base closure process in 1990. I believed then, and I continue to believe, that the disposal of unneeded military infrastructure and overhead would save scarce resources. I think we have come a long way in that regard.

Frankly we have closed bases through this process that I never thought would ever be closed—and we have closed some that we may ultimately wish we had not. Personally, I was opposed to the closure in previous rounds of facilities such as Lowry Air Force Base and Pueblo Army Depot in Colorado. I fought to keep them from closing, but when faced with the decision to accept or reject the entire list produced by the Commission, I concluded that the Commission had acted appropriately, and that in an era of declining defense dollars the national interest had been served. This year I feel the same way, even though Fitzsimons Army Medical Center is on the list.

I want to briefly say a word about the ultimate reuse for facilities such as Fitzsimons. One of our goals throughout this process has been to get installations slated for closure as quickly as possible into reuse by the local community. I have been impressed with the speed and dedication with which the city of Aurora has approached redevelopment. Working with the University of Colorado, an impressive reuse plan is already taking shape for Fitzsimons. I want to encourage the Department of Defense, particularly the Department of the Army, to do what it can to facilitate a rapid transition of the facility and related property to the local redevelopment authority so that the people of Aurora and Colorado can benefit from reuse as soon as possible.

Mr. Speaker, since the first round of base closures in 1988, over 100 major U.S.-based facilities have closed, and plant replacement value has been reduced by 21 percent. The Commission's 1995 recommendations will raise the number of major U.S.-based installations closed to about 130, and plant replacement value will have been reduced by another 6 percent or so.

Although not covered by BRAC, unneeded overseas infrastructure has also been reduced substantially. During the BRAC period, the services have closed or reduced operations at over 950 bases overseas—a plant replacement value reduction of 43 percent.

Despite all the rhetoric from some quarters, including from some in the administration who periodically suggest that we have not done enough, I believe this process has resulted in a significant downsizing of our military infrastructure. In my judgment, the military services need to adjust to the sharp base and installation reductions they will have to absorb.

As the chairman of the Subcommittee on Military Installations and Facilities, I have been approached about the possibility of authorizing another round of base closures in 6 years of so. Indeed, that was one of the recommendations of the Defense Base Closure and Realignment Commission. There may be a need in the future to resurrect this process, but I believe that authorizing another round now would be a mistake.

The services need time to adjust to a post-BRAC environment. Some units have moved as many as three times throughout the final phases of BRAC. Once force structure and installations infrastructure have stabilized, and once we have a clear understanding of the actual costs and savings balance from BRAC, Congress will be in a better position to assess whether any further rounds of base closure are necessary. While I have great respect for the Commissioners, particularly Chairman Alan Dixon, I would not support authorization of a future round at this time.

There is no doubt that there are problems in the BRAC process. It is clear that the upfront costs of base closures and realignments have been substantially more than anyone expected. It is also true that revenues from disposal have not been realized, and realized savings have fallen far short of original estimates. This does not mean that the process has not worked or that it has collapsed. It is an indication of just how difficult the implementation of BRAC, with its huge upfront costs and hidden environmental cleanup costs, has proven to be in practice.

Mr. Speaker, the first hearing the Subcommittee on Military Installations and Facilities held in this session concerned the BRAC process. I want to assure the House that the subcommittee will continue its commitment to oversight of BRAC implementation even after the formal Commission process ends this year.

The Secretary of Defense estimates that $40 billion will be saved as a result of action taken in all four phases of base closure. He may be right. I hope he is; but even if savings fall short of expectations, there is no question that we must complete the process we began 7 years ago. I urge my colleagues to support the judgment of the National Security Committee and vote "no" on the resolution of disapproval.

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

Mr. FAZIO of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Sacramento, CA [Mr. MATSUI], who has worked so long and hard to build McClellan Air Force Base into the modern entity it is today.

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Mr. MATSUI. Mr. Speaker, I would like to thank the gentleman from California [Mr. FAZIO], but first of all, I would like to take a moment to first of all thank both the gentleman from California [Mr. DOOLITTLE] and the gentleman from California [Mr. POMBO] for the hard work they did in trying to pursue our efforts to save McClellan Air Force Base. We had a very strong bipartisan effort in northern California and without their help, I do not believe we could have gotten as far as we did.

Mr. Speaker, I would like to spend a few moments to talk about my colleague, the gentleman from California [Mr. FAZIO], who is adjacent to me in Sacramento County. The gentleman from California [Mr. FAZIO] and I have worked over the years to get $400 million of construction programs for McClellan in the last decade and a half. This is because the Air Force has suggested that we should do this to maintain McClellan as a viable, strong base of the five maintenance depots.

Mr. Speaker, the gentleman, over the last 8 or 9 months in particular, did a tremendous job in doing whatever he could to save McClellan Air Force Base. I think the final recommendation, that is the privatization of this base, would not have occurred without his able assistance and his ability to put together this package in a coalition.

So, Mr. Speaker, I say to the gentleman from California, on behalf of my constituents in the Fifth Congressional District, I want to thank him very much for his help, because I think we will be able to maintain a level of employment at that base now that will not create economic disruption. So I just want to pay my respects for the gentleman's efforts over the last 8 months to a year.

Mr. Speaker, I would also like to acknowledge the President's activities in this. As you know, the Air Force, the Pentagon, and the President did not want to close McClellan Air Force Base. He wanted to basically keep the five logistic depots open and downsize all five of them for the purpose of future possible national international crises.

Those are the five probably most important depots in the country. When these five depots are compared to the Army or the Navy, we always come out ahead, because we have become technologically the most proficient. Obviously, we have one of the best work forces in the entire Federal Government and, as a result of that, I believe the long-range plans of this administration, but particularly of the people that are running on a long-term basis the Pentagon, have felt if we ever went into interservicing, these bases should be the ones to preserve.

As my colleagues know, the President attempted to save these bases for that future possibility. Unfortunately, the Commission, in its own wisdom, decided to close two bases, one in Texas and the McClellan Air Force Base in California. This was against the strenuous objection of the administration, the Pentagon, and the Air Force.

I have to say that the reason I am going to vote in favor of this resolution, and against the recommendations of this Commission, is because originally this process was to be nonpolitical. It was to be an objective process. We have had two prior closings and we had two bases in my district that closed as a result of those two prior Commissions. Mr. Speaker, I voted to close those bases, even though there was a total of 10,000 employees, because I thought the process was fair and objective.

But I have to tell my colleagues that this process was the most outrageous process around. Those Commissioners, not all of them, but many of them, had their own agenda. One who was a high-ranking Army official, for example, not only during his discussions showed significant bias, but he was actually outwardly favoring Army depots saying all his experience with the Army led him to believe that we should save these bases. That is not the way this process was supposed to work.

In fact the irony of all of this is when Sacramento Army Depot in my district closed, we were able to get the last Commission to allow certain functions to be bid out and McClellan was one of the bidders, along with Tobyhanna and some other Army bases. Believe it or not, McClellan Air Force Base was the one that actually prevailed over the Army bases to get an Army contract. Now that contract is going to be going to an Army base, even though they were less efficient.

So, Mr. Speaker, I am going to be voting for this resolution because I felt that the process was unfair.

Mr. Speaker, in conclusion I would like to make one further observation. To the employees of Sacramento County who over the years have just done a tremendous job, I want to thank them for their efforts on behalf of the national defense of this country. We are going to do everything we can to make sure this privatization plan that the President and the gentleman from California [Mr. FAZIO] put together will work.

And I want to make an admonition. I am going to be one of the strongest proponents of privatization of depots in the future. And if, in fact, we are able to pursue this and make progress in this area, it is my opinion that those bases that were protected for political reasons, not for substantive reasons, and some were protected for substantive reasons, but those that were protected for political reasons will find that they are the most in jeopardy as we go into the 21st century.

Mr. HEFLEY. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I am amazed, especially at my California colleagues. When they vote for a $177 billion cut in defense, and California is the leader in the defense industry and most of our bases are in California, what did they expect? What did they expect?

They vote for a Clinton tax package and $177 billion cut, after Colin Powell, Dick Cheney, and then-candidate Clinton said that anything above a $50 billion cut would put us into a hollow force. And then I hear that the President wanted to save California bases. Yes, California is important in a 1996 election. Sure, he would like to save them.

But I think we need to look at why we are closing those bases in the first place. Who called for an additional base closure round? The very same people now that are saying that the President wants to save those bases. Give me a break.

Mr. Speaker, in committee they used the analogy of a fisherman and they said take the analogy of a catfish that has now been cut and we are going to skin him alive, gut him, and eat him. Well, do not expect us to sit there and take it. If my colleagues voted for the defense cuts and they are from California, they are not the fish; they are the in the role of a fisherman. They caused the problem.

I take a look at what we have gone through and why many of us are fighting against the continued assaults on DOD spending. I look at the increase in nondefense spending by 261 percent by Members and, yes, even some of the Members on our own committee in this House.

I take a look at the extension of Somalia, which cost us billions of dollars, and Haiti, which has cost us billions of dollars, and what they want to do is delay this process. And right now, DOD is having to eat the overhead, because we have not funded BRAC.

Mr. Speaker, if families are from El Toro and they have to move, or Miramar and having to move to Fallon, Nevada, NTC, all over the State of California, those families are being disrupted and they are losing their jobs, defense jobs with the military and associated jobs. We lost a million jobs in the State of California.

But as Paul Harvey said, the rest of the story is look at who caused it. And they say that the President wants to save those bases. Absolutely, he caused it.

Mr. MATSUI. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from California.

Mr. MATSUI. Mr. Speaker, as I said in my comments, I supported the last two closings, including bases in my district. No one is suggesting the downsizing should not occur. It is the process that is extremely important in this particular effort.

Mr. CUNNINGHAM. Mr. Speaker, I disagree.

Mr. HEFLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Speaker, I rise today in strong opposition to House Joint Resolution 102 and in support of the recommendations of the BRAC Commission.

I know BRAC is painful. The First District of Utah has lost a base in each round of BRAC and will lose Defense Depot Ogden if this list is accepted. While I may not agree with every decision, I believe the BRAC process is fair and must remain independent. That is why I will vote against this resolution.

Now, after the game has been fairly played, the President wants to go back and change the rules. Under Public Law 101-510, the President had two choices: Either send the list back to the Commission with recommended changes or accept the list in total. The President instead decided to play outside the law, and forward the list to Congress with two substantial changes.

The President's unprecedented direction to the Pentagon to privatize in place the majority of jobs at the McClellan and Kelly Air Logistics Centers is nothing more than an attempt to circumvent the independent BRAC process for the political expediency of satisfying northern California.

The administration has continued to play fast and lose with the law. On a recent visit to McClellan, White House Chief of Staff, Leon Panetta, issued the following threat:

> If there is any action in Congress or by any other depots to try to inhibit the privatization effort, the President has made it clear that we will consider that a breach of process and he will order that McClellan be kept open.

I find that kind of blatant disregard for the law offensive and contemptuous of the law and of Congress. I want to be very clear, I do not consider the President's letter, directing privatization inplace, to be part of the BRAC recommendations we will approve here today.

I also want to point out that any plan to do so would clearly violate at least five sections of title 10, United States Code. The President simply cannot ignore current law to solve his own political problems. Our country has found, several times in our history, that no one is above the law.

It appears the President has once again come up with a lose-lose-lose compromise by worrying about political repercussions instead of leading the Nation.

This plan to privatize inefficient excess capacity and guarantee jobs is bad for the Department of Defense because it does not address the fundamental excess capacity questions in the depot system and will only result in higher maintenance costs and substantially lower savings.

It is bad for the country because it undermines the integrity of a process designed to be free from this kind of political tampering.

And it is bad for many of the workers at McClellan and Kelly who will now lose the option to follow their Federal job to another DOD depot.

This recommendation ignores the BRAC Commission findings that "the closure of McClellan AFB, and the San Antonio Air Logistics Center, permits significantly improved utilization of the remaining depots and reduces DOD operating costs." The closure was deemed a necessity given the significant amount of excess depot capacity and limited defense resources.

I have already joined with other Members of Congress to raise these objections to the Pentagon. It is obvious that all bases, would prefer a second chance to save the majority of the jobs through privatization in place. Support of this option for political expediency at McClellan, will endanger the entire BRAC process and the $19 billion in savings it represents.

I urge all my colleagues to vote against this resolution and to join me in holding the President, and Department of Defense, accountable for compliance with the law of the land.

Mr. FAZIO of California. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Speaker, the closure process is an attempt to be objective. By and large it has been objective. It is not a generally partisan process. However, it is an intense process within the services and between the services where there are very high partisan rivalries.

In the case of the Navy, it is a matter of the air wing versus the surface fleet

versus the underseas fleet. What happened in the case of the closure of the Long Beach Naval Shipyard, the only shipyard that has ever returned, consistently, money to the Treasury; the most efficient one, if you listen to the former commander of the Portsmouth Naval Shipyard, Captain Bowman, when he was on the 1993 Base Closure Commission. He said that everyone in the Navy knows that Long Beach has been 4 years ahead of every single yard, both in efficiency and effectiveness.

Mr. Speaker, I would like to put in the RECORD at this point various material to back up that and other statements.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 13, 1995.

Hon. ALAN J. DIXON,
The Base Closure and Realignment Commission, 1700 North Moore Street, Suite 1425, Arlington, VA.

DEAR CHAIRMAN DIXON: I am writing to address several issues which are crucial to the deliberations the 1995 Defense Base Closure and Realignment Commission will soon be undertaking concerning the potential closure of naval shipyards. As you are aware, The Defense Base Closure and Realignment Act of 1990 (Public Law 101-510) and subsequent changes made by the Congress (Public Law 102-311 and Public Law 102-484) were designed to provide a fair and impartial process for the timely closure and realignment of domestic military installations. Under the provisions of this legislation, specific criteria were established under which the Department of Defense recommends a military installation for closure. The law specifically states that these recommendations must be based on the future force structure plan and preestablished final selection criteria.

Public Law 101-510 specifically states that the Defense Base Closure and Realignment Commission can make changes in the recommendations made by the Department of Defense only if the Commission determines that the Secretary deviated substantially from the future force-structure plan and final selection criteria. (See Attachment A, Sec. 2903(d)(2)(B) and (C) of Public Law 101-501.)

It has been proven conclusively that in recommending Long Beach Naval Shipyard for closure, the Department of Defense substantially deviated from the future force structure plan and the preestablished final selection criteria. A summary of the evidence and rationale for this conclusion is presented in Attachment B.

If the Commission concludes that the Department of Defense substantially deviated from the criteria established in Public Law 101-510 then, under this law, this consideration, and this consideration alone, is sufficient grounds to change the Secretary of Defense's recommendation.

Representatives of the City of Long Beach and I have had several meetings with Commission staff where we have presented the arguments which prove that there has been substantial deviation. It is my belief that Commission staff is generally in agreement with our position. However, there seems to be a concern that since so much overcapacity exists, some closures will have to occur.

In this regard, the technical case to keep the Portsmouth Naval Shipyard open appears to rest heavily on nuclear issues, rather than on the future force structure plan and the preestablished final selection criteria. Based on the criteria established in Public Law 101-510, if overcapacity considerations argue for the closure of a naval shipyard, the data clearly favor keeping the Long Beach Naval Shipyard open. In addition, closing the Portsmouth Naval Shipyard has a much greater effect on reducing excess capacity. Based on the data presented by Commission staff at the Commission "add" hearing on May 10, 1995, public naval shipyard nuclear excess capacity is currently 37 percent; conventional non nuclear excess capacity is 16 percent.

Closing conventional shipyards such as SRF Guam and the Long Beach Naval Shipyard does not change the Navy's excess capacity at nuclear shipyards. That remains untouched at its current level of 37 percent. However, this closure would result in a shortage of non nuclear shipyard capacity of minus 17 percent. The irony is that with the exception of a few aircraft carriers and submarines, the Navy's future ships will be conventionally powered. In brief, the future of the Navy seems to be non nuclear. Closing SRF Guam and the Portsmouth Naval Shipyard would reduce nuclear excess capacity to 14 percent, and reduce non-nuclear excess capacity to 7 percent (See Attachment C, the bar charts prepared by Commission staff).

Thus, in terms of attaining the objective of reducing excess capacity, if one of these shipyards has to be closed, the numbers show that the Commission should close the Portsmouth Naval Shipyard.

On another related but relevant issue, it is my understanding that a primary consideration in the decision not to close McClellan Air Force Base in 1993 was the cost of environmental clean-up. Moreover, the presentation made by community representatives at the Wednesday, May 24, 1995 regional hearing heavily emphasized the high cost of environmental restoration in the case to keep McClellan Air Force Base open.

As you are aware, legislation and the Department of Defense guidelines preclude consideration of the costs of environmental clean-up in the installation closure decision making process. However, if the potential environmental clean-up costs are used as a justification not to close anyone particular installation, these criteria should be applied equally to all other installations being considered for closure.

I would like to make one final comment. It appears that many of the actions in defense of the Portsmouth Naval Shipyard may have been driven by the upcoming New Hampshire Presidential Primary, as opposed to the cr4iterai established by Public Law 101-510. A month before the base closure recommendations were made by the Secretary of Defense, President Clinton publicly stated that he did not believe the Portsmouth Naval Shipyard would be on the list of installations recommended by the Navy and the Department of Defense for closure. More recently, the President spoke over four New Hampshire radio stations as follows: "I support the Secretary of Defense's recommendations and I believe that they will be upheld."

The Navy sent its most senior officials to the Portsmouth site visit and regional hearing. Included were Assistant Secretary of the Navy for Installations and Environment Robert B. Pirie, Jr.; Chief of Naval Operations Jeremy M. Boorda; Director of Naval Reactors Admiral Bruce DeMars; and the Commander of the Naval Sea Systems Command, Vice Admiral George Sterner. This is unprecedented. Never in the history of the base closure process have such senior members of any military service attended a site visit and regional hearing for the express purpose of advocating that a particular installation remain open.

I am confident that the Commission will do all it can to assure that any decisions made regarding the closure of either the Portsmouth or the Long Beach Naval Shipyard will be fair and impartial—and made outside of the political arena—in accordance with the procedures established in Public Law 101-510. The injection of politics at the highest level is, I believe, unfortunate and has made more difficult the already considerable challenge of convincing affected communities that political considerations are not a factor in the BRAC decision making process. Your efforts to assure the integrity of the process are appreciated.

Thank you for considering these very important issues.

Sincerely,

STEPHEN HORN,
U.S. Representative.

ATTACHMENT A

SEC. 2903 (D)(2)(B) AND (C) OF PUBLIC LAW 101-510

"(B)" Subject to subparagraph (C), in making "its recommendations, the Commission may make changes in any of the recommendations made by the Secretary if the Commission determines that the Secretary deviated substantially from the force-structure plan and final criteria referred to in subsection (c)(1) in making recommendations.

"(C) In the case of a change described in subparagraph (D) in the recommendations made by the Secretary, the Commission may make the change only if the Commission—

"(i) makes the determination required by subparagraph (B);

"(ii) determines that the change is consistent with the force-structure plan and final criteria referred to in subsection (c)(1);

"(iii) publishes a notice of the proposed change in the Federal Register not less than 30 days before transmitting its recommendations to the president pursuant to paragraph (2); and

"(iv) conducts public hearings on the proposed change."

ATTACHMENT B

LONG BEACH NAVAL SHIPYARD

Examples of Where the Navy/Department of Defense Substantially Deviated from the Future Force Structure Plan and the Preestablished Final Selection Criteria:

1. The Navy predetermined the fate of the Long Beach Naval Shipyard (Long Beach NSY).

Shifting critical workload away.

Ignored a $100 million offer by the Port of Long Beach to consolidate facilities from the Naval Station for Shipyard convenience. Why?

Studied feasibility of bringing a floating drydock from Hawaii to San Diego (The Machinist).

Never included the Long Beach NSY in the Regional Maintenance Center concept, but did include the Puget Sound and Pearl Harbor Naval Shipyards.

Has postponed the transfer of surplus Naval Station property from BRAC 91 to BRAC 95. Is there a connection?

2. The Navy states future uncertainties of the force structure prevent the closure of the Portsmouth Naval Shipyard (Portsmouth NSY).

Public Law 101-510 clearly states that the force structure plan for fiscal years 1995

through 2001 be the basis for making recommendations for base closures and realignments.

The Navy argues, that the uncertainty of the future submarine force (including future proposed new construction) including beyond 2001 is a valid and essential consideration.

This is clearly outside the future force structure plan parameters established by Public Law 101-510.

3. Using the new force structure as the reason not to need Drydock #1.

In BRAC 1992 and BRAC 1993, the Navy stated that Drydock #1 was essential for conventional aircraft carrier (CV) and nuclear aircraft carrier (CVN) emergent docking on the west coast.

Additionally, in BRAC 1991 and BRAC 1993 the Navy stated unequivocally that it could not fulfill its pacific Fleet mission requirements without Drydock #1.

There are still twelve aircraft carriers in the Fleet with six homeported in the Pacific area.

The percentage of large deck ships in the new force structure is increasing.

Drydock #1 is one of two drydocks on the entire west coast capable of docking EVERY SHIP IN THE NAVY including CVNs and submarines. Once this asset is lost, its lost forever.

4. The Navy used different economic data and thresholds in its analysis of installations considered for closure.

The Office of the Secretary of Defense guidance in the BRAC process stipulates that economic impact is to be assessed at the economic area level (metropolitan statistical area or county).

The Navy evaluated the potential impact of closing the Long Beach NSY based on this criteria.

Four California installations were removed by the Navy due to cumulative total direct and indirect job change, even though military value considerations presented them as viable candidates for closure.

Long Beach's cumulative total direct and indirect job change is higher than three of these installations.

Thus, the Navy applied economic impact criteria differently between the Long Beach NSY and the other four Navy installations. Again, the Navy/Department of Defense substantially deviated from the final selection criteria.

5. The Navy recommended the closure of the Long Beach NSY and not the Portsmouth NSY.

The military value of the Long Beach NSY was higher than the Portsmouth NSY.

The BRAC 1995 final selection criteria are weighted heavily toward military value.

The Navy contends that nuclear issues significantly outweigh the established selection criteria, therefore the Portsmouth NSY should not be closed.

This is a substantial deviation from the final selection criteria.

Therefore, if the Portsmouth NSY remains open, the Long Beach NSY should also remain open due to substantial deviation in the final selection criteria.

6. The Base Structure Analysis Team (BSAT) developed data call scenarios, military value criteria and their evaluation criteria in a manner that was prejudicial and caused the Long Beach NSY to obtain lower scores.

This accounts for the Long Beach NSY having a military value of 48.7 in 1993 and 38.04 in 1995.

The Department of Defense did not establish new final selection criteria between 1993 and 1995. Thus, based on the final selection criteria, the relative rankings of the military value of shipyards should not have changed.

Thus, there was a substantial deviation from the established final selection criteria.

7. The Navy used different and possibly non-existent selection criteria in its consideration of private shipyards on the east coast and the west coast.

The Navy has stated on the record that regardless of whether technical capabilities or capacity exist, the private sector on the east coast can not and should not absorb transferred workload from east coast public shipyards. Ironically, both Newport News and Electric Boat have the capability and capacity to handle any transferred workload from the Portsmouth NSY.

The Navy contends that it is acceptable for the majority of the Long Beach NSY's transferred workload to be absorbed by the west coast private shipyards. However, the small private shipyards on the west coast do not have the capability to handle large deck ships.

The 1995 BRAC process does not list the quantitation of private sector capabilities as a part of the final selection criteria.

8. The Navy badly underestimated the cost of closure ($74.53 million).

The Navy's cost of closure budget submitted to Naval Sea Systems Command (NAVSEA) is $433 million. Some sources have indicated that NAVSEA considers this estimate too low. [See attached letter from Commander, Long Beach Naval Shipyard, dated May 17, 1995.]

Over $500 million of additional workman's compensation costs over a 20 year period were not included.

Thus, the cost of closure is understated by $858 million. If the costs of homeporting CVNs at North Island as opposed to the Long Beach NSY are properly calculated and included, Long Beach NSY closure costs may exceed $1 billion.

9. The Navy calculates a 20 year Return on Investment of at least $1.948 billion. The Navy says this is due to workload shifting to other shipyards. Independent estimates, based on the workload planning for the Long Beach NSY for fiscal years 1996 through 2001, show that performing this work at other locations will cost about $450 million less than at the Long Beach NSY. The result is a break even point of about 40 years rather than the Navy's claim of an immediate return on investment. The workman's compensation included in the Long Beach NSY costs, which must be paid whether the Long Beach NSY closes or not, will wipe out the $450 million savings.

10. The data call scenarios and military value criteria established by the BSAT included many factors intended to address nuclear issues. Yet, the Navy now argues that the nuclear issues alone are sufficient grounds to keep the Portsmouth NSY open and close the Long Beach NSY. The Navy now contends;

No nuclear shipyard should be closed.

All non-nuclear work can be done in nuclear shipyards, but nuclear work can only be done in nuclear shipyards.

However, nuclear issues always seem to be unclear. The facts are that the only components on any nuclear ship that are "nuclear" are the reactor compartment, the cooling systems, and the propulsion systems. Nuclear certification is required to work on these, and only these components.

It is estimated that 85% of a nuclear ship work package is conventional work and can be done in non-nuclear shipyards.

The Long Beach NSY with its nuclear certified drydock could work on any nuclear ship with the assistance of tiger teams from a nuclear shipyard.

Is the BRAC Commission prepared to:

Balance the true cost of keeping this strategic waterfront ship repair facility against the unknown future needs of our Navy and our national defense.

Lose the capability and the strategic location of the Long Beach NSY's Drydock #1. Once closed, Drydock #1 will be lost forever.

Close the one public shipyard that complied with Department of Defense guidance to install more efficient management, right-sized, and has returned money to the taxpayer six years in a row. Long Beach NSY is the only public shipyard operating in the black. What kind of a message does this send to other federal facilities that are attempting to become more efficient to ensure their long-term survival.

DEPARTMENT OF THE NAVY,
LONG BEACH NAVAL SHIPYARD,
Long Beach, CA, May 17, 1995.

From: Commander, Long Beach Naval Shipyard.

To: Commander, Naval Sea Systems Command (SEA 97E).

Subject: FY96 Budget Submission.

Enclosure: (1) Overview Data for the FY96 DBOF Budget. (2) Long Beach Naval Shipyard Base Closure Budget.

1. Enclosures (1) and (2) are submitted as the Overview Data for the FY96 DBOF Budget and the Long Beach Naval Shipyard Base Closure Budget.

J.A. PICKERING.

EXHIBIT BCIV-02—BASE REALIGNMENT AND CLOSURE (1995) COMMISSION—FINANCIAL SUMMARY

[In thousands of dollars]

	Fiscal year						
	1996	1997	1998	1999	2000	2001	Total
Activity: Long Beach Naval Complex							
UIC:							
Funded							
One-time implementation costs:							
Military construction							
Family housing							
Construction							
Operations							
Environmental							
Studies							

EXHIBIT BCIV–02—BASE REALIGNMENT AND CLOSURE (1995) COMMISSION—FINANCIAL SUMMARY—Continued

[In thousands of dollars]

	Fiscal year						
	1996	1997	1998	1999	2000	2001	Total
Compliance							
Restoration							
Operation and maintenance	13,980	60,550					74,530
Military personnel—PCS							
HAP							
Other							
Total	13,980	60,550					74,530
Unfunded							
One-time implementation costs:							
Military construction	3,100	9,300					12,400
Family housing							
Construction							
Operations							
Environmental	15,597	17,455					33,052
Studies							
Compliance							
Restoration							
Operation and maintenance	73,460	135,499	20,739	15,695	15,729	15,765	276,887
Military personnel—PCS							
HAP		36,383					36,363
Other							
Total	92,157	198,617	20,739	15,695	15,729	15,765	358,702
Total Requirement							
One-time implementation costs:							
Military construction	3,100	9,300					12,400
Family housing							
Construction							
Operations							
Environmental	15,597	17,455					33,052
Studies							
Compliance							
Restoration							
Operation and maintenance	87,440	196,049	20,739	15,695	15,729	15,765	351,417
Military personnel—PCS							
Other		36,363					36,363
Total	106,137	259,167	20,739	15,695	15,729	15,765	433,232

[Memorandum from U.S. Representative Stephen Horn, June 20, 1995]

PRESIDENTIAL POLITICS AND THE 1995 ROUND OF MILITARY BASE CLOSURES

The Defense Base Closure and Realignment Act of 1990 (Public Law 101–510) and subsequent changes made by the Congress (Public Law 102–311 and Public Law 102–484) were designed to provide a fair and impartial process for the timely closure and realignment of domestic military installations. One of the primary objectives of this legislation was to move the closure of military installations outside of the political arena, and to base installation closure actions on the future force structure plan and preestablished final selection criteria.

Most of the actions which have been taken by the Department of Defense and past Defense Base Closure and Realignment Commissions appear to have fulfilled these objectives. However, the actions taken by the Navy, the Department of Defense, the President, and certain Republican Presidential candidates in regard to attempting to prevent the closure of one military installation in New Hampshire appear to violate the spirit and intent of the law and are unprecedented. It appears that the actions being taken to save the Portsmouth Naval Shipyard are driven by the 1996 New Hampshire Presidential Primary as opposed to the criteria established in Public Law 101–510.

In regard to the Navy's actions in developing the data base which resulted in the Department of Defense not recommending the Portsmouth Naval Shipyard for closure, a few examples are relevant.

1. The Navy deviated from the future force structure plan parameters established in Public Law 101–510 in an attempt to prevent closure of the Portsmouth Naval Shipyard.

Public Law 101–510 clearly states that the Force Structure Plan for fiscal years 1995 through 2001 be the basis for making recommendations for base closures and realignments.

The Navy argues that the uncertainty of the future submarine force (including future proposed new construction) including beyond 2001 is a valid and essential consideration.

This is outside the force structure parameters established by Public law 101–510.

2. The Navy recommended that the Portsmouth Naval Shipyard remain open and that another shipyard with a higher military value be closed. The BRAC 1995 final selection criteria is weighted heavily toward military value. Thus, there is a substantial deviation from the established selection criteria.

3. The Navy attempted to develop their data call scenarios and military value criteria in a manner that was prejudicial and would result in the Portsmouth Naval Shipyard obtaining a higher score.

Many factors were included which addressed nuclear issues.

The weighing of military value components was changed to favor the Portsmouth Naval Shipyard.

The Portsmouth Naval Shipyard was still ranked the second lowest in military value.

The Navy now contends that nuclear issues *alone* are sufficient grounds to keep the Portsmouth Naval Shipyard open, regardless of the fact that they were adequately considered in the calculation of military value. This is a substantial deviation from the established final selection criteria.

There is also evidence that the Department of Defense took certain actions in an attempt to assure that the Portsmouth Naval Shipyard would remain open. The Department of Defense established a Joint Cross-Service Group to review base closure recommendations in regard to inter-servicing. The Joint Cross Services Group analyzed and reviewed six primary scenarios for naval shipyard closures. Only one of these options concluded that the Portsmouth Naval Shipyard should remain open. Yet, when the Department of Defense made its final recommendations, the Portsmouth Naval Shipyard was not among the military installations that it recommended for closure.

In late January, President Clinton told a Manchester, New Hampshire radio station audience that he did not believe the Portsmouth Naval Shipyard would be on the list of military installations the Navy and Department of Defense would be recommending for closure. This was about a month before the Department of Defense recommendations were released. These kinds of statements by the President certainly must have had some effect on Navy and Department of Defense officials who were in the process of making the final decisions on which installations to recommend for closure.

After the Department of Defense made their final base closure recommendations, the Defense Base Closure and Realignment Commission technical staff conducted an extensive analysis of whether the recommendation not to close the Portsmouth Naval Shipyard conformed to the legislated future force structure plan and final selection criteria requirements. The technical staff then made the recommendation to add the Portsmouth Naval Shipyard to those military installations being considered for closure. On May 10, 1995, the Commission voted six to two to add the Portsmouth Naval Shipyard to the list of bases being considered for closure. It is interesting that the two members of the Commission who voted against adding the Portsmouth Naval Shipyard to the list were appointed to the Commission by Senator Robert Dole, a 1996 Republican Presidential candidate.

Adding the Portsmouth Naval Shipyard for consideration caused President Clinton to conduct interviews with four New Hampshire

radio stations stating he did not believe that the Portsmouth Naval Shipyard will be shut down by the Commission and that he stands behind the Pentagon's original list of base closures. "I support the Secretary of Defense's recommendations, and I believe that they will be upheld."

Although such behavior, while not appropriate, is expected of politicians, one might not expect that the White House would ask the Navy and Department of Defense to go outside the guidelines established by Public Law 101-510 to attempt to unduly influence and intimidate the Defense Base Closure and Realignment Commission. There was so much political heat that all eight Commissioners decided that they had better attend the Portsmouth Naval Shipyard site visit and regional hearing. In the entire history of the base closure and realignment process, all of the Commissioners have never attended a site visit and regional hearing for one particular installation.

Perhaps one of the reasons all eight Commissioners decided to attend was because they knew the Navy was sending its "Big Guns" to shepherd these events. Conducting the site visit were Assistant Secretary of the Navy for Installations and Environment Robert B. Pirrie, Chief of Naval Operations Jeremy M. Boorda, and the Director of Naval Reactors Admiral Bruce DeMars. This is unprecedented. Never in the entire history of the base closure process, have such senior members of a military service attended an installation site visit. In addition, Vice Admiral George Sterner, Commander of the Naval Sea Systems Command, testified in support of the Portsmouth Naval Shipyard at the regional hearing. Again, this has never happened in conjunction with any potential base closure and is unprecedented.

No supportable analytical data was presented by the Navy or Portsmouth Naval Shipyard advocates at the regional hearing. Instead, the Navy simply said over and over again that the Portsmouth Naval Shipyard was absolutely essential for the Navy to continue its mission, and regardless of the lower military value ranking and discrepancies in the data base, the Navy's judgement should be upheld by the Commission. At one point in the hearing Senator William Cohen lectured the Commission and implied that the Commissioners did not have the technical expertise to question subjective judgements made by the Navy. One can only wonder if all of these high level Federal officials were ordered to the site visit and the regional hearing in an attempt to intimidate the Defense Base Closure and Realignment Commission.

At this point, one might ask:

Why was the Navy and Department of Defense willing to deviate substantially from the future force structure plan and the preestablished final selection criteria and recommend that the Portsmouth Naval Shipyard remain open?

Why did the Commissioners appointed by Senator Robert Dole vote against adding the Portsmouth Naval Shipyard to the list of military installations the Commission is considering for closure?

What is so important about the Portsmouth Naval Shipyard?

The importance of the Portsmouth Naval Shipyard is that the vast majority of its personnel live in New Hampshire, the State that has the first 1996 presidential primary. President Clinton, Governor Wilson, and Senator Dole all want a strong showing. The fact that three incumbent presidents, Johnson Carter, and Bush, all lost their presidencies in part due to an early challenge from within their own parties has not been lost on President Clinton and his advisors. The fact that should the Portsmouth Naval Shipyard close, New Hampshire voters might take their frustration out on Republican candidates who they thought could and should have been able to save it, has not been lost on Governor Wilson or Senator Dole.

This all makes good sense if you are a Presidential candidate, but how about:

Good government?

Circumventing the spirit and intent of legislation that was expressly passed to insure a fair and impartial base closure process?

Should the Portsmouth Naval Shipyard be held to the same standards as other military installations which will be closed?

What about the families and workers who lose their jobs due to base closures because their State does not have the first presidential primary?

The real message in the 1994 elections was not a shift from the Democratic to the Republican party. What the American Public was trying to tell its elected officials is that it is tired of a government which does not work, and makes decisions based on political considerations instead of the merits of the situation. The situation created by the intense political effort to keep the Portsmouth Naval Shipyard open and the upcoming 1996 New Hampshire Presidential Primary is exactly what the American Public voted against in 1994. Hopefully, the Defense Base Closure and Realignment Commission will make its ultimate decision based on the merits rather than politics.

Mr. HORN. The politics of the services seem to be overriding. This year Admiral Boorda walked into a meeting and said, "Let's save all the nuclear shipyards." There is only one nonnuclear shipyard and that is the one that is the most efficient: Long Beach. So that was Death Knell I for Long Beach Naval Shipyard.

Mr. Speaker, it was the wrong way to go about it. Admiral Boorda looked me in the eye a month before the decision was made and said, "Gee, I was sort of out of the loop. I didn't have anything to do with it." I thought that was a little strange for the Chief of Naval Operations, but so be it.

But then we had the President in Connecticut asked about Portsmouth. There is something that goes on in New Hampshire every 4 years that I guess guided this answer. He was not alone. He had Republican candidates say just what he said. "Aw, shucks, I sure hope that they keep Portsmouth open," was the attitude. That was a month before the decision was made in the Navy. That was Death Knell II.

Mr. Speaker, naval political appointees are not stupid. When the boss says keep one open, it meant the death knell of the other one who had been ahead of Portsmouth, and even though they juggled the numbers and tried to make it the other way, was still one-tenth of a point ahead of Portsmouth on what really counts and that is the military value.

We can argue all the disasters to unemployment, and indeed they are. Long Beach as a city has suffered more than 46 States in base closure. In 1991, we had the naval station and the hospital close. In 1995, the shipyard.

As I said, this is not partisan and does not affect seniority here. My colleagues will remember the gentleman from California [Mr. DELLUMS], the distinguished former chairman of the Committee on Armed Services, Mare Island and Alameda were closed. The gentleman from South Carolina [Mr. SPENCE], the distinguished chairman of the Committee on National Security, ranking Republican then, Charleston was closed.

My predecessor, Glenn Anderson, two decades in Congress, a committee chairman; the naval station and naval hospital were closed.

What bothers me though is that partisan politics got into it with reference to New Hampshire, and yet the President made an impassioned speech that morning, and later in the day he simply signed the recommendations of the defense bureaucrats and politicians and sent them to Congress.

And, finally, there was the former Senator from Illinois, Mr. Alan Dixon, who was the President's choice for chairman of the Defense Base Closure and Realignment Commission. Never have I seen such an arbitrary chairman. He remains unmatched in my mind as I compare him to some of the well-known autocratic chairs that existed in the House and the Senate over the last half century.

Before the Commission's own staff presentation on the Long Beach Naval Shipyard was completed, Chairman Dixon arbitrarily shut if off, refused to delay the vote until after lunch, and generally harangued his colleagues. That was Death Knell III.

And so a great naval shipyard—the youngest, born in 1943; the most modern; the most efficient and effective of any shipyard will be no more. No longer will 70 percent of the surface ships in the Pacific Fleet be within 100 miles of this great facility. Those vessels will have to travel 1,600 to 2,600 miles to secure comparable service. No longer will a great work force of 3,000 dedicated men and women, a 60-percent minority and women work force be available to serve well the Navy and the Nation. This is indeed a sad day in the military history of our country.

Mr. HEFLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, I rise in opposition to the resolution, in favor of the Base Closure Commission recommendations.

Mr. Speaker, this is not an easy process. It is often painful. But, Mr. Speaker, it is a very necessary process for us to go through.

We like to point out that we have a wonderful military, and the military did its job during the cold war. It was necessary during that era to have an

extremely large and strong multibased, multipost military within our country.

We won the cold war, and to those who are losing installations in their area, they nevertheless should take pride in the fact that they did their job. The men and women, civilian, military, at those particular posts, installations, did an excellent job in protecting freedom through the years.

But this process is one that I have watched. I had the opportunity to testify in front of the Base Closure Commission. I found them to be fair. I found them to listen. I found them to read and understand the facts. They also visited the various installations throughout the country.

Mr. Speaker, I hope that this body will give a strong vote of support for the Base Closure Commission, voting against this resolution, because this is the only process available to save money so that we will have those dollars to modernize our military; to take care of the needs, the family needs, the family housing; to make sure we do not cut our military too small. Mr. Speaker, these Base Closure Commission savings will help us do that.

Mr. TEJEDA. Mr. Speaker, I yield 4 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise in strong support of the resolution to reject the recommendations of the Base Closure and Realignment Commission.

I support the base closure and realignment process and believe it has led to the orderly downsizing of our Nation's defense infrastructure, given the end of the cold war. The Department of Defense and the Commission have made a tremendous effort to carefully examine every base during this and prior base closure rounds.

Nonetheless, I continue to believe the Commission made a shortsighted decision when it voted to close the Stratford, CT, Army Engine Plant. I believe that the Army has substantially understated the military value of the Stratford plant, and it has substantially underestimated the cost of closing the facility and reconstituting its capabilities elsewhere.

The Stratford Army Engine Plant is the only place in the country where we build the AGT1500 tank engines and critical spare parts that will be used in the Abrams tank for the next 30 years. In my view, it is a tremendous risk to national security to close this plant and lose its unique capabilities. With no new tank engine in development, we need the Stratford plant to extend the life of the engines now in use; to build critical spares; to provide field expertise to resolve problems that arise in battlefield situations; and to quickly build new engines should that be required by a military emergency.

I also remain skeptical about the feasibility of the Army's plan to reconstitute the dual-use technology that the Stratford plant has used to produce top quality engines for tanks, helicopters, hovercraft, and commercial jets.

The Army has proposed moving the helicopter work to Corpus Christi, TX and the tank work to Anniston, AL. But this is much simpler said than done. The same equipment and the same work force teams at the plant produce military and commercial products for both aviation and ground use. All but 2 of 11 manufacturing cells are dual-use, as is the vast majority of machines. Recreating this capability elsewhere will be expensive and time consuming.

I also believe the Army has substantially underestimated the cost of closing the plant.

This year, the Army itself recognized that our Nation's tank engine industrial base would benefit from continued operation of the Stratford plant as a dual-use manufacturing facility. In February, the Army announced that it would invest $47.5 million to downsize the facility, enhance engine durability, and initiate a Service Life Extension Program. The employees of the plant, the union members, and the management joined together to make this plan work—they are cutting costs, improving productivity, and diversifying the product line into the commercial marketplace.

This dual-use approach would maintain the vital military value of the Stratford Army Engine Plant, while reducing costs to the Army by expanding commercial use of the plant. This would be the best option for national security and the best option for the taxpayer.

It is hard to understand why the Stratford Army Engine Plant was recommended for closure when a promising plan for downsizing and dual-use manufacturing was already in place. I was disappointed by the Base Closure and Realignment Commission's recommendation to close the Stratford site and joined the plant's workers and management, and the community in making our case to the Commission. I still believe maintaining military and commercial production at Stratford would serve our country best.

I urge my colleagues to support the resolution of disapproval.

□ 0940

Mr. FAZIO of California. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DOOLITTLE]. He is from an adjoining district to mine who has fought staunchly for McClellan Air Force Base.

Mr. DOOLITTLE. Mr. Speaker, I have in the past supported the BRAC Commission process, viewing it as a reasonable way to effect the necessary downsizing of excess capacity.

As the gentleman from California [Mr. FAZIO] mentioned, I have been very involved with him, the gentleman from California [Mr. MATSUI], the gentleman from California [Mr. POMBO], the gentleman from California [Mr. HERGER], and others from our region in fighting for McClellan Air Force Base. I can tell you that the gentleman from Utah [Mr. HANSEN] was right last year or the year before when he proposed cutting off the process after the first three rounds. I am sorry that we have gone to the fourth round. The fourth round has disappointed me.

The idea that we somehow remove politics from the BRAC process, in my opinion, did not turn out to be the case. In fact, it reminds me of the method for selecting judges advocated by the American Bar Association throughout the country where all they do is shift the politics from the more open forum of the Governor, and so forth, and move it back behind closed doors where intense logrolling and politicking is going on. We should have had cross-servicing. That would have saved McClellan Air Force Base. It is a modern base capable of doing the job. But, no, despite the fact that every major panel has recommended cross-servicing, we do not have it. It is not part of our defense policy. It is a tragedy, Mr. Speaker.

We should pass this resolution. We should go back to the drawing boards. We should get cross-servicing in as part of this, and if we are going to have politics in the process, then let us get it out in the open.

Mr. Speaker, I must add I am disappointed in the President. The President told the gentleman from California [Mr. FAZIO] and me of his keen awareness of how California has had 15 percent of the military personnel around the country and suffered 85 percent of the personnel reductions, and yet when the time came, when the one person that could have intervened to make a difference here could have exercised that, he did not.

With the privatization we have got, even that is slipping. I intend to fight for that. I urge approval of this resolution.

Mr. HEFLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to oppose the resolution and to ask our colleagues to support the recommendations of the BRAC Commission.

I cannot help but note the irony of today's debate. Where are our colleagues who yesterday were on the House floor saying that we have not cut defense; where are they today? Are they hiding in their offices? We heard all of these Members stand up and say we are not doing enough to cut defense. We need to the defense budget more and more. Where are they today as we are about to decide to close a number of additional installations that will affect ultimately over 1 million American people in both the services, the uniforms, and the industrial segment of our community and society who supports the military?

Why are these cuts occurring? They are occurring because we have been on a dramatic downsizing of the military, unlike any other period in the history of this country, down to 3 percent of our GNP, and 16 cents of every Federal dollar, when you compare it to John Kennedy's tenure where we were spending 9 percent of our GNP and 55 cents of every Federal dollar on the military.

We have made dramatic cuts. You are seeing the results of those cuts partially today.

I think the BRAC Commission did a commendable job. I am not happy with everything they did. I have been trying for 8 years to close a facility in my old

hometown. I testified three times before the commission, "Close this Army facility down. We don't want it. The town doesn't want it. The county doesn't want it." Again, it is not on the list for closure. So I do not like that, and I will be happy to be back again next year either legislatively or before the BRAC Commission to close it again.

I can tell you this Commission accepted a higher percentage of Pentagon recommendations than any other commission, and despite what President Clinton said, this Commission came up with more savings than what the administration had.

But what really outrages me, what really outrages me as a member of the Committee on National Security and as someone who is going to, at the end of this month, see the last of 13,000 workers leave the Philadelphia Navy Yard, the Philadelphia Navy Base, and before that, the Philadelphia naval hospital, is to see this President play partisan politics with the lives of people in the military. It is an absolutely disgusting outrage. Again, this President wants to have it both ways. He does not have the backbone or the guts to stand up and disapprove the list and send it back for a reconsideration of McClellan or Kelly. What does he do? He signs it and then sends a letter down saying, "I really don't want to sign it."

Mr. Speaker, that is absolutely outrageous. But that is what this President did.

I would like to, at this point in time, ask the chairman of the Subcommittee on Military Installations and Facilities, is it your distinguished interpretation that that letter has absolutely no legal standing whatsoever in this process?

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

Mr. WELDON of Pennsylvania. I yield to the gentleman from Colorado.

Mr. HEFLEY. I say to the gentleman from Pennsylvania [Mr. WELDON] I absolutely agree with him.

It has no legal standing as far as we can determine. Our committee did consider this, and let me just quote from the committee report just a moment:

> In our judgment, the letter of the President of July 13, 1995, communicating his approval of the recommendations of the Defense Base Closure and Realignment Committee, has no standing beyond certification. Public Law 101-510 does not provide for any such communication to contain assumptions about the implementation of the recommendations of the Commission.

Mr. WELDON of Pennsylvania. I thank the chairman for that comment.

I would add it is the feeling of this committee that that letter has no standing whatsoever. It is a political document.

But I would say to the President, Where is your letter for the 13,000 Philadelphia, PA, tri-State workers that are going to be laid off at the end of this month? Where is your letter of concern for them? Where is your letter of concern for all of those other bases, or are we just pandering to one State because of the electoral votes there?

Mr. Speaker, I am absolutely outraged at, again, the lowness of the depths that this President would take in this process. He has demeaned the Commission. He has demeaned the process. But somehow that does not surprise me.

Vote "no."

Mr. TEJEDA. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Speaker, I urge my colleagues to support the resolution of disapproval. I must do this because I am deeply disturbed by the base closure process. In the rush to close installations there has been a failure to analyze all of the facts carefully. This is obvious from the recommendation made by the Commission concerning the Savanna Army depot activity.

In the case of Savanna, the Commission ignored a number of important factors. For example, closing the installation would result in the loss of important and hard to replicate capabilities, increase costs above the Army estimate to close the base and move its functions, and reduce ammo storage capability below critical military needs.

For instance, the Commission failed to consider that Savanna is one of the most efficient facilities in the Army. During Desert Storm, Savanna had the highest outloading rate of any depot. It is also one of the few with adequate rail service to shipping centers. These national assets would be hard to replace in a nationwide mobilization.

In addition, the estimate of the cost of closing Savanna and relocating the U.S. Army Defense Ammunition Center and School [USADACS] is too low. DOD stated that it would cost $38 million to close the installation and relocate functions. However, the Savanna Army depot realignment task force estimates that the cost of closing the facility and moving the school is much higher—as much as $88 million. This includes new construction that will have to take place at McAlester to complete the move.

Even more important, the decision to close ammunition storage facilities failed to take into account storage needs. The Army's 1993 Wholesale Ammunition Stockpile Program study indicated that even with 11 depots, as much as 6 million square feet of outside storage will be needed to match our Nation's future ammunition stockpile. This could indicate that the ammunition study is flawed. Because of this decision, we may not have enough space to meet future storage needs.

Our ammunition depots are a national asset that will be needed to meet future mobilization needs. The Commission's recommendation will mean the loss of an important part of this irreplaceable asset.

I believe that we must reject the recommendations made by the Commission. From the errors I have seen made in just the case of the Savanna Army depot activity, I am concerned that other mistakes may have been made that will force us to make poor choices concerning our Nation's defense infrastructure and unnecessarily eliminate the jobs of thousands of civilian employees who have served our Nation proudly. I hope my colleagues will join me in opposing these recommendations.

Mr. TEJEDA. Mr. Speaker, I yield 2 minutes to the gentleman from Guam [Mr. UNDERWOOD].

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

Mr. Speaker, as I have pointed out on several occasions previously, no community is more negatively affected on a per capita basis by the BRAC 1955 decisions than Guam. We are losing a ship repair facility and a fleet industrial supply center, the only such facilities on U.S. soil on the other side of the international dateline, and potentially some 10 percent of our total work force on Guam will be affected.

My community, small and loyal, will be suffering. But my point here in standing in support of House Joint Resolution 102 is not just to bemoan the effects of the BRAC process on a small island 9,000 miles away, with no electoral votes to give and no vote to cast on this floor. My purpose is to draw attention to the disjunctures in the BRAC process, to point out that the forward positioning of U.S. forces in Asia is benefiting foreign countries over U.S. communities.

On the very day the BRAC process was announced, riggers at the ship repair facility on Guam were offered positions at the Yokosuka ship repair facility in Japan, and to point out that America's war fighting capacity in Asia is overly dependent upon the stationing of forces in foreign countries when U.S. soil is available, and to point out that the BRAC process ignored the sound advice of people in uniform and favored the bean counters, the so-called men in suits in the Pentagon.

For the record, I would like to point out that even as BRAC put forth a disagreeable decision, Guam is determined to make the best of it and to survive. In this, I have asked the Department of Defense and the administration to give Guam the same consideration that other communities are apparently receiving. In short, we are asking for the best arrangements possible, a kind of most-favored-base closing treatment.

I recognize that the resolution may not pass, and I do not intend to confound the laws which govern the BRAC process and which have served the country generally well. But consider casting a symbolic vote to send a message regarding the 1995 process.

Support the Tejeda resolution.

Mr. HEFLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Speaker, I rise in opposition to the resolution now pending before us.

Last year I joined with those who supported postponing the 1995 base closure round. But the amendment to postpone it was opposed by the Defense Department, which argued that it needed these savings for systems modernization and other recapitalization efforts, and this effort was soundly defeated.

Thus, the 1995 base closure deliberations proceeded. Ultimately, the Base Closure Commission recommended the closure or realignment of 132 installations, including 123 of the Secretary of Defense's 146 recommendations. The projected savings total $19.3 billion over 20 years.

I do not agree with every one of these decisions, and I sympathize deeply with those of my colleagues who lost facilities in the 1995 BRAC process. Northeast Florida will lose thousands of military billets as a result of the 1993 base closure round, so I am quite familiar with that pain.

But the Commission, the Pentagon, and the GAO did a huge amount of work to reach their conclusions in this round. They worked in good faith. The national security calculations were made. The savings are now budgeted. It makes no sense to dismiss this enormous effort now. We should vote down this resolution.

Having said that, I must register my grave concern about the manner in which the President responded to the Commission's recommendations. It is my strong view that he has sought to interject politics into this process by calling for the privatization in place of two major Air Force logistics facilities that the Commission ordered closed.

In doing so, he has articulated a plan that undermines the entire purpose behind base closure law, which is to reduce the Pentagon's excess capacity. By privatizing in place, the administration not only fails to eliminate this excess capacity, but it exacerbates the current excess capacity problems at those facilities that the Commission deemed, after a careful review of objective criteria, to be our most efficient.

Instead of performing America's essential military maintenance functions at those facilities the Commission preserved, the administration would perform them at the facilities deemed least deserving. It would then further subject these mission critical functions to a very risky new private management scheme.

To top it off, his plan would violate current law if carried to fruition.

I urge a no vote on this resolution, but more important, I hope my colleagues will oppose the administration's attempts to subvert the BRAC process for political gain.

Mr. FAZIO of California. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. POMBO], a gentleman who has worked very closely with us since his arrival in Congress to save McClellan Air Force Base.

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

Mr. Speaker, I rise today in support of this resolution, and in strong opposition to the 1995 defense base closure recommendations forwarded to Congress by the President.

I oppose this list for reasons both broad and specific. Specifically, the inclusion of McClellan AFB on this list is wholly unacceptable. The Sacramento area of California has already suffered through two previous rounds of base closures resulting in the total loss of over 28,000 jobs. The closure of McClellan will add another 13,000 direct, and many more indirect, jobs to that figure.

This BRAC list calls for the closure of McClellan and Kelly Air Force Bases. This represents the costliest, most disruptive way to eliminate excess capacity in the Air Force depot system—and will have the worst impact on military mission support capabilities.

More broadly, however, I am concerned that we are cutting muscle, and not just fat, with this round of closures. After extensive visits and consultations, I am convinced that there are serious questions of national security arising from this BRAC list.

Once we close a military facility, we will never get it back. Therefore, it is common sense that we must be cautious and discerning about each and every facility we close.

At issue here is, first and foremost, an issue of America's military preparedness, and of our ability to influence and shape global affairs into the next century. I have not yet seen a serious, detailed, and integrated plan for our future security requirements that analyzes base closures in light of the needs of our 21st century military. I believe that such a plan must be produced and debated prior to closing scores of military bases, and most especially before consideration is given to closing McClellan Air Force Base.

Mr. HEFLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. WATTS].

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Mr. WATTS of Oklahoma. Mr. Speaker, President Harry Truman once said, "Every segment of our population and every individual has the right to expect from our Government a fair deal."

Mr. Speaker, the BRAC process was a fair deal for every individual in this country. Before the BRAC process, bases did not close, downsizing was simply a theory, and the American taxpayer was charged with unnecessary bills for the maintenance of excess capacity in our Army, Navy, Marine Corps, and Air Force.

The BRAC process closes unneeded military installations. Military facilities across the land compete on a level playing field. Some win, some lose, but the fight is fair and without the political influence of the Congress or the President. The victors should be honored and now is the time to stand up and do what is right for this country and her people. This BRAC has left some in the executive branch with a message they could not politically swallow. They are now attempting to corrupt a fair process that estimates a savings of more than $19 billion. Well, this Congressman and many who sit on both sides of the aisle simply will not tolerate that and will fight to make certain the BRAC process remains as apolitical as was originally intended.

BRAC is a proven process and to dismantle that process by disapproving the list would, in the words of Chairman Alan Dixon, "destroy the BRAC process forever and fail to save an estimated 19 billion dollars." That is simply not an acceptable course of action.

Disagreements between how the BRAC list will be implemented will lead to heated discussions throughout this Congress. I am especially upset about the President's decision to privatize-in-place at McClellan and Kelly Air Force Bases. The President's decision to accept the BRAC list with a privatize-in-place option is a play that wasn't in the play book or within the rules of the game. He has taken an apolitical process and turned it into a zero-sum-game. If this Congress allows the Department of Defense to privatize-in-place, we will never achieve the savings that were clearly identified by the BRAC's recommendation, nor will the BRAC process retain the credibility it has worked so hard to achieve.

But that fight is for another day. Today, we face the question of rejecting the BRAC list. This question has but one answer—"No."

Today, we must do what it takes to deliver on our promise for a fair deal to those we represent. To do this there is only one reasonable action; accept the BRAC recommendation by voting down the resolution to disapprove recommendations of the Defense Base Closure and Realignment Commission.

I ask you to do the right thing and cast your vote against the resolution to disapprove the BRAC recommendation.

Mr. TEJEDA. Mr. Speaker, I yield 4½ minutes to the gentleman from New Jersey [Mr. MENENDEZ].

Mr. MENENDEZ. Mr. Speaker, I urge my colleagues to reject the BRAC Commission's recommendation because they violated not only the spirit of the law, but the letter of the law that empowers them to close bases in the first place, and, as an example of that I am deeply disturbed by the conduct of the BRAC Commission with respect to the Military Ocean Terminal, Bayonne, NJ, specifically with regard to the recommendation to eliminate dedicated military ocean terminals. Never before has the Commission decided, on its own initiative, to virtually eliminate an entire military mission. Ironically, the Commission found precisely what I had alleged—that the Secretary had substantially deviated from the selection criteria in its recommendation to close MOTBY which is grounds for removal from the list. However, the Commission far exceeded its statutory charter by expanding the scope of realignments and eliminated the entire military ocean terminal mission.

Let me outline the numerous legal and factual errors that the BRAC failed to take into account in their sloppy, haphazard proceedings.

First, a fatally flawed recommendation from the Secretary to close the Army portion of MOTBY without regard for the cross service assessment of the Navy Military Sealift Command, leaving this agency stranded, required removal of the base from the list.

Second, this legal error was further tainted by a legally invalid attempt to rescue the first recommendation by closing and not enclaving MSC. This is an unlawful expansion of the scope of realignment because the BRAC failed to add the MSC enclave at the legal deadline for the consideration of additional bases.

Third, the BRAC, Navy and DoD have violated the letter and intent of the BRAC statute by increasing the scope of activities to be realigned away from Bayonne 1 week away from the Commission's final round of hearings. This left the community with no time to respond to the proposed revisions.

Fourth, the BRAC on its own motion realigned activities away from MOTBY to a so-called Base X. This is a violation of its own selection criteria 2, regarding the availability and condition of land and facilities at potential receiving locations. The Commission has failed to follow its own rules. By randomly assigning missions to mythical bases, the cost and manpower implications of criteria 4 become infinite.

Fifth, although the BRAC has limited judicial review of its actions, it is clear that this is a major abuse of discretion in two areas. The BRAC's actions are ultra vires and wildly beyond the bounds of its enabling statute and the Commission has completely failed to follow its own regulations.

I do not want to seem to be calling sour grapes over this decision. I want to establish a record because in the next few weeks legislation, which is equally ill conceived, and proves my case today. This legislation greatly threatens the military and economic security of the United States. The Ocean Shipping Reform Act, when combined with the closure of the dedicated military ocean terminals at both Bayonne and Oakland, poses the most serious threat to our Nation's ability to mobilize in this century.

There are compelling military value reasons to reject MOTBY's closure. MOTBY is a unique strategic asset. No other port on the east or gulf coasts, commercial or military, can duplicate its combination of advantages in the support of power projection from the continental United States without the disruption of commercial port activities. This was amply demonstrated during the Gulf war and our recent operations in Somalia and Haiti.

Having investigated and documented this matter fully, it was shocking to see the assortment of half truths and mischaracterizations that was paraded before the Commission as analysis, without an opportunity for rebuttal. For example, the staff alleged that MOTBY was only used to mobilize the 10th Mountain Light Infantry Division when, in fact, dozens of units shipped through MOTBY as well as outsized cargo such as M1A2 tanks from as far as Fort Hood, TX.

Bayonne sits astride the huge, highly developed, multimodal transportation network of the American Northeast Corridor. Once cargo arrives at Bayonne, it can be placed directly into vast covered warehouses or uncovered—and fully secure—staging areas. All types of cargo, from heavy, outsized weapons like the M1A2 tank and the Patriot antimissile system, to the full range of munitions available to our fighting forces can be loaded by Bayonne's specially trained union force using state of the art, dedicated rail lines using every type of roll-on/roll-off vessel in the MSC inventory. Bayonne has the best steaming times to Europe, a full day's advantage over any other U.S. port, military or civilian.

Nowhere in the staff presentation was there any reflection of the shortcomings of commercial ports. For example, since most ports are containerized, there are no commercial ports which can lift the 70 tons of the M1A2 Abrams. If forced to rely on roll-on/roll-off ships in the MSC inventory, the number of useable commercial ports plummets and even the tiny, remaining Military Ocean Terminal, Sunny Point, NC, an ammunition depot, quickly becomes unusable.

Finally as operations in the Persian Gulf, Somalia and Haiti have proven beyond doubt, MOTBY's unique heavy sealift capabilities are always available to us in a crisis. The Pentagon's recommendation that Bayonne be closed is based on the untested premise that commercial ports on the east and gulf coasts will be both willing and able to forego their profitable contracts to accommodate time sensitive military cargo. The exact opposite of this premise was experienced with the ports of Houston and Portland during the Gulf war. Indeed, the director of port operations of the Port of New York and New Jersey, Lillian Liburdi, an acknowledged expert on military cargo management, testified that no commercial port on the east or gulf coast could substitute for MOTBY. DoD has acknowledged this by contracting with MARAD and Louisiana State University to study this very issue of commercial port availability should Bayonne be closed—a study that should have preceded any closure recommendation.

Past BRACs have wrestled with the depot issue and this BRAC has 14 boxes of studies on depots. It is extremely reckless to leap ahead with the unstudied and untested assumptions that commercial ports can replace dedicated military ports in all war fighting scenarios. It threatens the soldier waiting for resupply on the beach and it threatens the economy whose ports may be subjected to commandeering at short notice. The role of MOTBY is essential. If it is closed, we will be forced to recreate it, at enormous cost, every time we mobilize even the smallest forces.

Finally, I have taken this time to go into great detail in rebutting the Commission's finding point by point because of my great policy concern about maritime commerce. In its ignorance the Commission found, "six ports capable of deploying an infantry division within 1 day's rail movement of Bayonne." As I warned the Commission in their regional hearing, legislation deregulating of the maritime industry, in the form of the Ocean Shipping Reform Act, has already been reported out of the Committee on Transportation. Maritime deregulation will have powerful shakeouts for ports, much as airline deregulation had for airports.

Our former colleague, Helen Bentley, who had vast experience in the maritime industry, has warned that deregulation will create megaports like airline hubs. Mrs. Bentley warned that deregulation could reduce the number of ports serving the Nation to as few as four. Most small seaports will vanish. There is precedence. Just as Halifax has decimated Great Lakes ports, the passage of NAFTA and maritime deregulation could spell extinction for gulf coast ports from competition via Veracruz. Ninety-five percent of American export commerce moves by ship. If maritime deregulation occurs, there will be a vast reduction in port capacity. There will be even less willingness

by the new megaports to disrupt commercial traffic by accepting military cargo on a short term basis. The military cargo charges will be at an enormous premium. Even the sloppy staff work done by the Commission showed port operators becoming increasingly unwilling to guarantee priority to military cargo required by port planning orders. In some cases they desire 12–14 days to clear staging and berthing areas.

Unfortunately, port legal counsel on the BRAC staff failed to appreciate that the military cannot compel commercial operators to give priority to military deployments during contingency situations. Under the third and fourth amendments of the Constitution, there is no authority to disrupt commercial ports in the absence of a declared emergency. By that time it may be long after the need to mobilize and use ports. The Kuwaiti invasion was in August 1990. Congress authorized the use of force months later. Port planning orders and port allocation orders are no guarantee port access on a timely basis. The only reason these orders have worked at all in the past is the delicate balance struck in the Shipping Act of 1984 between military and necessity and good commercial practice, which tolerated excess capacity in our ports.

Today, I urge you to reject the BRAC recommendations. The Commission has far exceeded its authority into roles and missions. Moreover, they have seriously jeopardized the military readiness of the Nation. It will cost more than huge sums of money, it will cost soldiers' lives.

Mr. HEFLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. CHAMBLISS].

Mr. CHAMBLISS. Mr. Speaker, I believe that the Members of the House recognize the importance of supporting and preserving the integrity of the BRAC process. In it, Congress has created the most politically neutral means possible of reducing our military's excessive infrastructure. Although we may not agree with individual decisions, we must support the process.

With respect to the process, however, I would like to address a situation that has arisen from the recommendations of this most recent Commission. Specifically, I refer to the President's plans for the future of our air logistics depot structure.

As my colleagues are aware, the Commission determined the Air Force maintains excess capacity in its air depots. As a result, commissioners voted to close two depots based on the objective base closure criteria.

As with all individual base closure decisions before, the two depots slated for closure would be phased out over a 5-year period. This would solve the two primary problems the BRAC was created to eliminate: excess capacity and infrastructure.

Now, Mr. Speaker, the Pentagon has come to inform Congress that under direction of this administration and the President, another plan is in the works for the two air force depots to be closed.

Mr. Speaker, it seems the President has concluded that the loss of over 10,000 jobs in each of the very electoral-vote-rich States of California and Texas demands special attention. In order to save those jobs, and presumably those votes, the President has instructed the Secretary of Defense to devise a plan to privatize in place, in effect maintaining all depot jobs in San Antonio and Sacramento.

What the President is saying here, Mr. Speaker, is that the BRAC process is political, that an otherwise objective process is necessary until it affects his chances of reelection. The deliberate end-run this President is making around the process should offend each and every Member of this Congress that has worked within the limits of the process and every Member that has accepted the four rounds of BRAC recommendations. You know, it is not very often that this Congress agrees on a politics-free solution to the problems we face, but in this case the process must be preserved and defended.

Mr. Speaker, this President's decision to privatize in place the work performed at Sacramento and San Antonio air logistics centers nullifies the very difficult decisions made by the BRAC. The BRAC took its charge very seriously: to assess and repair a military scheme that maintained excess depot capacity and infrastructure that was out of proportion with the force structure demanded in this post-cold war world.

The commissioners accomplished their task, and by privatizing in place, the Pentagon will be overriding the commissioners' decision and embracing our status quo of excess capacity.

Let me make one point perfectly clear, to my colleagues, but more important to the President and this administration. The President's acceptance of this Commission's recommendations is just that: "acceptance." The Commission has not recommended privatization in place, or any other concoction designed to save political hides, regardless of how desperate the President is to amend the recommendations.

The President's acceptance is unconditional, and our rejection here today of the resolution before us will signal our support for this very difficult process.

I ask my colleagues to reject the joint resolution before you. The BRAC process has been many things, but it has not been political.

Mr. TEJEDA. Mr. Speaker, I yield 2½ minutes to the gentleman from California [Mr. FARR].

Mr. FARR. Mr. Speaker, I rise today to support the resolution of disapproval.

I do so because I am concerned about the manner in which the BRAC Commission carried out its mission. I support downsizing the military and cutting the budget. But I believe it needs to be done in a manner that is logical, fair, and honest, with the emphasis, Mr. Speaker, on honest.

In my district, the BRAC recommended that Fort Hunter Liggett be realigned. The Army told BRAC publicly and on the record, that it would only cost $6.7 million to move the mission of Fort Hunter Liggett to Fort Bliss, TX.

The truth is, Mr. Speaker, that internal Army documents which I have obtained show a different story. Internal Army documents show that it will, in fact, cost three times that amount to move the Fort Hunter Liggett mission.

The Army told BRAC publicly and on the record, that savings of $12.7 million would be realized from the realignment of Fort Hunter Liggett. But internal Army documents state, "There are no savings to be realized in this action."

I am not whining about having a base realigned in my district. As everyone knows, my district is the site of the largest base closure so far, that of Fort Ord. And I know from experience that as traumatic an experience as base closure can be, there is a way to turn closure into successful economic redevelopment. President Clinton was at Fort Ord just this past weekend to celebrate Fort Ord's transformation into a major educational center. So, I do not necessarily oppose base closure or realignment. What I oppose is the deliberate manipulation of the numbers by the Army and the BRAC to make their case.

The BRAC method above all must be fair and honest. I do not believe this round of closures met those criteria and that is why I support this resolution.

Mr. HEFLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. LUCAS].

Mr. LUCAS. Mr. Speaker, I know what an emotional issue this is, for I have been very involved in the BRAC process. I, too, had base on the closure list, Vance Air Force Base in Enid, OK. And many of my constituents work for Tinker Air Force Base in Oklahoma City. I was fortunate, my bases are not slated for closure, but I remember the stress I felt when commissioners visited the base and when I was waiting for the final closure list.

None of us want to lose something so valuable as a base in our district.

That is why the 101st Congress created BRAC. They knew that base closures would best be handled by an unbiased, nonpartisan group. They knew that when politics are involved, base worthiness and cost-effectiveness fall

by the wayside, as was demonstrated by the President earlier this year. It would be nearly impossible for Congress and the President to decide objectively which bases to close.

Sure the BRAC process has flaws, but it has worked well thus far. I do not think any of us can argue that this process was not fair and open. We each had ample opportunity to participate and to validate the information used.

Therefore, Mr. Speaker, I urge my colleagues to finish this process and vote "no" on the resolution of disapproval.

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Mr. TEJEDA. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. ORTIZ].

Mr. ORTIZ. Mr. Speaker, as the ranking minority member and long time participant on the Military Installations Subcommittee, I have always been skeptical of the current base closure process.

I am concerned that the process has not yielded the expected savings and I believe that Congress should at a minimum have the opportunity to amend the list.

I believe that the members of the Base Closure Commission worked in good faith and appreciate the enormity of their task.

Additionally, I support the vast majority of the recommendations of the Commission.

However, I believe that for national security reasons the Congress should overturn the closure recommendations as submitted by the President.

We have reduced our Nation's defense too much and too fast.

I believe that the closure of the Kelly Air Logistics Center at San Antonio, TX, will result in a severe degradation of readiness that cannot be overlooked.

The costs, both financially and militarily, will be enormous.

Therefore, I will support the resolution of my colleague from Texas, Congressman TEJEDA.

Mr. TEJEDA. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. BROWDER].

Mr. BROWDER. Mr. Speaker, I appreciate the gentleman yielding time to me.

Mr. Speaker, I think it is important for us to note what is happening today. A lot of us think that this process has gone awry, and we are speaking up about it. That does not mean that we are not trying to save money. We are honestly trying to challenge decisions that impact negatively, not only on our districts but on the national defense.

Let me say something strange, though, for someone who is opposed to one of the base closure decisions. I think that the base closure process that we have is about as fair a process as we are going to get. It is designed to close bases over objections of people who want them to stay open. So I think it is about as fair a process as we are going to get. It is a fair process. But sometimes mistakes are made.

Mr. Speaker, I am here today to call attention to one of these mistakes and to ask that a future Congress come back and take a look at what happened in this decision. I know Fort McClellan in Alabama is going to close, which is in my district. We are not going to cry over spilled milk. Fort McClellan is the home of the Army Chemical School and the only place in the world where we can train with live agent chemical weapons on the place. Experts all over the country and internationally have testified that not only is it a mistake in these times to close Fort McClellan, but it will disrupt our capability for up to a decade. Everybody agrees on the increasing threat, not only in the world from our military enemies, but also from terrorists here domestically. This is the only place where we can prepare for this.

Now, I know they say they can move it somewhere else, but just this move experts testify will disrupt the capability for up to 10 years. Our men and women are required to be able to survive a fight in a chemical environment. This will disrupt that.

Mr. Speaker, I just want to cite one example. Back in June, the Army testified to the Base Closure Commission that the one-time closing cost of Fort McClellan was $231 million. The next month, according to a BRAC 1995 information briefing, these are the Army's own documents, the closing costs had increased 70 percent, to $393 million. I wish the BRAC Commission had had the real numbers.

This BRAC document has closing costs, net closing costs; that is, minus savings, that testified before the Commission in June, $110 million. Now they say the closing costs are $377 million. That is a 243 percent increase. Savings over 20 years, they said in June it was $287 million, and now they say they are not available. The answer to it, in our newspaper which got this document, says the answer from the Army is we are not going to talk specific figures. It is too early.

No, Mr. Speaker, it is too late. They tortured the numbers and closed this base. It will hurt our military men and women in the future. At some point, Mr. Speaker, in the future something is going to happen with chemical weapons, an incident akin to the Beirut barracks bombing of the past, at which time there were investigations about why that was allowed to happen. Mr. Speaker, at some time in the future, we are probably going to have a chemical weapons incident, a tragedy akin to that. When we do, I hope this Congress will come back and investigate and will hold people accountable for why they not only witnessed, but accepted, and even participated in the distortion of numbers and the overriding of all of our military experts who said this is a major mistake.

Mr. Speaker, I feel somewhat like a friend of mine, Claude Harris, a former member of this body, who told me one time about a catfish, and the fisherman that caught that catfish was about to clean him and he said now, hold still, Mr. Catfish. This is not going to hurt you too much. All I am going to do is skin you and gut you. Mr. Speaker, that is what is happening here.

We are going to protest. I urge support of this resolution, but I do not think this resolution will pass, and in some cases, such as this, the men and women who fight in our military are going to be the ones who suffer.

Mr. TEJEDA. Mr. Speaker, I yield 6 minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I rise in support of the resolution to disapprove the recommendations of the Defense Base Closure and Realignment Commission.

In the first place, I believe the process involved is simply a sham and evasion of the constitutional responsibility of the Congress. The Commission concept is simply a way of delegating to others not only our responsibility to determine what military forces to establish and maintain, but our fundamental legislative responsibility as well. No matter how politically easy and attractive the Commission concept is, we cannot escape the reality that when we embraced this idea, we effectively said, Congress does not want to exercise its constitutional mandate with respect to establishing and regulating the military forces of the United States—we don't even want to legislate when it comes down to issues of reducing military establishments. Therefore the process itself is one that is inimical to the vitality, the relevance, and the plain duty of the Congress. But that is an argument for a different occasion; the fact is, the Commission concept was established and in place; it will be for a future Congress to decide whether or not to embrace the idea again.

This resolution ought to be approved, because the work of the Commission is flawed, certainly with regard to the logistics support system of the Air Force.

In the past, commissions did not deviate very much from the plans and recommendations of the Secretary of Defense, but in this case the Commission made wholesale revisions. This is a dangerous precedent; it is not a Commission that must shoulder responsibility in the event of war; it is the Congress and the President. It is not a Commission that plans forces to meet contingencies, it is the President and the Secretary of Defense. It is not a Commission that votes the funds, it is the Congress. But this Commission

went far afield, and made changes that fundamentally affect the ability of this country to adequately support its air forces. The fact is, if this resolution fails and the Commission recommendations take effect, the Air Force will have almost no reserve capacity for the maintenance of aircraft engines, and very little reserve capacity to maintain its aircraft. The Commission is, in effect, placing all the support needs of the Air Force in a single basket, for each major item. If any one of those places suffers an accident, there can easily be grave effects on the ability of the Air Force to perform its basic mission.

I am not speaking of a far-fetched notion.

Under the Commission plan, every single military aircraft engine would be overhauled at a single place. Just a few years ago, that very building suffered a disastrous fire that shut it down for over a year. Luckily for the Air Force, the workload at Tinker Air Force Base could be diverted to the engine facility at Kelly Air Force Base, and readiness did not suffer.

But the Commission recommended that the logistics functions at Kelly be shut down—leaving the Air Force not only no reserve capacity to repair engines, and very little for aircraft in the event of any conflict lasting more than a few days; but depriving it of any ability to shift workload in the event a major facility is shut down by accident or some catastrophic misfortune.

The Air Force recommendation, supported by the Secretary of Defense, was to keep five Air Force logistics centers, but to reduce each of them in size, in effect, mothballing capacity that could rapidly be brought into action in the event of need. This would have saved money and provided a considerable margin of safety as well. But the Commission rejected the idea of maintaining such a margin of safety, even though the Air Force plan would have saved almost as much money as the Commission plan.

Not only did the Commission reject the idea of maintaining reserve capacity while saving money, it compounded this double error by electing to shut down Kelly Air Force Base, which is the cheapest and most reliable of the Air Logistics Centers. The work that is done at Kelly is of the highest quality, unsurpassed by any; and its cost per hour is the lowest in the service. How can it make sense to close down the lowest cost, highest quality producer? But this is what happened.

The President clearly does not want to lose the capacity that is available at Kelly Air Force Base, so he has opted to try privatizing the major facilities there, so as to keep them in being, and keeping at least some of the trained personnel in place. In other words, the Commission's basic premise is so flawed that it has been rejected, as a practical matter. But I do not believe we should accept a half-measure that on its face accepts the recommendation, but at the same time rejects its premise, which is where we stand today. I would rather reject the Commission report outright, and I urge that the House do so by supporting this resolution. Let us say frankly that we want reserve capacity; let us say honestly that we want flexibility and emergency response ability; and let us reject a report and recommendation that flies in the face of sound policy and even good sense. Vote for the resolution.

Mr. HEFLEY. Mr. speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I ask my colleagues to oppose House Joint Resolution 102, a motion of disapproval, and ask my colleagues to vote no.

Mr. Speaker, I am a little hesitant about getting up here this morning, because I was fortunate that I had two bases on the Base Closure Commission list and those bases came off. But I want to point out to my colleagues, I have also in the past had units that were put on the Base Closure Commission that did not come off.

Mr. Speaker, it should be pointed out that the members of the 1995 Base Closure Commission represented a broad section of this country. The chairman was Alan Dixon, a former Member from Illinois, and, incidentally, he voted to close my bases. Then you had Mr. Al Cornella of South Dakota, a private businessman, and Ms. Rebecca Cox, who served on the Commission before private enterprise forced out our Air Force Gen. J.B. Davis, very qualified, Mr. Lee Kling, a banker from St. Louis, MO, private enterprise. You had Adm. Ben Montoya, who is very capable and who had been in the Navy.

□ 1030

And then you had Maj. Gen. Joe Robles who served as a base commander and knew a lot about base closure. And then you had Miss Wendi Steele who served on the staff here in Washington on the Senate side. So, Mr. Speaker, these were qualified people. I guess I spent more time at the Base Closure Commission meetings and I was impressed.

Now, the staff worked hard. They were highly qualified. Some had been on the board in previous base closure rounds. They knew the bases and the process. These men and women, as far as I know, this Commission spent more time on the job flying around the country. They went thousands and thousands of miles looking at the different bases. So the process was open from start to finish. You could talk to the commissioners, you could talk to staff.

Mr. Speaker, they made themselves available to all of us. It is the toughest job I think you could give civilians, and that is one reason I wanted to get up here this morning to commend these commissioners for taking on a job like this. There are no compliments to it. It was a heartache to them. They did not like what they had to do, but they served our country well. I think they did a very thorough and fair job, and I hope the House will reject the motion for disapproval and accept the recommendations of this Commission.

Mr. TEJEDA. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. BONILLA].

Mr. BONILLA. Mr. Speaker, I rise today in support of a strong national defense, a vigilant America, and a secure, peaceful future. I support this resolution, of which I am an original sponsor, to disapprove the misguided recommendations of the Base Closure and Realignment Commission. Closing vital military facilities, like Kelly Air Force Base, leaves America weaker. Ask my colleagues to put aside parochial interests and vote for a strong Armed Forces. Reject the BRAC proposals.

Ronald Reagan clearly understood the necessity of a policy of peace through strength. That policy brought us triumph in the cold war. In contrast, policies of unilateral disarmament in the past only served to embolden aggressors and set the stage for World War II. I am afraid these BRAC recommendations reflect a pattern of disarmament which threatens our future security.

Our military leaders and the Commander-in-Chief have recognized the serious negative implications of the BRAC recommendations for our military security. However, President Clinton failed to reject these dangerous proposals. I urge my colleagues to reject these proposals and please vote for a strong defense and for this resolution.

I would be remiss if I failed to note that the BRAC did get some things right. This BRAC recognized the importance and quality of Laughlin Air Force Base. Its facilities remain second to none and the BRAC Commissioners had no choice but to recognize that fact. Brooks Air Force Base's excellence was recognized as well. However, the recommendation to close Kelly remains irresponsible and dangerous.

I also want to take a moment to comment on the human dimension of this recommendation. The BRAC proposal will have a devastating impact on affected communities costing tens of thousands of jobs and hurting tens of thousands of families. Closing Kelly Air Force Base in San Antonio will slam the door on thousands of hard working patriotic Americans. It will ignore their sacrifices. I know that the spirit and the dedication of the Kelly worker cannot be crushed and that ultimately San Antonio will overcome

this setback. But our military will clearly be weakened and the lives of Kelly's workers will be disrupted and their financial security jeopardized. Please vote for this resolution and let Kelly's workers know we are in their corner.

If you support the visions of Ronald Reagan's peace through strength, if you support our U.S. Air Force, if you support the plan of preserving freedom and liberty going into the next century, please vote for this resolution.

Mr. TEJEDA. Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Speaker, I thank my colleague and friend and neighbor from San Antonio for yielding me time.

On June 16, 1995, 35,000 San Antonians lined the streets of our hometown to demonstrate "Kelly Pride." The purpose of this huge demonstration in "Military City" was to inform the Base Realignment and Closure Commission why Kelly Air Force Base should not be closed. It wasn't only the people of San Antonio who recognized the importance of Kelly to defending the freedom that Americans cherish. Military leaders understood the importance of Kelly and recommended that BRAC not close Kelly. Because the BRAC Commission ignored this view and decided to close Kelly anyway, I support the Tejada resolution and will vote to disapprove the BRAC Commission list.

Our military leaders recommended that Kelly stay open for good reason. The pride of San Antonio has made Kelly into one of the Nation's premier Air Force bases, an essential player in the free world's fight against nazism, fascism, communism, and in the recently successful campaign in the Persian Gulf.

You can see the pride of San Antonio in the work of the generations of San Antonians who have made Kelly Air Logistics Center synonymous with high quality, top efficiency, and unmatched productivity.

You can see the pride of San Antonio as another C–5 or C–5A rolls out of one of the enormous hangers where it has been expertly serviced and prepared to do its part in our Nation's defense.

You can see the pride of San Antonio as its military and civilian communities rallied together to support airlifts in Operation Desert Storm and all recent major conflicts and humanitarian missions.

The Air Force recognized the indispensable contributions of Kelly and that is why they recommended that this depot remain open. Because BRAC rejected the recommendations of our military experts, I will vote for the motion to disapprove the recommendations of the Base Closure and Realignment Commission out of protest against the loss of resources and services that the Kelly community contributes to our Nation's defense.

Kelly's proud tradition is confirmed not only by the Air Force's recommendation that Kelly stay open but also by the decision of the Commission and the administration to recommend that "Privatization in place" be implemented at Kelly. I am encouraged and hopeful that this plan will secure our Nation's defense. Our community's leaders, the city of San Antonio, and the Kelly community will join together to work with the Federal Government to ensure that this transition is as smooth as possible.

I know that our community will show the hard work, patriotism, and commitment that it has always shown in its work for our Nation's military. I am optimistic that you will continue to see San Antonio's pride as future generations of workers demonstrate their excellence, as another C–5 rolls out of the hanger, and as we support the missions of our Nation's armed services in future crises. "Kelly Pride" will sustain our community through this transition, just as thoroughly as it has sustained our Nation's Air Force for so many years.

Mr. TEJEDA. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. PASTOR].

Mr. PASTOR. Mr. Speaker, the Hispanic Caucus has been a very active participant throughout the BRAC process. Our concern has been the closure of Kelly Air Force Base in San Antonio.

We have worked in a bipartisan manner with out colleagues from San Antonio in order to ensure that the economic viability of San Antonio continues. As you heard this morning, and studies have shown, on the merits Kelly Air Force Base deserves to continue its mission. It has been very effective. It has been efficient and plays a vital role in the defense of this country. So on the merits alone, Kelly Air Force Base deserves to continue its mission.

One of the concerns that we have as the Hispanic Caucus is that Kelly Air Force Base has been a long-time employer of the Hispanic community in San Antonio. To date, over 60 percent of the civilian employment base in Kelly is of Mexican-American descent. Kelly Air Force Base has had a long history in the Hispanic community. It has provided employment and in turn has provided opportunities for Hispanic families to better themselves.

If Kelly Air Force Base is closed according to the BRAC recommendation, it will have a devastating effect in the Hispanic community of San Antonio, high unemployment, lack of opportunity for families to better themselves.

Mr. Speaker, Kelly Air Force Base deserves to stay open, continue its mission on the merits, but it also needs to continue in order to ensure the well-being of San Antonians in Texas.

The SPEAKER pro tempore. (Mr. KOLBE). The gentleman from Texas [Mr. TEJEDA] has 3 minutes remaining, and the gentleman from California [Mr. FAZIO] has 4 minutes remaining.

Mr. TEJEDA. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Speaker, I rise in strong support of this resolution of disapproval. The 1995 Base Realignment and Closure Commission recommendations have missed the mark. This year's report uses that I believe to be faulty methodology, underestimated costs, and optimistic savings assumptions. As I have stated previously in writing to President Clinton, in light of the problems associated with this report, we should declare a moratorium on all base closures, pending a reexamination of the true savings associated with closing the specified bases.

Obviously, my primary frame of reference for this issue is in the State of California. California has already lost 22 bases—more than any other State. If the current closings go into effect, the cumulative loss for California would total 200,000 jobs and $7 billion in economic activity. Closing the Long Beach Naval Shipyard, in Long Beach, CA, as this report would do, is unnecessary, militarily risky, and it would exacerbate the deteriorating industrial base of our region of the country.

Without question, these recommendations are bad for California, but they are bad for the military as well. Many of the savings envisioned from this report are illusory. There is no guarantee we can save money and no real assurances that jobs lost can be replaced. Previous attempts to contract for lost jobs have been less than successful. In conclusion, let's start this process over and do it right. Let's support this resolution, and disapprove the Base Closing Commission report.

Mr. HEFLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, the result of this year's round of BRAC decisions adversely affected my own district in Indiantown Gap, heretofore a vital part of our national defense structure, which has been modified downward, downsized, as it were, by the decision. You would think then that I would stand here and support with all my heart and vigor the resolution that is at hand, but I take the opposite view.

I supported the initial concept of BRAC and its initial coming into being and voted for it. It is unseemly now of me to say that, because it has affected perhaps adversely my own back yard, that the concept is wrong, that the decisionmaking was flawed, that the concept is inappropriate. I believe very strongly that the people in my district who were affected by this latest decision of the BRAC are going to be able to rally to the cause of softening the

blow and of finding alternative ways of continuing the enterprises in which they were involved in support of some of the activities of the Indiantown Gap facility.

In short, they will be resilient enough to understand that we cannot have a nationwide concept of downsizing our bases across the Nation and across the world except for our own. Therefore, I will vote against this resolution.

□ 1045

Mr. FAZIO of California. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I just want to simply sum up by saying a few things here. I think the gentleman from California [Mr. DOOLITTLE] said it correctly when he said BRAC was a political entity. It simply takes the politics out of Congress and perhaps out of the Pentagon, and puts it in the hands of a number of decent and perhaps well-intentioned people, but people who do bring biases. We have seen this debate go on, as others have in the past, and those who dodge the BRAC bullet are here to praise the Commission, and those who were impacted by it are here to deride them.

The bottom line is, for California, as we have heard from many Members, we have had an overwhelming impact. Fourteen percent of all DOD personnel in our State, from 60 direct to 85 indirect percentage of all jobs lost through the 4 BRAC rounds in one State. There is no question, if we had moved across services and forced the military entities to compete with each other, we could have done a much better job of saving the taxpayers money and preserving the best of our infrastructure, but privatization is also important. We have heard people come to the floor today and deride privatization. Whether it is the Defense Science Board or the Joint Chiefs or the Commission on Roles and Missions, all of them are pushing us in the direction of privatization. The President pushes for it, the BRAC itself in its report allows it, and I call my colleagues to read the letter from the President to the Commission, from the Commission to the President, all of the legal authority in the view of all the various general counsel and all the agencies makes clear that privatization can take place at McClellan and Kelly Air Force Base, despite the critics, who would like to take our workload and would like to take our jobs to their own bases.

Let me be very clear. We will be dipping into readiness to pay for this foolish reduction in our capability. We will not be able to make the numbers work out. This BRAC round is predicated on phony bean counting, and in my view, we will pay for it, not only with turbulence in our military repair area, particularly for aircraft in the Air Force arsenal, but we will also pay for it by draining our readiness funds to pay for base closure, something that is supposed to save the taxpayers money.

Sacramento will survive. We will pull it together and we will come back, despite these heavy hits, but I do believe that my opposition and my support for this resolution is firmly based on the hit on American military readiness, so I would urge my colleagues to join us in perhaps what is a protest vote, but still a symbolic and important symbol of our opposition.

Mr. Speaker, I yield my remaining 1 minute to the gentleman from Texas [Mr. TEJEDA].

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

Mr. Speaker, I would like to thank very much the gentleman from Colorado [Mr. HEFLEY], our chairman on the Subcommittee on Military Installations and Facilities of the Committee on National Security, and the gentleman from South Carolina [Mr. SPENCE], our full committee chairman, for their cooperation and understanding on this issue.

Mr. Speaker, Kelly has the best quality record with the lowest defect rate and the fewest customer complaints of all ALCs. Kelly has the best educated Air Force, and nowhere else in the Nation will we find employees who are as involved in their community than in San Antonio.

Mr. Speaker, I believe that the Base Closure Commission has cut right through the fat and into the bone and muscle of our Air Force. Keep in mind that California was essential to the success of Operation Just Cause and Operations Desert Shield and Desert Storm. During Desert Shield and Desert Storm, 17 million pounds of munitions and 64 percent of items for airlift support were shipped through Kelly. The Air Force recommendation to the Commission on Depots was the product of a thorough, year-long study conducted by professional military analysts. The Base Closure Commission's recommendation on the ALCs followed only 6 weeks of study, during which time they were also attempting to focus on hundreds of other Air Force, Army, and Navy installations.

Mr. Speaker, this is the final opportunity to right the wrongs made by the Commission. I urge my colleagues to support this resolution of disapproval.

Mr. Speaker, I fully recognize that the post-cold-war drawdown of military infrastructure has lagged behind the personnel reductions. Nobody said that there would be easy choices in this round of base closures.

I feel strongly, however, that the Base Closure Commission overstepped its bounds and placed our military readiness at risk in the event of a national crisis. Never before in previous base closure rounds has a Commission deviated so substantially from the Defense Department's recommendations.

It should come as no surprise that my objection to this base closure list rests with the recommended closure of two Air Force logistics centers, or ALCs. Although Kelly AFB is not in my district, I do represent many of the outstanding and dedicated workers there and I recognize that the work they do is second to none in the Department of Defense.

In fact, Kelly has the best quality record, with the lowest defect rate and fewest customer complaints, of all ALCs. Kelly has the best educated work force, and nowhere else in the Nation will you find employees who are as involved in their community than in San Antonio.

In March, the Air Force and the Department of Defense proposed to the Base Closure Commission that the five existing ALCs downsize in place rather than close one of the depots. To reach this commonsense proposal, the Air Force focussed on being financially responsible, reducing excess capacity, and satisfying its current and projected needs.

In testimony before the Base Closure Commission, Secretary of the Air Force Widnall stated that the cost to close one Air Force depot would nearly equal the entire Air Force budget for the next 6 years for all of its 1995 closures and realignments. So what does the Commission do? It votes to close not only two depots, but it votes to close the most cost-effective and productive depot at Kelly AFB.

The original Air Force recommendation of downsizing would have eliminated more than one depot equivalent worth of excess capacity without losing the many unique facilities and capabilities at any of the depots. In voting to close two, the Commission disregarded the value and cost-effectiveness of these unique facilities, particularly with respect to the C–5 at Kelly AFB.

There is only one depot in the Defense Department which can support the C–5. Kelly has the only hangar in the DOD which can hold six C–5s, and it is the only depot able to test and repair the C–5 engine. With 23 years of C–5 management and maintenance experience, Kelly is the heart of DOD strategic airlift.

During Commission hearings, Air Force Chief of Staff Gen. Ron Fogleman stated:

> It is clear that we have excess capacity. It is equally clear, in my view, that our approach reduces that capacity in the manner that best serves the total operational mission of the Air Force. I believe it is the only responsible approach to this issue.

The day before the Commission's vote on the ALCs, Secretary Widnall and General Fogleman wrote to Commission Chairman Alan Dixon. I will not read the letter, but I think it is significant and include it in the RECORD at this point of the debate.

The material referred to is as follows:

SECRETARY OF THE AIR FORCE,
Washington, DC, June 21, 1995.

Hon. ALAN J. DIXON,
Chairman, Defense Base Closure and Realignment Commission, 1700 N. Moore Street, Suite 1425, Arlington, VA

DEAR MR. CHAIRMAN: The Air Force approach to the depots is prudent because it saves money for the taxpayers and protects military readiness. It is also the product of exhaustive analysis by military professionals and senior leadership who have been working the proposal for over a year.

Our depot proposal is simple. Building on the personnel reductions that have already been taken from the Air Logistic Centers

and depots during the last five years (over 26,000 people), the pending air Force proposal would reduce and realign the depots by an additional 1,987 jobs (with a net present value of $975 million). While there would be some disruption, the business of the Air Force—flying combat and transport aircraft, and maintaining our command and control and space network—would continue unimpeded. This total air Force depot reduction of 28,000 jobs is almost two and a half times the total depot reduction achieved by all other DoD components in all four BRAC rounds combined.

On the other hand, the staff generated BRAC proposal described to us will cost the Air Force hundreds of millions of additional dollars (in excess of $1 billion in environmental and military construction costs) during the next five years; disrupt military readiness because of the total restructuring of the Air Force logistics and depot system; preclude the Air Force from carrying through on vital readiness and modernization programs; and have a devastating impact on as many as 25,000 DoD employees in Texas and California who would lose their jobs or have to relocate to other Air Force installations at great personal and public expense.

Most importantly, the essential business of the Air Force—operations, logistics, and budget dollars that are critical to future modernization—would be greatly disrupted. Since the end of the cold war, the Air Force has reduced its budget by more than $20 billion and reduced personnel by over 200,000 people. Some further reductions and savings are necessary; however, they must be taken in a way that permits the Air Force to continue to carry out its essential mission. The Department of Defense proposal does that; the Commission staff alternative does not.

Sincerely,

RONALD R. FOGLEMAN,
General, USAF Chief of Staff.
SHIELA E. WIDNALL,
Secretary of the Air Force.

Mr. Speaker, in essence, they warned that the staff-generated BRAC proposal to close ALC's would severely disrupt military readiness and the essential operations of the Air Force.

As I sat in the hearing room during the Commission's deliberations on the ALC's, I was stunned by the blatant agenda being advanced by the Commission's staff—to portray Kelly AFB in the worst possible light and provide for the closure of two ALC's.

Commissioner J.B. Davis, a retired Air Force general, acknowledged during the Commission's vote that the staff seemed to be focused on the excess capacity figures. He concurred with General Fogleman that some overcapacity helps. It is that overcapacity, surge capacity, that services need in times of a crisis. He stated: "Closing depots * * * can severely disrupt that service and the Air Force's wartime capability."

Mr. Speaker, I believe that the Base Closure Commission has cut right through the fat and into the bone and muscle of our Air Force. Keep in mind that Kelly was essential to the success of operation just cause and Operations Desert Shield and Desert Storm. During Desert Shield/Desert Storm, 17 million pounds of munitions and 64 percent of items for airlift support were shipped through Kelly.

The Air Force recommendation to the Commission on Depots was the product of a thorough year-long study conducted by professional military analysts. The Base Closure Commission's recommendations on the ALC's followed only 6 weeks of study, during which time they were also attempting to focus on hundreds of other Air Force, Army and Navy installations.

This is the final opportunity to right the wrongs made by the Commission. I urge my colleagues to support this resolution of disapproval.

Mr. HEFLEY. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, I want to commend the gentleman from Texas [Mr. TEJEDA] and the gentleman from California, [Mr. FAZIO] for the way in which they have conducted themselves during this debate. I have tremendous empathy for the fight they are engaged in over there. Heck, I have the same problem. I do not want to see Fitzsimmons Army Medical Center closed, either. I think it is a mistake to do that.

I have a little less empathy with the parade of people who have come up here who voted yesterday for an across-the-board cut in the Defense budget who are now crying because a base in their area is being affected. That seems a little disingenuous to me.

This is not an easy process. I think sometimes this process does make wrong decisions. I think some of these decisions we will regret down the line when we have national emergencies. I know this is agonizing for communities across this country, and it is not easy for the various branches of the services who are going through this, and having to recommend closing things that we would really rather not, in many cases, because they do not think it makes good sense. I am very disappointed that the President of the United States injected Presidential politics into this process. I think that is very disappointing.

This is not a perfect process, but it is the only process we have to get at this. We had not closed a base in this country since the 1970's until this process started. Congress did not have the ability to close bases. There are some bases that we do need to close. I reject the idea that to vote against this resolution is to vote against a strong national defense. It is this administration that is driving the depth at which we have to cut back on defense in this country. It is the most anti-Defense administration, I think, in the last 50 years, and that is what is driving the deep cuts that we have to make.

With these deep cuts, we have to use every single Defense dollar we have the most effective way possible, so yes, we are having to give up some facilities that I wish we were not giving up. However, this is the process we have set up. This is the end of this round of base closure.

I would encourage my colleagues to vote against this resolution, support the Base Closure Commission, and let us now move on to solidifying what we have with our defense structure across this country, and make sure that we have a strong defense with what we have left.

Mr. DAVIS. Mr. Speaker, I am compelled to vote in support of the resolution disapproving the recommendations of the Defense Base Closure and Realignment Commission [BRAC]. I approve of the BRAC process, but in my district the Army has taken action under BRAC 95 that simply does not make sense, and I cannot support it.

The Army, in its closure submittal to the BRAC, has proposed moving the 400 military and civilian personnel and equipment of the Army's Information Systems Software Development Center [ISSC] from leased space in Fairfax County to Government space on Fort Meade, MD. It is ostensibly an in-area move and personnel will be transferred to the new facility at Fort Meade without layoffs. With the pressure on the services to move out of leased space, it looks like a good move. But, this is a bad decision for the Army and the Government, and though I have urged the Army and the BRAC to reconsider this decision, today we still find this facility slated for transfer in this BRAC recommendation.

The Army ISSC has been in Fairfax County for over 20 years. When the Army looked to move ISSC from outdated leased facilities in Fairfax, VA, it asked the General Services Administration [GSA] to rent space for ISSC in northern Virginia. The Army even specified the boundaries of an area in which they wanted to rent—a location close to its Fort Belvoir and Pentagon customers and close to where most of its employees had settled over the past 20 years. This was the Crown Ridge building located at the junction of I-66 and the Fairfax County Parkway in my district.

GSA, at the request of the Army, signed a lease with Crown Ridge Associates for 6 years. That lease started a little over a year ago and runs through May 28, 2000. A total of $7.2 million was spent by Crown Ridge, GSA, and the Army to upgrade the building to meet the unique requirements of Army ISSC. Crown spent $1.3 million, GSA $2.9 million, and DOD spent $3.0 million to get this building ready. And in fact, they are still in the process of upgrading and moving into the space.

After spending all this money, the Army proposed in this BRAC to move ISSC to Fort Meade, MD. The Army believes that it will save $8 million over 20 years. Under the Army lease with GSA, it can move out of the space without penalty if appropriate notice is given.

Unfortunately for GSA and the American taxpayer, GSA is still obligated for the 6-year term of the lease. If the Army moves out, GSA is stuck with an empty building. Not only that, but this will not be an easy space for the GSA to find government customers for. Traditionally, GSA would look for locations in some proximity to mass transit—the subway, trains, and bus lines. This location is well beyond the subway and there are no easy connections to mass transit. To quote GSA regarding Army plans to move out of this building,

> . . . the building was leased specifically for the Army, and was altered to suit their specific needs. Other federal agencies have not expressed interest in the location, and the building might be difficult to market.

In addition, the Army is going to have to convert or build facilities at Fort Meade. The Cobra model figures used by the Army indicate that it will have to spend roughly $5 million to renovate space at Fort Meade and moves ISSC. So, at a minimum, the Government spends $11 million in renovation and moving costs and ISSC has to go through two moves in 3 years. But, the Government also will be stuck with a $3 million per year lease for a building which may sit empty for 3 years—another $9 million.

This is not how Congress intended the BRAC process to work—the objective is to reduce costs for the Government, not just the military services. Clearly, the Army should have made this move before it asked GSA to sign a 6-year lease. Now, however, the lease has been signed, and the Government is on the hook even if the Army moves out. I understand the pressure on the Army to move out of leased space, but this is a bad deal for the Government and the American taxpayer.

For this reason, I cannot support the BRAC recommendations.

Mr. LEVIN. Mr. Speaker, I rise in opposition to House Joint Resolution 102, to disapprove the recommendations of the Defense Base Closure and Realignment Commission.

It is with great reluctance that I oppose the resolution of disapproval. I do so despite the fact that the Commission accepted a flawed Army recommendation to close the Detroit Arsenal Tank Plant in my district.

In my judgment, the Army mishandled this matter. All other issues aside, the most fundamental shortcoming of the Army's recommendation is the lack of a credible estimate of the cost of closing the tank plant.

The Army's original claim was that closing the tank plant would result in a one-time cost of only $1.4 million. When I asked the Army how it arrived at this figure, the Army told me the estimate was based on a standard formula that sets building closing costs at $1.25 per square foot.

A buck and a quarter per square foot isn't going to do the job. Unlike most Army installations, the Detroit Tank Plant is an industrial facility that has been manufacturing tanks for nearly 50 years. I sincerely doubt $1.4 million will be enough to close the facility and move the work to other locations.

During her site visit to the tank plant last April, Commissioner Steele heard a broad range of testimony from myself and others that raised serious problems with the Army's original closing cost estimate. After hearing the evidence, Commissioner Steele asked the Army to prepare a revised cost estimate by mid-May.

The Army never presented a revised cost estimate. The Army's Tank Automotive and Armaments Command [TACOM] in Warren, MI, requested and received detailed closing cost data from the contractor at the plant. Using this data, TACOM prepared a revised closing cost estimate. At the 11th hour, I was informed that the Army rejected the new cost study and decided to stick with its original estimate of $1.4 million.

While the Army was unwilling to accept new cost data from the people who actually run the plant, my office received reports that the true closing costs, as calculated by the contractor at the plant and TACOM, are at least 25 times higher than the Army's original calculations.

It is being increasingly suggested that the Army desires to transfer the tank plant's work from the private sector to the Government-run Rock Island Arsenal in Illinois. This would be contrary to OMB circular No. A–76, which states that it is the official policy of the United States that "the Government should not compete with its citizens." It also would be contrary to the recent recommendations of the Commission on Roles and Missions of the Armed Forces. These jobs should remain in the private sector and in Michigan.

So why am I opposing the resolution to disapprove the base closure list? I do so for the simple reason that the Nation cannot afford to spend billions of dollars every year for unneeded defense installations around the country. At the end of the day, the independent base closure process is the only means we have to close unneeded military facilities.

The base closure process is painful. The process sometimes results in the wrong military facilities being closed, as the closure of the Detroit Arsenal Tank Plant demonstrates. The one virtue of the base closure process is that it is unbiased and immune from politics. At the end of the day, it's about as fair a process as we're going to get.

I did everything I could to save the tank plant; however, I largely agree with the balance of the Base Closure Commission's recommendations to close or realign 103 other bases and military facilities. Closing these bases is expected to save more than $19 billion over 20 years. I will therefore oppose the resolution of disapproval.

Mr. EVANS. Mr. Speaker, I support the resolution of disapproval. I must do this because I am deeply disturbed by the base closure process. In the rush to close installations there has been a failure to analyze all of the facts carefully. This is obvious in the recommendations made by the Commission concerning the Savanna Army Depot Activity and the O'Hare Reserve Station.

In the case of the Savanna Army Depot Activity, the Commission ignored a number of important factors. For example, closing the installation would result in the loss of important and hard-to-replicate capabilities, increase costs above the Army estimate to close the base and move its functions, and reduce ammo storage capability below critical military needs.

For instance, the Commission failed to consider that Savanna is one of the most efficient facilities in the Army. During Desert Storm, Savanna had the highest outloading rate of any depot. It is also one of the few with adequate rail service to shipping centers. These national assets would be hard to replace in a nationwide mobilization.

In addition, the estimate of the cost of closing Savanna and relocating the U.S. Army Defense Ammunition Center and School [USADACS] is too low. DOD stated that it would cost $38 million to close the installation and relocate functions. However, the Savanna Army Depot Realignment Task Force estimates that the cost of closing the facility and moving the school is much higher—as much as $88 million. This includes new construction that will have to take place at McAlester to complete the move.

Even more importantly, the decision to close ammunition storage facilities failed to take into account storage needs. The Army's 1993 Wholesale Ammunition Stockpile Program study indicated that even with 11 depots, as much as 6 million square feet of outside storage will be needed to match our Nation's future ammunition stockpile. This could indicate that the ammunition study is flawed. Because of this decision, we may not have enough space to meet future storage needs.

Our ammunition depots are a national asset that will be needed to meet future mobilization needs. The Commission's recommendation will mean the loss of an important part of this irreplaceable asset.

Regarding the Commission's recommendation on the O'Hare Air Reserve Station, I am deeply disappointed that the Commission chose a course of action that will eliminate an entire unit within the State and also move the remaining KC135 unit to Scott AFB. The latter recommendation was made without an analysis of the costs to the Government or how long it will take the units to return to operational status.

The closure of the station and its C–130 unit would be a blow to Illinois and a sad chapter in one of our Nation's finest military units. The 928th Airlift Wing has one of the most distinguished records of any Reserve unit in the country. A highlight of this is the 46 years and over 166,000 hours of flying without an accident, the longest stretch of accident-free flying by any civilian or military organization in the country. We should preserve this record and keep the unit in one of the communities in Illinois willing to host it. Unfortunately, the Commission's recommendation will eliminate this effective and efficient fighting asset.

I am also disappointed that the Commission decided to change last year's recommendation concerning moving the 126th Air Refueling Wing. Instead of allowing the process to fully progress, the Commission arbitrarily chose to relocate the unit to Scott Air Force Base. This move was done without any analysis of how long it would take the unit to reach full operational capability due to recruiting and retention concerns. Without this analysis, this recommendation is shortsighted and did not include a thoughtful consideration of other potential sites in the State of Illinois. I therefore cannot support this recommendation.

I believe that we should reject the recommendations of the Commission. From the errors I have seen made in just these two examples, I am concerned that other mistakes may have been made that will force us to make poor choices concerning our Nation's defense infrastructure and unnecessarily eliminate the jobs of thousands of civilian employees who have served our Nation proudly. I hope my colleagues will join me in opposing these recommendations.

Mr. FAZIO of California. Mr. Speaker, I rise today in strong opposition to the BRAC Commission's 1995 base closure list and in support of House Joint Resolution 2.

Nowhere in the United States has BRAC had such a devastating impact as it has had in the Sacramento area. In all four rounds of BRAC the Sacramento area has shouldered well over a quarter of all jobs lost in California due to BRAC.

BRAC made a terrible decision to close McClellan AFB which I represent. Sacramento has been hit far more than any other community in this country. Nowhere in the United States has a community been hit three separate times. Sacramento has already given its fair share to base downsizing.

I voted for the creation of an independent base closure commission because it would be insulated from the politics of individual Members of Congress and their districts so that BRAC could make fairminded decisions as to which bases ought to be closed based on the basis of national need.

However, I must say with great regret and dismay that this BRAC Commission was exceedingly political, made its decision in a vacuum, and in my mind deliberately inflicted undue pain on the people of Sacramento.

BRAC made its decision based not on the facts, but rather the politics of base closures, that up until now have been void from the process.

I believe that BRAC grossly distorted the process and abdicated its responsibility as an independent commission.

This decision was based on data and analysis generated by the Commission staff that was not certified. Further, there was no opportunity—even when specifically requested—for the Air Force or DOD to review the staff analysis and determine the operational impacts of the recommendations. The impacted communities were not provided with an opportunity to respond to this analysis either.

I believe that this approach seriously undermines what was designed to be an open and fair process and contradicts the spirit of the BRAC statute.

I would like to discuss three areas where I feel that the BRAC Commission substantially deviated from the intent of the BRAC statute as well as its total disregard for the Department of Defense's recommendations. In my mind and the minds of many of my colleagues on both sides of the aisle that have been adversely affected by this decision, the BRAC Commission clearly subverted and deviated from the BRAC statute and past BRAC Commissions.

ECONOMIC IMPACT

The Sacramento region has suffered two previous base closures—Mather AFB (1988) and the Sacramento Army Depot (1991). These closures resulted in the loss of 11,516 direct jobs and 28,090 total.

The closure of McClellan will result in a loss of 13,000 direct jobs and over 31,000 total jobs.

The total combined effect of all three closures results in over 59,000 total jobs lost which represents 7.8 percent of the region's total employment. These three closures make Sacramento the hardest hit community in the entire country for all four BRAC rounds.

MILITARY READINESS

The recommendations to close McClellan and Kelly are simply unacceptable. Of all the options for eliminating excess capacity in the Air Force depot system, the Commission's approach will cause the most turbulence, will cost the most money, and will have the most negative impact on mission support capabilities.

The substitution of judgment by the BRAC staff on the cost and savings associated with these two bases is deeply troubling. Changing assumptions and parameters based on anecdotal information and running COBRA analyses using nonbudget quality data and with no input from military officials are causes for great concern.

A review of the military's BRAC budgets demonstrates that previous cost assessments of prior rounds were understated. In fact, earlier this year, the Navy reprogrammed more than $700 million from operations and maintenance accounts to cover cost overruns in its base closure account. We should not risk the readiness of our troops on a cost and savings evaluation which did not receive the same level of budget scrutiny as Secretary Perry's original recommendations.

In a letter dated June 21, 1995, Secretary of the Air Force Sheila Widnall and Air Force Chief of Staff Ron Fogleman wrote to the BRAC Commission that "the staff generated BRAC proposal described to us will * * * preclude the Air Force from carrying through on vital readiness and modernization programs."

Secretary Widnall and General Fogleman further stated that "the essential business of the Air Force * * * would be greatly disrupted."

CROSS-SERVICING

There is widespread agreement, including the recently published Commission of Roles and Missions Report, that cross-servicing and privatization are the smartest, cheapest, and least disruptive methods of downsizing large industrial facilities. Every major study in this area, from the Defense Science Board to the Joint Chiefs of Staff, agree that cross-servicing and privatization are the right way to downsize depot maintenance.

The fact that neither the Defense Department nor the Commission were successful in instituting cross-servicing in a comprehensive manner to remove redundancies among the services is a major disappointment.

In my view, the Commission's recommendations are not an appropriate or acceptable substitute for eliminating capacity in defense industrial facilities the right way through cross-servicing.

This BRAC list comes up short. The enormous costs, loss of capabilities, and overall impact on readiness are too great a risk. There is a right way and a wrong way to downsize depots. This is definitely the wrong way.

I understand probably better than most that we as a Congress have the responsibility to close bases down that are unneeded in the wake of the end of the Soviet Union and the cold war.

But BRAC's decision risks readiness, will not eliminate excess capacity, and asks the people of Sacramento to shoulder a far higher proportion of pain than does the rest of the country.

The BRAC Commission has gone too far this time, I ask my colleagues to support this resolution and reject the Commission's ill-advised recommendations.

The SPEAKER pro tempore. All time has expired. Pursuant to section 2908 of the Defense Base Closure and Realignment Act of 1990, the question is on passage of the joint resolution.

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

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

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

The Sergeant of Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 75, nays 343, not voting 16, as follows:

[Roll No. 647]

YEAS—75

Ackerman	Gejdenson	Miller (CA)
Andrews	Gephardt	Mineta
Bentsen	Gilchrest	Murtha
Bevill	Gonzalez	Myers
Bonilla	Goodling	Ortiz
Borski	Green	Pastor
Browder	Hamilton	Payne (NJ)
Brown (CA)	Hastings (FL)	Pelosi
Bryant (TX)	Herger	Pombo
Chapman	Hilliard	Roybal-Allard
Clay	Holden	Royce
Coleman	Horn	Scarborough
Combest	Hoyer	Schroeder
Costello	Jackson-Lee	Seastrand
Davis	Kennelly	Shuster
de la Garza	Kim	Smith (TX)
DeLauro	Lantos	Talent
Dixon	Lewis (CA)	Tejeda
Doolittle	Lofgren	Torres
Eshoo	Manzullo	Torricelli
Evans	Martinez	Towns
Farr	Matsui	Waters
Fazio	McCollum	Williams
Ford	Menendez	Woolsey
Fox	Mica	Wynn

NAYS—343

Abercrombie	Castle	Emerson
Allard	Chabot	Engel
Archer	Chambliss	English
Armey	Chenoweth	Ensign
Bachus	Christensen	Everett
Baesler	Chrysler	Ewing
Baker (CA)	Clayton	Fattah
Baker (LA)	Clement	Fawell
Baldacci	Clinger	Fields (LA)
Ballenger	Clyburn	Fields (TX)
Barcia	Coble	Filner
Barr	Coburn	Flake
Barrett (NE)	Collins (GA)	Flanagan
Barrett (WI)	Collins (IL)	Foglietta
Bartlett	Collins (MI)	Foley
Barton	Condit	Forbes
Bass	Conyers	Fowler
Bateman	Cooley	Frank (MA)
Beilenson	Cox	Franks (CT)
Bereuter	Coyne	Franks (NJ)
Berman	Cramer	Frelinghuysen
Bilbray	Crane	Frisa
Bilirakis	Crapo	Frost
Bishop	Cremeans	Funderburk
Bliley	Cubin	Furse
Blute	Cunningham	Gallegly
Boehlert	Danner	Ganske
Boehner	Deal	Gekas
Bonior	DeFazio	Geren
Bono	DeLay	Gibbons
Boucher	Dellums	Gillmor
Brewster	Deutsch	Gilman
Brown (FL)	Diaz-Balart	Goodlatte
Brown (OH)	Dickey	Gordon
Brownback	Dicks	Goss
Bryant (TN)	Doggett	Graham
Bunn	Dooley	Greenwood
Bunning	Dornan	Gunderson
Burr	Doyle	Gutierrez
Burton	Dreier	Gutknecht
Buyer	Duncan	Hall (OH)
Callahan	Dunn	Hall (TX)
Calvert	Durbin	Hancock
Camp	Edwards	Hansen
Canady	Ehlers	Harman
Cardin	Ehrlich	Hastert

Hastings (WA)	McInnis	Schaefer
Hayes	McIntosh	Schiff
Hayworth	McKeon	Schumer
Hefley	McNulty	Scott
Hefner	Meehan	Sensenbrenner
Heineman	Meek	Serrano
Hilleary	Metcalf	Shadegg
Hinchey	Meyers	Shaw
Hobson	Mfume	Shays
Hoekstra	Miller (FL)	Skaggs
Hoke	Minge	Skeen
Hostettler	Mink	Skelton
Houghton	Molinari	Slaughter
Hunter	Mollohan	Smith (MI)
Hutchinson	Montgomery	Smith (NJ)
Hyde	Moorhead	Smith (WA)
Inglis	Myrick	Solomon
Istook	Nadler	Souder
Jacobs	Neal	Spence
Johnson (CT)	Nethercutt	Spratt
Johnson (SD)	Neumann	Stark
Johnson, E.B.	Ney	Stearns
Johnson, Sam	Norwood	Stockman
Johnston	Nussle	Studds
Jones	Oberstar	Stump
Kanjorski	Obey	Stupak
Kaptur	Olver	Tanner
Kasich	Orton	Tate
Kelly	Owens	Tauzin
Kennedy (MA)	Oxley	Taylor (MS)
Kennedy (RI)	Packard	Taylor (NC)
Kildee	Pallone	Thomas
King	Parker	Thompson
Kingston	Payne (VA)	Thornberry
Kleczka	Peterson (FL)	Thornton
Klink	Peterson (MN)	Thurman
Klug	Petri	Tiahrt
Knollenberg	Pickett	Torkildsen
Kolbe	Pomeroy	Traficant
LaFalce	Porter	Upton
LaHood	Portman	Velazquez
Largent	Poshard	Vento
Latham	Pryce	Visclosky
LaTourette	Quillen	Volkmer
Laughlin	Quinn	Vucanovich
Lazio	Radanovich	Walker
Leach	Rahall	Walsh
Levin	Ramstad	Wamp
Lewis (GA)	Rangel	Ward
Lewis (KY)	Reed	Watt (NC)
Lightfoot	Regula	Watts (OK)
Lincoln	Richardson	Waxman
Linder	Riggs	Weldon (FL)
Lipinski	Rivers	Weldon (PA)
Livingston	Roberts	Weller
LoBiondo	Roemer	White
Longley	Rogers	Whitfield
Lowey	Rohrabacher	Wicker
Lucas	Ros-Lehtinen	Wilson
Luther	Rose	Wise
Manton	Roth	Wolf
Markey	Roukema	Wyden
Martini	Rush	Yates
Mascara	Sabo	Young (AK)
McCarthy	Salmon	Young (FL)
McCrery	Sanders	Zeliff
McDermott	Sanford	Zimmer
McHale	Sawyer	
McHugh	Saxton	

NOT VOTING—16

Becerra	Moakley	Stenholm
Dingell	Moran	Stokes
Jefferson	Morella	Tucker
Maloney	Paxon	Waldholtz
McDade	Reynolds	
McKinney	Sisisky	

□ 1122

Messrs. OWENS, McINTOSH, FIELDS of Louisiana, KENNEDY of Massachusetts, and Mrs. CHENOWETH changed their vote from "yea" to "nay."

Messrs. TORRICELLI, ROYCE, and GILCHREST changed their vote from "nay" to "yea."

So the joint resolution was rejected.

The result of the vote was announced as above recorded.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1617

Mr. SAM JOHNSON of Texas. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 1617.

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2020, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1996

Mr. LIGHTFOOT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2020) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1996, and for other purposes, with Senate amendments thereto, disagree to the amendments and agree to the conference asked by the Senate.

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

There was no objection.

MOTION TO INSTRUCT CONFEREES OFFERED BY MR. OBEY

Mr. OBEY. Mr. Speaker, I offer a motion to instruct conferees.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. OBEY moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 2020, be instructed to agree to the amendment of the Senate numbered 130.

The SPEAKER pro tempore. The gentleman from Iowa [Mr. LIGHTFOOT] will be recognized for 30 minutes, and the gentleman from Wisconsin [Mr. OBEY] will be recognized for 30 minutes.

PARLIAMENTARY INQUIRY

Mr. HOYER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOYER. Mr. Speaker, am I correct that under the rules, a Member in opposition has the right to half the time?

The SPEAKER pro tempore. One-third of the time could be allotted to a Member in opposition.

Mr. HOYER. Mr. Speaker, is it my understanding that the gentleman is yielding to me the time?

Mr. LIGHTFOOT. Mr. Speaker, I would be happy to yield my 30 minutes to the gentleman from Maryland.

The SPEAKER pro tempore. Is the gentleman opposed to the motion?

Mr. LIGHTFOOT. Mr. Speaker, I am not in favor of the motion, but I would yield my 30 minutes to the gentleman.

The SPEAKER pro tempore. The gentleman is yielding all 30 minutes to the gentleman from Maryland. The gentleman from Maryland is recognized for 30 minutes in opposition to the motion.

The gentleman from Wisconsin [Mr. OBEY] is recognized for 30 minutes.

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

Mr. Speaker, what is before us is the question of going to conference on the Treasury-Postal appropriation bill. The motion that I have just made is a motion which would accept the Senate amendment numbered 130, which in essence indicates that the congressional pay will be frozen for yet another year with no COLA, although that COLA will be provided for other Federal employees.

Mr. Speaker, as Members of the House know, this House established a new procedure. As Members will remember in, I believe, 1991, the Congress took a step forward, at least I think many thoughtful Members will recognize it was a step forward, when we decided that outside income for Members of Congress was going to be limited and that instead we would have only one paymaster, that being the general public, rather than supplementing our pay through various activities, including giving speeches and earning outside income in a manner which many people were concerned created the appearance of a conflict of interest.

The Congress took a lot of heat for that action at the time, but I think it was the right action because I think it substantially improved the financial practices around here. It was supported on both sides of the aisle on a bipartisan basis.

We established a new process under that legislation which guaranteed that Members of Congress would never get a pay increase larger than that provided for other Federal employees. And, in fact, the way it was set up, we got that adjustment one year later, so that we could not be accused of setting the trend for increased pay, but rather we were following what would happen in other sectors of the economy.

Mr. Speaker, under that we received two small cost of living adjustments: A 3.5 increase in 1992 and a 3.2 increase in 1993. Since that time we have taken action each year to freeze our own pay. So that means that for calendar year 1994, and 1995, the Congress voluntarily decided not to accept a congressional pay raise, even though other Federal employees did receive a pay raise.

The Senate has now taken an action on this bill which indicates their belief that we should do that for another year.

□ 1130

I think that probably the vast majority of Members on both sides of the aisle will share the view that under the

circumstances that we face with other agencies of Government being cut, with many other programs being cut, when we are in the process of establishing budget guidelines that we will live with for either the next 5 or 7 years on our way to what people would like to think would be a balanced budget, I think that under the circumstances, it would be highly unrealistic to expect that the Congress this year would receive even a cost-of-living adjustment.

So I am simply offering this motion because I think that it is generally accepted in the House that, under these circumstances, it would be appropriate to accept the Senate position.

In doing so, I would make the following observation, however: I believe it is essential to the ability of this House over the long term to attract quality candidates, and I think it is essential to see to it that in the long term we do not have renewed pressures for providing other ways for Members to receive income by, in effect, cashing in on their own notoriety, for want of a better word, or by cashing in on their title as a Member of Congress to increase their pay. In order to prevent those actions from happening, it is going to be necessary at some time for Members of Congress to receive pay adjustments identical to those provided to other workers in the Federal Government.

I do not believe that people can expect that forever there will be no adjustments in congressional pay. But I think it is common good sense to recognize that, under these circumstances, Members of Congress are not and should not be providing themselves with an increase in pay when we are in the process of establishing a multiyear effort to reduce the deficit and cut expenditures.

So, for the third year in a row, the effect of this motion would be to deny ourselves a pay raise. I think that that is the rational thing to do under these circumstances, and I would urge support for the motion.

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

Mr. OBEY. I yield to the gentleman from Louisiana.

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

It is with some degree of reluctance that I rise in a bipartisan display of support. It is with some degree of reluctance that I rise in an effort to display bipartisan support for the gentleman's amendment.

I agree with the gentleman's conclusions. This Congress has made great strides in making deep cuts in the Federal budget. To date, the appropriations process has yielded net savings in fiscal year 1995 and 1996 of approximately $44 billion, and it would be highly untenable for the Congress to say, "Well, we are going to cut the rest of the Federal budget, but we are going to go ahead and allow our own pay to escalate."

So I join the gentleman, and I suspect that the vast majority of the Members of this House will join him. The Senate has already gone on record as supporting this effort, and so this effort is merely to conform with what the Senate has already done.

But let me say that I also have some grave concern that pay, unfortunately, becomes an aspect, an ingredient to a degree of short-term politics. I, frankly, do not know any Members over the years that I have served in the Congress that have been defeated over the pay raise issue. But I suspect, if any have, they are very few in number.

The American people, I think, intuitively understand that public officials have to make a living, and if they do not want a body of 100 percent of millionaires in the House of Representatives or in the Senate, then, obviously, they have to pay them a salary.

One can argue how much that salary should be. But a few years ago, as the gentleman pointed out, we had an honoraria process whereby Members of the Congress would supplement their own income by going out and getting speaking fees. I think that the press did a pretty good job, and Members in this body and the Members of the other body stood up and talked about how that process had gone astray. That situation had done much to begin to corrupt the institution. People were not working for their pay. They were going out and cutting deals. They were walking into breakfasts and walking out with thousand dollar checks. Frankly, the whole system smelled.

So the gentleman who is presenting this initiative, and several others and I were eager to get rid of honoraria. Honoraria is now history. It is gone for Members of Congress, and I think that is good.

In an effort to compensate for what was a significant loss of income for many Members of the House and in the other body, there was a fairly significant pay increase. But really it was not an increase, because it was offsetting income that was lost.

That being said, that was several years ago, and since then Members have gotten some nominal COLA's, along with the rest of the Federal employees and military retirees and others, but not as often as the Federal employees and the military retirees. In the last 2 or 3 years this body and the other body have joined together and frozen our pay. We have not had any COLA's, even though Federal employees and military retirees have gotten their COLA's, and that is OK. We are doing it again this year.

I dare say, for one reason or another it is quite possible we may do that again next year. But I would like to offer a cautionary note to my colleagues in this body and tell you that unless you want a situation where all of the Members of the various districts, the 435 districts of this great Nation that serve in this body, if you want everyone to be a millionaire, well then just keep on freezing the pay because a person of modest means will not be able to serve here after some length of time. He will not be able to raise his family. He will not be able to send his children to college or educate his kids or meet obligations to his family. She will not be able to raise her family. He or she will not be running for Congress because he or she at some point will not be able to afford to be here. I do not think that is what we want.

I think the great thing about this country is that we have not had to depend solely on the affluent class, if you will, to serve as our public figures.

I think the great thing about this institution, particularly the House of Representatives, and I do distinguish it from the Senate, because 82 percent of them are millionaires, I am not trying to condemn anybody who has been smart enough or affluent enough or wise enough to invest their money and has made great fortune for himself or inherited great fortune. I think that is great. That is the American system. All of those that are of affluent means that serve in this body serve valiantly and serve their constituents, but our constituents should also have the opportunity to elect people who are not affluent, who are not people who absolutely can pay their way to be here.

That is why I think that is a mistake to freeze our pay year after year after year. I think there is great merit in giving the Federal employees a cost-of-living adjustment periodically. There is great merit in giving retired Federal employees, retired military personnel a cost-of-living adjustment periodically, and, yes, I think that there is great merit in providing judges and Members of Congress and heads of departments of the executive branch and other ranking leaders a periodic adjustment in their cost of living as well. Not to do so risks changing this system, risks changing this country, and not necessarily for the better, because it will not only go to those folks who are of independent means, it could go to those folks who might other wise seek to find outside income through less-than-appropriate channels. I would not want to see that happen either.

So I think that the gentleman's motion is well taken at this time. It is with some degree of reluctance that I support it, but I do urge that all of the Members of this body support it. Let us send this issue on to the conference and get it over with and address this issue next year and the years thereafter.

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

Mr. Speaker, for all of the reasons articulated by the distinguished gentleman from Louisiana, the chairman of the Committee on Appropriations, I

rise in opposition to this motion. I think he is absolutely correct, and the reasons that he articulated were the reasons that undergirded the efforts of this House of Representatives to, in a fair and open manner, adopt legislation which would lead to a reasonable incremental adjustment in the pay of Members.

It is obviously a very politically difficult situation. No Member likes to vote on their raise, and, in fact, what we talk about here is not a raise in the classic sense. It is a cost-of-living adjustment; that is to say, a mechanism was established to keep Members even with the cost-of-living adjustment.

The gentleman from Louisiana pointed out that we do that for others, social security recipients, Federal retirees, and active Federal employees, some 2 million, as well as for members of the military. We do that so that their standard of living will not deteriorate as inflation occurs. That is the issue here, not a pay raise in the classic sense.

That resolution of a very thorny issue was arrived at through bipartisan work and agreement. The current speaker, Speaker GINGRICH, was a part of that, Speaker Foley and the current minority leader, the gentleman from Missouri [Mr. GEPHARDT] was part of that, the distinguished ranking member of the Committee on Appropriations, the gentleman from Wisconsin [Mr. OBEY] was part of that, and my good friend from California [Mr. FAZIO] was a leader in that effort, the current chairman of the Committee on Appropriations was a part of that, the gentleman from California [Mr. LEWIS], who was then chairman of the Republican Conference, was a part of that, in trying to deal with a very difficult issue, obviously, with our constituents so that they knew and we knew and our families knew what is the deal, how do we adjust congressional pay in a rational, reasonable way.

The failure to have done that over the years led to anomalies that outraged the American public and gave great fodder for talk show hosts.

What was that? As the gentleman has pointed out, for 3 or 4 or 5 years we would go with zero, and then because Members were falling substantially behind, the quadrennial pay commission would recommend a high figure, and we would take a portion of it, in one instance, for instance, a raise of $10,000, or approximately that figure. That is a very high figure when one hears about it being a raise and does not divide it by the 4 or 5 previous years that zero was the adjustment.

As a result, the public was outraged at our giving ourselves from this perspective such large pay raises. This, again, was an effort to avoid that consequence and to provide for an annual mechanism that would go into effect only in the event that Federal employees got a raise, so that if the other employees of the Federal Government did not get a raise, Members of Congress would not get a cost-of-living adjustment. We did that again to ensure that we were not treated differently.

We talked a lot about treating ourselves the same, covering ourselves by the same laws that we expect others to abide by, and that was the reason that we tied ourselves to other Federal employees. We are ultimately paid by the Federal Government, the Federal taxpayer. We are Federal employees, and if they did not get an adjustment, we felt we should not.

In this instance, they will get an adjustment, and the motion offered by the gentleman from Wisconsin will provide that we will not have an adjustment, and that will be the third year, and I do not think there is anybody on this floor that believes that next year the Members of Congress are going to have the ability or will to look their constituents in the eye and say, "We are going to take one-fourth or one-half or three-fourths of or a whole of that adjustment which we have not taken."

□ 1145

So, we will go 4 years in a row, and the difficulty that will then occur will be in 1997 there will be an effort, I predict, to do a larger number, a catchup, if you will, and the American public will then again say, "Those guys don't get it. Why are they giving themselves such a big pay raise?" And there will be no discussion about January 1993, or January 1994, or January 1995, or January 1996, or January 1997. That will be forgotten.

So, I rise to oppose this motion, not because I do not understand the concerns of my chairman, the concerns of my ranking member. I think I am a reasonably perceptive Member of this body in terms of the political realities of this body, and so I understand what the gentleman from Louisiana [Mr. LIVINGSTON] has said the realities are, and, having said that, I regret that we find ourselves in a position of suggesting this alternative.

Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. FAZIO], who has forever been a Member of this body who has taken a lot of flak, a lot of heat. He has had the courage to stand up for his 434 colleagues, but, much more importantly, for this institution, and for that I not only have great affection for the gentleman, but great respect.

Mr. FAZIO of California. Mr. Speaker, I want to thank the gentleman from Maryland [Mr. HOYER] for yielding this time to me and, far more importantly, for his very kind and generous remarks, and I want to congratulate him for having had the courage, as he always does, to try to educate not only his constituents, not only his colleagues, but, I think, the country on the very, very difficult conundrum we often find ourselves in on this pay issue. There is no question that the gentleman's comments are pertinent and to the point and that, if we are not careful, we will repeat the very bitter and unhappy history that we have seen occur on this floor where periodically, perhaps once a decade, we go through this catharsis of debate and public reaction over the question of pay for Members of Congress.

I also want to associate myself with the remarks of the gentleman from Louisiana [Mr. LIVINGSTON] who, along with the gentleman from Wisconsin [Mr. OBEY] and a number of other Members, served so stalwartly on the commission that we formed in 1989 that brought the bipartisan leadership of both the caucus and the conference together to resolve this issue, and we hope once and for all. Obviously that is not the case. Lynn Martin, who cochaired that effort along with me at that time, I think would agree that we tried to put in place a very conservative and automatic process, but in fact, unless we have total bipartisan consensus in this institution from one generation, one class, to the next, it is very unlikely that we will have the courage even to allow the automatic mechanism which guarantees that we make our cost-of-living adjustment less by five-tenths of 1 percent than anything that the private sector made. It guarantees that we always get something that is very modest behind inflation, behind what is happening in the private sector.

The comments of the gentleman from Maryland [Mr. HOYER] are, therefore, on point, and I regret that we are at the point we are today, but reality, as the gentleman from Wisconsin [Mr. OBEY] has said, has crashed in. We are at a point, and I would hope that all the Members would understand that regardless of how we may feel differently on this issue, we ought to accommodate the situation, the politics of the moment, and we ought to do what we can to lower our voices and to allow this process to go, as I think we all know it must, toward the decision that I am sure we will make with great—a majority here in just a moment—to lay this issue aside for this Congress. But, as the gentleman from Louisiana [Mr. LIVINGSTON] has said and the gentleman from Maryland [Mr. HOYER] has said, to continue to do this is to create an atmosphere of crisis that will do far more damage to this institution out in the future than we can at all mitigate by the minor act we will be making here in just a moment.

Mr. Speaker, I say to my colleagues, "Mr. HOYER, Mr. LIVINGSTON, Mr. OBEY, with this kind of leadership where our Speaker and minority leader are brought together, ultimately we can accomplish our purpose and, I think,

educate the American people as to the importance of it.'' We are not there at the moment, and so, while I know the gentleman from Maryland [Mr. HOYER] speaks with great sincerity, I do hope that his opposition, which I believe is largely symbolic here today, will not succeed.

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

Mr. Speaker, I do not see my opposition as largely symbolic. I perceive it as very real, and those that talk to me about it know that it is not symbolism that I am seeking.

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

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

Mr. Speaker, I have just one additional observation.

I recognize fully what the gentleman from Louisiana said, and I understand the position of the gentleman from Maryland. I do not think it is reasonable to expect that the only people in America who never get a pay adjustment would be Members of Congress.

I make no apology for the efforts of the past that have been engaged in on a bipartisan basis in this House, in full view of the public, not in a midnight vote, as did occur in the other body, but in full view of the public, in the afternoon, an up-or-down vote after a long discussion. I make no apology for the fact that we decided that we would make the public our only paymaster, because I believe this place is a much cleaner place for having done that. And I have no argument with the suggestion that Members of Congress should be treated the same as other Federal employees with respect to cost-of-living increases. That is probably as good a guide as any.

Unfortunately we are stuck with the job, under the Constitution, of determining our own pay. I wish we did not have that job because it is a no-win situation, and so I think, if we are to set a guideline, what happens to other Federal employees is probably as good a guideline as we can find for what ought to happen to us in terms of pay. I would gladly have somebody else set that pay, but under the circumstances I think that it is appropriate this year, given what is happening with the budget, for the Congress to freeze its own pay.

I would note that that is unquestionably a lot easier for Members of the other body to do because, as the gentleman from Louisiana [Mr. LIVINGSTON] indicated, newspaper stories indicate that there are possibly up to 80 percent of the Senate that are millionaires. I regret that condition; I think we would be better off if we had a more even spread among income groups in the other body. But we do not, and I recognize it is much easier for them to do this than it is for those on this side of the Capitol, but I think under the circumstances this is the best course of action. I think Members understand that.

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

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

The SPEAKER pro tempore (Mr. DREIER). Without objection, the previous questions is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Wisconsin [Mr. OBEY].

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

Mr. OBEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 387, nays 31, not voting 16, as follows:

[Roll No. 648]

YEAS—387

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bellenson
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Traficant
Upton
Vento
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—31

Berman
Boehlert
Brewster
Clay
Clayton
Collins (MI)
Conyers
DeLay
Engel
Fattah
Flake
Gonzalez
Hastings (FL)
Houghton
Hoyer
King
Lewis (CA)
Martinez
McDermott
Mfume
Moran
Murtha
Nadler
Rangel
Serrano
Stark
Thomas
Towns
Velazquez
Watt (NC)
Waxman

NOT VOTING—16

Becerra
Dingell
Hayes
Jefferson
Maloney
McDade
McKinney
Moakley
Morella
Paxon
Reynolds
Sisisky
Stokes
Tucker
Volkmer
Waldholtz

□ 1215

Messrs. TOWNS, STARK, FLAKE, and MFUME changed their vote from ''yea'' to ''nay.''

Mr. ORTIZ, Mrs. COLLINS of Illinois, and Mrs. MEEK of Florida changed their vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BEVILL. Mr. Speaker, I was in a meeting on the Senate side of the Capitol during rollcall vote No. 648 on the motion to instruct conferees on H.R. 2020. Had I been present, I would have voted "yes."

□ 1215

The SPEAKER pro tempore (Mr. COMBEST). Without objection, the Chair appoints the following conferees: Messrs. LIGHTFOOT, WOLF, ISTOOK, KINGSTON, FORBES, LIVINGSTON, HOYER, VISCLOSKY, COLEMAN, and OBEY.

There was no objection.

GENERAL LEAVE

Mr. LIGHTFOOT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from Iowa?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 359

Mr. GEKAS. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 359. When I first signed on as a cosponsor, I thought it might be a good way to address some patent department deficiencies, but since then I have changed my opinion and I respectfully ask to be withdrawn as a sponsor of H.R. 359.

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 1977, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

Mr. REGULA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1977) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

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

Mr. GALLEGLY. Mr. Speaker, reserving the right, I will not object, but I did want to take the opportunity to address the distinguished chairman of the Interior Appropriations Subcommittee. As the chairman knows, the Committee on Resources has approved H.R. 1332, which would eliminate the Office of Territorial and International Affairs [OTIA] and terminate its programs. This action will save taxpayers $16 million in fiscal year 1996 and $117 million over the next 7 years. This authorization bill, which I introduced, received widespread bipartisan support and is currently awaiting floor consideration.

Mr. Speaker, when the floor considered H.R. 1977, the Interior appropriations bill, I offered an amendment to delete the funding for the OTIA and its programs in accordance with our committee's work. The chairman graciously accepted my amendment. Unfortunately, the other body has gone in just the opposite direction in their appropriations bill by preserving in some ways and enhancing this unnecessary office in other ways. It is my hope that the Chair and other House conferees will stick firm to the House position in trying to eliminate this piece of bureaucracy.

At the very least I would ask that, since both authorization committees have such opposite views of the future need of the OTIA, that the chairman not accept any legislative language from the Senate involving the OTIA or its programs and that they subject any appropriation for the OTIA, its programs or former territories, to an authorization.

Mr. Speaker, this issue should be resolved by the authorization committees, and I would appreciate the chairman's consideration.

Mr. Speaker, continuing my reservation of objection, I yield to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Speaker, I thank the gentleman, and we certainly will.

Mr. GALLEGLY. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

MOTION TO INSTRUCT CONFEREES OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion to instruct.

The Clerk read as follows:

Mr. YATES moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 1977, be instructed to disagree to the amendment of the Senate numbered 158.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. YATES] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. REGULA] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. YATES].

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

This is a straightforward motion instructing the House conferees to retain the moratorium on the hard rock mining claims. During House consideration of the bill, the gentleman from Wisconsin [Mr. KLUG] and the gentleman from West Virginia [Mr. RAHALL] offered an amendment to insert the existing moratorium language that has operated this year. The amendment was adopted by a bipartisan vote of 271 to 153.

My motion tells the conferees to stay with the current moratorium language. It requires them to abide by the rule of the significant majority of the House to stop the corporate welfare that has resulted in companies receiving mineral rights worth hundreds of millions of dollars for as little as $2.50 an acre.

The latest example of that, Mr. Speaker, was a few days ago when Secretary Babbitt was required to sign an application for a patent by a foreign company which is estimated to be able to mine 1 billion dollars' worth of minerals in return for a payment of $275. It is time to stop this raid on the Federal Treasury that has gone on for more than 100 years. It is time for the legislative committees to make substantive changes to the 1872 Mining Act.

Mr. Speaker, my motion is a vote for fiscal responsibility, and I urge my colleagues to support the motion to instruct.

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

Mr. REGULA. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Speaker, I rise in opposition to the motion to instruct House conferees to accept the mining patent moratorium, and I urge my colleagues to vote "no."

The House adopted a 1-year moratorium on issuing mining patents. The Senate, however, took another tack. Senate provisions would require fair market value of the surface value of patented lands. The Senate also adopted a reverter clause so that, if land patented for mining is ever used for any other purposes, it reverts back to Federal control.

The Senate provisions raise revenue while the house provisions do nothing but preserve the status quo. Comprehensive mining law reform proposals are pending in both the House and the Senate. These proposals include royalties, which will lead to additional increases in revenue to the Treasury. However, past experience has shown that a patent moratorium will stifle any progress toward comprehensive mining law reform and preserving the status quo which both sides of this

issue agree is not acceptable. The only responsible position is to oppose the motion to instruct, thus bringing in revenue and clearing the way for comprehensive mining law reform.

I urge my colleagues to vote against the motion to instruct.

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

I had neglected in my opening remarks to point out that the most important and significant leader in support of the patent moratorium in this House has been the chairman of this appropriations subcommittee the gentleman from Ohio [Mr. REGULA]. His speeches on this subject have been illuminating and have been very persuasive, and I know that he will be very, very persuasive in support of the House position at such time as we meet on the conference.

Mr. POSHARD. Mr. Speaker, I rise today in strong opposition to H.R. 1977, the 1996 Interior appropriations bill. Last year I supported important legislation, signed into law by President Clinton, increasing payment in lieu of taxes [PILT] by more than 100 percent over 5 years to counties which have Federal land holdings in their jurisdiction. However, the 1996 House Interior appropriations bill does not appropriate the funds necessary to implement the phased-in increase to PILT payments passed by Congress.

The purpose of last year's PILT legislation was to give additional help to counties who suffer lost tax revenue from the presence of Federal lands. The PILT program provides financial stability and opportunities for our counties which would otherwise be left without sufficient tax revenue. However, for many years these payments were not allowed to grow with inflation. In recognizing the importance and success of the PILT program, Congress made a commitment to allow for a substantial increase in these payments, an increase many counties were expecting and relying upon to provide the basic services which they deliver.

Several counties in the 19th Congressional District, which I am proud to represent, rely greatly on the PILT program. Johnson, Hardin, and Pope counties are all home to the Shawnee National Forest, and without an increase in PILT assistance, I am afraid they will be forced to face some very difficult times. It is unfair that these counties should have to suffer financially simply because they are home to one of our national forests. I believe this is a case when Government has a responsibility to provide necessary and fair compensation to counties with federally owned lands.

I have long supported efforts to balance the Federal budget, and I recognize the fact that balancing the budget will require some tough choices. However, I do not agree we should back away from providing much needed financial assistance to our counties and communities in order to pay for a package of tax cuts, many of which affect only upper-income individuals and corporations. The truth is, Congress can balance the budget, but not on the backs of those who sincerely need the help of Government.

In closing, I urge the bill's conferees to include the necessary funding to implement the increase in PILT funding as prescribed by Congress and the President. Without the inclusion of an increase in PILT funding to reflect the promise Congress made to many of our counties across this Nation, I am afraid I will be unable to support the conference report.

Mr. SKAGGS. Mr. Speaker, I urge adoption of this motion. I joined in voting for the patent moratorium when the Interior appropriations bill was on the House floor, and I intend to press for retaining the moratorium when we meet in conference with the other body.

The time has long since come for reforming the obsolete mining law of 1872. Just this week, we had another reminder of how outdated that law is when Secretary Babbitt was forced to give a foreign mining company ownership of 110 acres of Federal lands containing an estimated billion dollars' worth of minerals—for which the company paid just $275.

Let me repeat: under the mining law of 1872, the Federal Government was forced to sell lands with a billion dollars worth of minerals for the grand total of $275, with no provision for the taxpayers—the owners of the Federal lands—to get any royalties, of the kind that are routinely paid in connection when these kinds of minerals are developed on other lands.

So, the current situation is bad. But it would be even worse except for the fact that the Interior appropriation bill for the current fiscal year included a partial patent moratorium—that is, a partial moratorium on land sales under the 1872 Act. The effect of that moratorium is to reduce the number of such unfair, budget-busting sales, and so to protect the taxpayers while Congress works to reform the mining law.

In the last Congress, in addition to the partial moratorium, both the House and the Senate passed bills to replace this obsolete mining law with a modern statute. Unfortunately, however, the conferees were unable to reach agreement on a final version. So, the reform job remains unfinished.

We need to keep working on this. And we need to renew the moratorium, to continue protecting the taxpayers in the meantime. That's why the House was right to adopt the Klug-Rahall amendment—the amendment to renew the moratorium—when the 1996 Interior appropriations bill was on the floor. And that's why we should adopt this motion to instruct, in the interests of protecting the taxpayers and advancing the process of reform.

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

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

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Illinois [Mr. YATES].

The motion to instruct was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. REGULA, MCDADE, KOLBE, SKEEN, and Mrs. VUCANOVICH, and Messrs. TAYLOR of North Carolina, NETHERCUTT, BUNN of Oregon, LIVINGSTON, YATES, DICKS, BEVILL, SKAGGS, and OBEY.

There was no objection.

GENERAL LEAVE

Mr. REGULA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and that I may include tabular and extraneous material.

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2002, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

Mr. WOLF. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

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

There was no objection.

MOTION TO INSTRUCT CONFEREES OFFERED BY MR. COLEMAN

Mr. COLEMAN. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. COLEMAN moves that in resolving the differences between the House and Senate, the managers on the part of the House at the conferees on the disagreeing votes of the two Houses on the bill, H.R. 2002, be instructed to provide funding for the Federal-Aid Highways Program at a level which is as close as possible to the level in the House-passed bill.

The SPEAKER pro tempore. The gentleman from Texas [Mr. COLEMAN] and the gentleman from Virginia [Mr. WOLF] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. COLEMAN].

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

My motion to instruct conferees is very straightforward. It simply instructs the House conferees to agree to provide funding for the Federal aid highways program at a level that is as close as possible to the $18 billion provided in the House-passed bill.

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

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

Mr. Speaker, I rise in strong support of the motions offered by the gentleman from Texas. As the gentleman

already pointed out, the House bill provides $18 billion for the Federal air highway program, an increase of $840 million over the previous fiscal year. Under this, most States get more than they did in the past.

□ 1230

The Senate alternatively has elected to reduce highway spending to $17 billion, $1 billion below the House level and $160 million below last year's level. The Federal-Aid Highway Program consists of several programs designed to aid in the construction, rehabilitation, traffic management, and safety of our Nation's highways.

These programs also assist in the improvement of other modes of transportation, so it is my hope that the committee conference can agree to provide the funding for the Federal-Aid Highway Program at a level which is as close as possible to the level of the House-passed bill, realizing the competing needs of the Coast Guard and others.

Mr. Speaker, I rise in support of the motion offered by the gentleman from Texas. As the gentleman has already pointed out, the House bill provides $18 billion for the Federal-Aid Highway Program, an increase of $840 million over the previous fiscal year.

The Senate, alternatively, has elected to reduce highway spending to $17 billion, $1 billion below the House level, and $160 million below last year's level.

The Federal-Aid Highway Program consists of several programs designed to aid in the construction, rehabilitation, traffic management, and safety of our Nation's highways. These programs also assist in the improvement of other modes of transportation. Infrastructure spending on highways is critical to the efficient movement of goods and people in the United States and has direct effects on the national economy and interstate commerce. In fact, every billion dollars spent on the highway system results in improvements in pavements and bridge conditions and reduced congestion. For example, $1 billion could fund 2,500 lane miles of pavement improvements, 375 lane miles of increased capacity, and 190 bridge improvements. Highway spending also means jobs: For a billion dollars, as many as 50,000 jobs can be supported.

It is my hope that the conference committee can agree to provide funding for the Federal-Aid Highway Program at a level which is as close as possible to the level in the House-passed bill, recognizing the competing demands of the Coast Guard, the Federal Aviation Administration, and other safety programs of the Department of Transportation.

I support the gentleman's motion and urge that the motion be agreed to.

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

Mr. WOLF. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I appreciate the fact that the gentleman is accepting this motion. I think it is the right thing to do.

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

Mr. WOLF. I yield to the gentleman from Texas.

Mr. COLEMAN. Mr. Speaker, my motion to instruct conferees on H.R. 2002, the fiscal year 1996 Department of Transportation Appropriations Act is very straightforward. My motion would simply instruct the House conferees to agree to provide funding for the Federal-Aid Highway Program at a level that is as close as possible to the $18 billion provided in the House-passed bill.

Mr. Speaker, one of the most significant areas of difference in the House and Senate transportation appropriations bill is the funding level recommended for the Federal Highway Program. The House bill provides an obligation limitation for this purpose that is $1 billion more than the $17 billion level recommended by the Senate. In addition to providing a funding level for the Federal Highway Program that is less than the 1995 level, the Senate has also included $39.5 million in earmarked highway demonstration projects that benefit only a few, selected areas.

Mr. Speaker, in Texas and in most other States, there is a huge backlog of roads, highways and bridges that are in desperate need of repair and rehabilitation. In 1993, the Federal Highway Administration estimated that the annual cost to maintain and improve highway conditions was $59 billion. The House bill squarely recognizes these needs and addresses them by providing the highest ever funding level for the Federal Highway Program, and by providing these funds in a manner such that every State will benefit.

As with the other appropriations bills, the House made some very difficult choices in allocating fiscal year 1996 funding for transportation programs that in total is $1 billion less than 1995 appropriations. However, in making those choices, the House determined that investing in our Nation's infrastructure should be of the utmost importance, even in austere budgetary times. Such an investment will enhance highway safety, ease congestion, create jobs, and increase our Nation's productivity. For these reasons, I believe that we should insist on making highway infrastructure spending a priority for the conferees on this bill. I urge the adoption of this motion.

GENERAL LEAVE

Mr. WOLF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and that I may include tabular and extraneous material, on this legislation.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct conferees offered by the gentleman from Texas [Mr. COLEMAN].

The motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. WOLF, DELAY, REGULA, ROGERS, LIGHTFOOT, PACKARD, CALLAHAN, DICKEY, LIVINGSTON, SABO, DURBIN, COLEMAN, FOGLIETTA, and OBEY.

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. FAZIO of California. Mr. Speaker, I am happy to yield to the gentleman from Texas [Mr. ARMEY], the majority leader, for the purpose of inquiring about the schedule.

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

Mr. Speaker, let me preface my remarks on the schedule for next week by informing all the Members that we have had our final vote for today and for this week. There will be no more votes today.

Mr. Speaker, the House will not be in session on Monday, September 11.

On Tuesday, the House will meet at 10:30 a.m. for morning hour and 12 noon for legislative business to take up H.R. 2150, the Small Business Credit Efficiency Act, which will be considered under suspension of the rules. However, we will not have any recorded votes until 3 p.m.

For Tuesday afternoon and the balance of the week, we plan to consider the following bills, all of which will be subject to rules: H.R. 1594, the Pension Protection Act of 1995; H.R. 1655, the fiscal year 1996 Intelligence reauthorization bill; H.R. 1162, the Deficit Reduction Lockbox Act; and H.R. 1670, the Federal Acquisition Reform Act of 1995. Members should also be advised that conference reports may be brought to the floor at any time.

On Wednesday and Thursday, the House will meet at 10 a.m. for legislative business.

Tuesday it will be our hope to adjourn around 7 or 8 p.m. On Wednesday we may work a little later, and it is our hope to have Members on their way home to their families by 6 p.m. on Thursday.

The House will meet in pro forma session on Friday, September 15. There will be no recorded votes.

Mr. FAZIO of California. Mr. Speaker, if I could further inquire of the majority leader, let me open by saying that I appreciate the fact that we seem to have returned to a more normal schedule here, and I think this will be conducive to families having an opportunity to have at least a late supper, if not a regular dinner together. I am sure we are all relieved because of the difference that this makes with the last couple of weeks that we had prior to our August recess.

I would like to ask, however, when we would be bringing to the floor the

legislation on gifts and lobbying reform. We were chastised roundly earlier in the week because we attempted to use the legislative branch appropriation bill to bring that before the body. I know there are hearings in the Committee on the Judiciary. I am wondering, because of the importance of having time to appreciate and understand the changes it will require of Members and their offices, whether or not we are going to be able to see that law enacted in time to implement the rules and the statute by January 1.

Does the majority have any ability at this time to give us an indication as to when we will bring that to the floor and when it might be effective?

Mr. ARMEY. Mr. Speaker, if the gentleman will continue to yield, I thank the gentleman for his inquiry. I do appreciate the inquiry. As the gentleman noted, hearings were held this week. We are looking at that. We are talking among ourselves and with the committee, looking for an opportunity to bring that up. I am sorry we have nothing definitive to report at this time.

Mr. FAZIO of California. I would ask the gentleman, is it possible it may be added to our list of "must pass" legislation so it would be considered by the end of this calendar year in order to be effective in January?

Mr. ARMEY. Of course, as the gentleman knows, all things are possible. I just simply cannot attach any probability or likelihood to it at this time until I have further discussion with other relevant people.

Mr. FAZIO of California. Mr. Speaker, could the majority leader indicate to us when we will be able to begin the process of analysis and numbers crunching on the Medicare provisions that will be a central part of reconciliation? Perhaps the gentleman could update us on when reconciliation is expected to come to the floor, and when we will be able to begin the process of understanding the full impact of those cuts in the Medicare Program that are obviously going to be very contentious and need a great deal of attention before we should be in a position to vote on them.

Mr. ARMEY. If the gentleman will continue to yield, again I thank the gentleman for asking. It is a little difficult to tell right now. We hope to complete our work. We have had a lot of people working very diligently on Medicare, and of course all the other work that is being done on reconciliation. We should begin to start seeing some of the fruits of the labor maybe as early as the end of next week, but I would say it would probably be somewhere closer to the end of September before we could really have defining work out here for us to examine.

Mr. FAZIO of California. Mr. Speaker, could the gentleman tell us when we anticipate reconciliation being brought to the floor? Has that been agreed to finally?

Mr. ARMEY. If the gentleman will again yield, I think once we get into the period of time where we have some very important recesses necessary for the Jewish holidays, that as we try to work our way around that, we might anticipate it would be perhaps the week before or the week following those Jewish holidays recess.

Mr. FAZIO of California. There is no intent to change our current schedule that has been announced and disseminated to Members on either Jewish holidays or the Columbus Day break?

Mr. ARMEY. I really appreciate the gentleman asking. Everybody should have a printed schedule in the form of calendars, and those dates for when the week begins and where it ends, and what days are off because of the holidays, those are firm. There would be no changes in there except possibly, should things go well on floor action, we might every now and then be able to have a pleasant surprise and get out a little earlier or maybe have an extra day to spend in our districts, but there would be no days in addition to those that are already in the schedule for the Members.

Mr. FAZIO of California. Mr. Speaker, I appreciate the gentleman's reassurance. I am sure the Members appreciate that. We would look forward to only pleasant surprises, and no unhappy eventualities that might set us back.

Mr. ARMEY. If the gentleman will yield further, I am sure the gentleman realizes, or maybe does not realize he misspoke earlier, but Mr. Speaker, just for the record, I want to encourage the gentleman to appreciate the fact that we do not intend to see any package in which there will be Medicare cuts.

Mr. FAZIO of California. I was wondering if the gentleman might not have caught that. Reductions in the rate of increase, is that the jargon?

Mr. ARMEY. I would like to think of it as a generous increase.

Mr. FAZIO of California. For those who note the aging of America and the increasing population of the aged and the often double digit increases in the cost of health care, perhaps this is a much more important debate than simply a semantic one. We can hold that for the eventual introduction of the Medicare increase reductions.

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

ADJOURNMENT TO TUESDAY, SEPTEMBER 12, 1995

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Tuesday, September 12, for morning hour debate.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE. Mr. Speaker, on Wednesday the House considered the fiscal year 1996 legislative appropriations bill and I do agree that the House has to take a serious look at its own fiscal affairs. However, I would like to comment on a matter that relates to the daily operation of the House and does not make financial sense.

Last week, the House folding room and all of its related operations were closed. This decision was made under the guise of streamlining and reform. However, it is nothing more than a mean-spirited, poorly conceived, and fiscally irresponsible action. It is truly reform for the sake of reform.

I applaud the House Oversight Committee in its efforts to change the way that the House does business. I was elected to Congress to help to restore the public's faith in this institution. However, by trying to save money in closing the folding room, the committee has created a bookkeeping nightmare and as Members search for new vendors to serve the printing and mailing needs of their constituents, the total franking and overall costs to the taxpayer will probably increase.

Our constituents need and deserve to be well informed about the issues that affect them. Bulk mailings and newsletters are an essential part of our jobs and voters expect to have a clear line of communications to their representatives in Washington. Certainly, a responsible use of these mailing privileges is expected; nevertheless, by closing the folding room another barrier has been created between Washington and the rest of the country.

Why were other remedies related to the House operation of a folding room not considered further? An outside company could have been brought in to run the day-to-day operations of the folding room. As it now stands. congressional staffs now have to scramble to find new vendors and much of their productivity is wasted as they endeavor to fold, stuff, and seal hundreds of pieces of normal correspondence that they churn out on a daily basis. And the job is not done well. I know of a recent bulk mailing that was improperly handled by an outside vendor and because of this precious time and money was lost.

Without the folding room, the House is a more confused and inefficient operation. Is this what the American people voted for in the last election?

And, there is a very important moral issue at play. Over 100 people lost their jobs when the folding room was abruptly shut down. Many of these people were loyal employees of the House with over 20 years of faithful service. I believe that the treatment of the folding room staff was wrong. I am very distrusted that many are starting to believe that the House is the last plantation. If the labor laws of America are to be applied to Congress, then the employees of the House should be treated with at least minimum levels of respect and decency.

I want Congress to be efficient and mindful of the taxpayers' money. However, by closing the folding room, the total money spent by the House will most likely increase, constituent service will be slowed, and the House will appear to be even more out of touch. The Oversight Committee's action are well intentioned, but poorly implemented. The House may find that it needs to look at this issue again.

REAUTHORIZATION OF THE RYAN WHITE CARE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. COBURN] is recognized for 5 minutes.

Mr. COBURN. Mr. Speaker, it is fast approaching the time in this country when we will reauthorize a very important health care act known as the Ryan White Care Act. This act does tremendous amounts of good in terms of offering health care for those afflicted with this dreadful disease.

We owe a tremendous debt of gratitude to the gentleman from New York [Mr. ACKERMAN] for his efforts to raise the awareness of this body, as well as this country, as to the former testing practices of the CDC, and we also owe a debt of gratitude to him for making us aware of the failed policies of the ethicists that have advised the CDC, for over this past year we have been blindly testing mothers and children for this disease, without their knowledge, and when finding positive cases we have refused to identify those positive cases and offer treatment for both newborn children and their mothers, this all at the advice of a group of ethicists that told our CDC that this was an appropriate practice.

The other disturbing thing about that is that the CDC thought it was an appropriate practice, that newborn children infected with a deadly virus and knowledge of that by our own Centers for Disease Control should not have the opportunity for the best treatment that we have available, and also their mothers should not have the knowledge or opportunity that they in fact could be treated, their quality of life could be prolonged, and complications arising from this disease could be prevented.

That, however, has not been the full story of what has happened. Because of the awareness that has come to light through the efforts of the gentleman from New York [Mr. ACKERMAN], we will be proposing, with the new Ryan White authorization, an opportunity for children to have a future.

□ 1245

There is no place today where we have and can make an impact on the HIV epidemic in this country like that associated with women of reproductive age. Today, the fastest growing segment in this epidemic is women in the reproductive age category. It is growing 8 times faster in this group than in any other group in our country.

We also have the opportunity to truly impact newborn babies, because now we have a treatment that prevents, two-thirds of the time, infection in the baby from a woman who might be carrying the HIV virus.

The opportunity that will be coming before us will be shadowed in many debates, a debate on confidentiality, a debate on the rights of women not to be tested, but the ultimate debate that will come about as we reauthorize Ryan White will be the debate of how we have handled this epidemic in our country. In 1981, the first case was diagnosed, and today we have 2.5 million people in our country with this virus. We should ask if we are proud of the job that this country has done in facing this disease, in the way that our Government agencies have handled the epidemic and their approach to it.

But, most importantly, where we have an opportunity to make a difference, to prevent infection in newborn children, we should not shrink back from that. We should stand up and make the difference, the difference that not only will save several thousand babies' lives each year but also, in this time of scarce resources, will add a quarter of a billion dollars in saved health care costs just from testing mothers during their first trimester of pregnancy.

It is my hope and my wish that we will step aside from the politically correct positions of our country and look at the real harm that this infection has caused, not to make callous judgments on those who have unfortunately acquired this disease but all work together to make a new and improved effort at making a difference, saving lives and controlling this epidemic.

INTRODUCTION OF H.R. 2265, MOTOR SPORTS PROTECTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. FUNDERBURK] is recognized for 5 minutes.

Mr. FUNDERBURK. Mr. Speaker, on Wednesday I introduced H.R. 2265, the Motor Sports Protection Act to meet the threat to professional auto racing posed by Bill Clinton's assault on tobacco.

If tobacco companies are forced to remove their sponsorship of racing the very existence of NASCAR, NHRA, and formula one is in doubt. NASCAR alone is a $2-billion industry. An advertising ban will put thousands of Americans out of work.

Richard Petty the king of racing noted: "That all race fans can rally around this bill and I want to help stop Big Brother from attacking law abiding, family oriented, hard working citizens who enjoy racing." Mr. Speaker, this is not about tobacco alone. It is about whether we will stand up and fight another blatant power grab by the Federal Government. We must draw the line against bureaucratic meddling with this wholesome, all-American sport. H.R. 2265, is the first step in our fight to win back Government for our people. Please join the effort and help save racing.

THE BALANCED-BUDGET MYTH

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes as the designee of the minority leader.

Mr. GONZALEZ. Mr. Speaker, I want to preliminarily begin with some general remarks and then as I go into my allotted time, I will be more specific in the issue that I feel is in urgent need to be discussed.

The reason I wanted to have some preliminary remarks by way of explanation is that this period set aside that we designate as special orders is a very interesting one with a very interesting history in which I am very proud of the role I played in developing it into an accepted and formal part of the procedures.

In the beginning of my career here in the House, which of course spans quite a number of years going back to 1961, it was not the custom to practice what we call today special orders. It was looked upon as a quite radical if not an unaccustomed practice, and the procedure was very, very formal, very standardized, and allowed for no real participation even during the general consideration of the full House for any but the very few selected leaders who exercised total power at that time.

Well, of course, that is a long time ago. Those of us who have managed to span these years have noticed, with some gratification, the changes since that rather straitjacketed and quite sterile period of time. Of course, in the interim the country has literally been shaken to root and marrow with some very, very substantial issues and developments that have engulfed it, not because there were issues born spontaneously from within our country, but as the work shrunk and the United States after the war became an inescapable

even though quite reluctant leader of the world, has had to accept those issues and those matters that were very seldom confronted in the House in any kind of a general debate.

There have been quite radical and innovative changes since then. I am recalling a period of time in which any but the leadership, very select leadership, participated in the general procedures. There was no such thing as an individual Member, not part of that very select and small group, initiating or even addressing the full House.

So by dint of the force of circumstances and the great historical occurrences that hit the country and because of the worldwide changes, that, of course, changed the whole aspect and it has been reflected in the internal proceedings in our House. I believe that I have witnessed about every single major occurrence, or as I call it, great landslides in developmental history of this country, both social, economic, and political.

In the first place, I consider myself and want to acknowledge the privilege that I have been given by virtue of our institutional system in our country, one born of freedom, one born of equal access to all citizens depending on the citizen's own exertions and energy and whatever innovative changes he was motivated to bring about. When I first came to the House, it was not that way at all. It was very formal, very staid, very rigid.

I do not recall sessions of the House being held more than at the most 2 or 3 days a week, and of a duration of not more than 2 hours on each occasion. But, of course, this was before the great watershed developments that engulfed us as well as the rest of the world. We must remember that I am talking about a period of time that antedated the Berlin Wall crisis, which today who recalls such other at that time Earth-shaking crises, and then, of course, the internal and the vast sea changes in our domestic, economic, and social structural composition.

Now today, though, I want to take advantage of this opportunity, which is a great opportunity. I am proud of the contribution I have made to providing this hour which we call here and designate special orders, but which is really born out of one of the original legislative practices mounting back to the very first Congress, and that was the privilege, because that is what it is, it is a privilege under our system of legislative procedures based on hard and fast rules, of a multiple body in which it is quite understood and it makes common sense to understand that if you have a multiple body such as this, 435 Members, you have to have some order of selectivity in the recognition of the Members. Otherwise, it would be confusion, worse, confounded, and compounded.

But today I am here to set the record straight about a very misleading slogan which is being broadcast from the rooftops and the airwaves through our country, in Washington, from various groups around the country, and last weekend from most of the speakers at Ross Perot's meeting at the Dallas Convention Center we were hearing the same refrain, quote, balance the budget, balance the budget, balance the budget.

Of course, many swear their dedication to this goal or this slogan or this, I do not know what else to call it, but a myth of balancing the budget. It is said by them that once the budget is balanced, we will all be saved from the dire consequences that having the deficit in the Government budget imposes on us.

I have been one of those that from the beginning of my career have noted this balance-the-budget outcry and have followed it all through these 35-plus years in the House.

□ 1300

Now, our friends in the other party, the Republican Party, say that their miracle cure on this goal of balancing the budget will take only 7 years. However, those of us who were around during the Republican administrations of the 1980's and early 1990's find their plan to be like an arsonist; someone who sets the fire to a building, and then brags about how quickly he can come around with the firearm and put it out.

Before the first budget request of these Republican administrations, at the beginning of 1981, and recall I have been through all of this, the total Government debt, mind you, minus debt held by the Government itself, was $769 billion. That is a lot of money, but it is nothing like the $2.8 trillion debt they left behind in 1992.

Mind you, an 11-year period, and from that amount, $769 billion to $2.8 trillion is quite a bit of a difference and a accumulation of what I said then and continue to say is unacceptable debt.

During these Republican administrations, these are Republican administrations, mind you, even though it was the Democrats that were constantly pilloried as the spenders and wastrels by these same Republicans, but it was during these Republican administrations, I repeat, that the deficit of the Federal Government, that is the amount, the Federal Government spends over and above its revenues, grew to large proportion of the country's total income.

In 1983, the deficit was over 5 percent of the Nation's total income, and it was over 4 percent in 1984, 1985, and 1986. Now, in 1995, the deficit has come down. After 3 years of a Democratic administration, the deficit is slightly over 2 percent of the Nation's income. This is at least some substantial progress.

Mr. Speaker, it is not success, but it is certainly a big march down the road toward that. Now, the truth about what the deficit is going to be in 7 years, that is in the year 2002, is that nobody, under any plan, knows with any precision what that deficit might be. By the year 2002, the total income of everyone in the country will grow from its present level of about $7 trillion to somewhere around $8.4 trillion, if it grows at about 2.7 percent per year, as it is projected.

Nobody, no economist, no statistical expert, and no Republican budgeteer spewing a constant barrage of projections and balanced budget slogans could possibly tell you with any certainty whether the budget deficit will be plus or minus 2 percent of the Nation's income in the year 2002. Given the unknown course of the economy, which is now struggling through a period of slow growth, no one could even predict with any certainty what total income will be 7 years from now.

Now, many so-called experts didn't even know last year how slow income would grow this year. Certainly, the Federal Reserve did not know when they doubled short-term interest rates again and again in only 13 months, and I protesting every inch of the way, and protesting since my coming to the Congress at this type of an action, because that is the heart of the matter.

Any power in any country that controls interest rates controls the life of that country. That is what I have said all along and repeat it now.

And now, they have begun to retreat with lower interest rates after they have seen the consequences of this foolish policy. In the race of the balanced budgeteers, there are now attempts in the Congress to forget about the people who have no well-heeled lobbyist working the halls of the Nation's Capitol in their behalf.

Many of us are familiar with the increasing problem of poverty in our country, even though it is not much discussed and even though it can conveniently be out of sight of the general middle-class public.

We know the people who will be hurt the most. There are numerous statistics showing the Nation's distribution of income is continually getting worse. This week an international study, the nonprofit Luxembourg Income Study, financed by the U.S. National Science Foundation, made some international comparisons that point to this critical problem in the United States.

The researchers found that the gap between the rich and the poor families with children in the United States is the largest among the 18 industrial countries that they studied and rated. The largest. Our country with the largest gap between the rich and poor families with children in the world in the industrial world.

One of the authors of the study, Timothy M. Smeeding, said that while the

gap between rich and poor is generally wider in the United States than in other developed countries, U.S. social programs for the poor are less generous. In an interview this week, Smeeding is reported to have said, and I quote, "Some people say we're such a rich country that even our poor kids are better off. It isn't true."

So what is the Congress now doing in the face of this national tragedy? On the table there are proposals to turn back welfare legislation to the States and eliminate Federal standards and supervision. For example, there is proposed legislation to abolish the aid for dependent children, this real spinal column of all aid programs, and replace it with a temporary family assistance block grant to States. Under that program, there would be no Federal guarantees, which will mean much lower assistance to most of our Nation's citizens who happen to be poor.

This means more deprivation for poor children. This is no gimmick; this is the truth. The history of welfare payments since 1970 shows that this type of proposed legislation is misguided.

For example the State aid for families with dependent children payments have been jointly funded by the National and the State governments, but they are set at the State level. AFDC, as this program is known, began in 1937, and benefits increased for three decades. In 1940, the average States' benefit paid to a family was $287 in 1993 dollars. In 1970, it reached its top amount of $608, and then began to drop, reaching $349 in 1993, again measured in 1993 dollars. That is almost the same level as in 1940, and this is a shame.

Since 1970, these welfare benefits corrected for inflation, have declined because States have been fearful they would attract poor people if their benefits were high. This was the so-called undesirable magnet effect.

Mr. Speaker, it is a travesty to commit to a policy to further deprive the Nation's poor and destitute at a time when the problems of poverty are becoming worse. In 1993, 39.3 million of our citizens, that is 15.1 percent of the population, were considered poor under the official measure based on family income during the year.

This is an increase of 1.3 million people from 1992. In 1993 over one-fifth, 22 percent, of all children were poor and there is a good chance that new poverty figures will not show any improvement. The Government poverty-income cutoff for a family of four was $14,763. The Federal Government has a duty to provide assistance for those citizens. It does not benefit anyone in this country, rich or poor, to let conditions of poverty continue without help from the Federal Government.

One example of a beneficial effect of Government programs is the poverty rate for older people, at one time higher than that of children, which dipped below the child poverty rate in 1974 and has remained that. However, that could change if Medicare is seriously underfunded as the Republicans are now proposing in order to give a tax break—net tax break—to the wealthy.

It is an embarrassment to rational reasoning, and a con game with terrible consequences, to use the balanced budget slogan to justify gutting our already lean program designed to help the less fortunate. We should not, and will not balance the budget of America on the backs of the poor.

The CHAIRMAN. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes as the designee of the majority leader.

REPORT OF FACTFINDING TRIP

Mr. DORNAN. Mr. Speaker, we have had a fast 3 days. Started late on Wednesday, finishing early today. Pressure is building up here for a major budgetary struggle between the two major, only major parties in the world's only superpower, on all of these budgetary issues.

We have come back from a long, what we sometimes euphemistically call a district work period. We are supposed to cram in a vacation and work hard. For some of us, it is hard work.

I took one of the more difficult and fast-moving factfinding trips of my career, now that I am one of only two double chairmen out of all 435 Members of this Chamber. I chair a Subcommittee on Intelligence, the Subcommittee on Technical and Tactical Intelligence, and I chair the Subcommittee on Military Personnel, which becomes the most important of all 5 military subcommittees under the Committee on National Security, what used to be called Armed Services, and is still called Armed Services in the House of Lords or the other Chamber, the Senate.

On this trip, in discussing the issues with new young enlisted men, senior sergeants, petty officers, and the officer corps at all levels, up to and including four-star admirals, at Naples, at the major air base that is in command of all the bombing missions going on as we speak over poor torn ripped Bosnia-Herzegovina. And at Brendezy, down at the coast at the very heel of the Italian peninsula.

That is where we have our Navy Seals, where we have what was a major listening post base. In all the world, there are only five listening to everything, San Vito Air Station, using the international airport at Brendezy where we keep our AC–130 Hercules special mission Spectre gun ships.

I met with all the crews there. It is still classified whether or not they are going in at night over Bosnia. These were the aircraft that if we had them in Somalia over Mogadishu, we would have saved a dozen or more lives of our best trained Army special forces and Delta Force, Rangers and 160th Aviation Regiment, special armed squadrons.

Then I traveled with Congressman GREG LAUGHLIN, the highest ranking active reservist in the House or the Senate, of Galveston, TX, and we went to Slovenia. A fascinating, brand-new country in the world. It never had nation status, let alone a seat in the United Nations since the dissolution of the Communist country of the former Yugoslavia.

□ 1315

Then we went down to Croatia, met with Secretary General Boutros Boutros-Ghali's special representative to all of the problems in former Yugoslavia, Mr., that is his formal title, Mr. Sasushi Akashi, met with him at the U.N. headquarters, the blue helmet home plate in Zagreb, then went down along the Dalmatian coast, drove slowly through all of the destruction wreaked upon one of the world's most beautiful coastlines, looks for all the world like the California coastline between Santa Barbara and Monterey—just torn apart. The international airport in Zadar utterly destroyed except for the runways, all of the international terminal buildings, hollow shells of aluminum, like a nuclear explosion went off, the tower, all the windows shot out with AK–47's by the retreating Bosnian soldiers. They almost cut Croatia in half at that point, Zadar.

Then we went down to Macedonia, met with all of our American tripwire forces out in the front outposts along the border, flew on white helicopters, UH–60 Blackhawks that, of course, called themselves the Whitehawks, with the United Nations stenciled on the sides, went out to these American outposts, studied this poor city of Skopje, which had been destroyed by an earthquake in 1963. It has never really made it back to a stable, functioning city, still great pockets of poverty from that horrible earthquake in 1963.

Then we flew over to Albania, one of the most godforsaken but still physically beautiful countries in the world, and met with the president there, Sali Berisha, Mr. Berisha; he is a European renowned heart surgeon. His wife is a renowned doctor of pediatrics, a child doctor. What a lucky country to go from the depths of communism with a paranoidal maniac, Enver Hoxna, one of the last psychotic, paranoid Communist dictators in the world, who literally took this beautiful country of Albania, a brand new country created after World War I, not a traditional nation on the face of the Earth, and just drove it into the ground, more than a half-century of locked-up paranoia and total Communist psychotic oppression,

and now they have a wonderful president who said to me and to the gentleman from Texas [Mr. LAUGHLIN], although he wants to be in the United Nations and would like to be accepted into NATO, he does not care what happens in the world if he just has the friendship of the United States, just one on one, unilateral friendship, and he thinks Albania will make it into the 21st century.

That is the identical message we got north of there in another one of the eight parts of Yugoslavia that have spun off in Solvenia, same message: "U.S. friendship is what we want."

In Albania, we looked at what was supposed to be a top-secret program and is now written about in all newspapers, the Predator, unmanned aerial vehicle [UAV] program. The pilots at that base, both Albanian and our U.S. Forces there, took us in a cave that the Chinese carved out of a mountain, a cave as long as several football fields, and there I looked at 24 or 25 MiG aircraft from the vintage of when I flew almost 40 years ago. There were MiG–19, "Farmer" was our NATO codeword, jets that they still fly, that were Russia's response to my F–100 Supersabre, and older jets from Korea, MiG Alley, early 1950's, MiG–15's and MiG–17's, the kind of airplane my colleague, the gentleman from California [Mr. CUNNINGHAM], shot down in North Vietnam. At least of his five victories, three are MiG–17's, all of this in this giant tunnel. And the landscape of the country is scarred, marred with 700,000 to 1 million concrete bunkers, pillboxes, machine gun posts, some of them as big as the entire rostrum of this House, others as big as from here to the other lectern, a million of them, maybe, making the whole landscape look ugly, and there is no money to remove them or drag them out to the sea and make a breakwater for a small boat harbor on this beautiful Dalmatian coast of the Adriatic.

On that trip, at every stop I would take off my chairman's hat from intelligence and put on my chairman's hat from military personnel and ask our men and women at all levels of command what it will take to keep them in the military, to keep that expensive training that they were given to melt down the evil empire of the Soviet Union and stand guard over freedom and be part of the world's only superpower, and everywhere they talked about family, and quality of life; they spoke of what it would take them to earn a proper living with groceries, their compensation.

So, all around that hot area of the world, I saw again that America is so lucky, as Ronald Reagan used to quote James Michener's great fictitious, but more fact than fiction, novel from the Korean war, "The Bridges of Toko-Ri," "Where do we get such men," and now we can say women, "Where do we get such men and women?" How are we so lucky as to have them serve us?

The sad thing about this break, Mr. Speaker, is that we went through some of the greatest anniversaries with the House adjourned. The 50th anniversary of the end of the greatest crusade for freedom against tyranny in all of recorded history during our break, the 50th anniversary endings. We had adjourned by the time Sunday came up for the 50th anniversary of the bombing at Hiroshima; 3 days later Nagasaki, August 9.

On August 15 in the Pacific, on the other side of the dateline, August 14 here, the end of shooting in the Second World War; not really so; Japanese imperial warload staff beheaded prisoners, shot them, killed all the prisoners at Unit 371 in Pingfan, outside of Mukden, Manchuria. They called these godforsaken human beings "logs," to depersonalize them. They had shot them, amputated all four of their limbs, one at a time, let them recover from each amputation, training over a thousand doctors to go out to all the tentacles of the imperial octopus that was so abusing the whole eastern perimeter, western perimeter of the Pacific around Asia. They had boiled them to death to see what it was like. They had frozen them to death. They had tied them to trees and hit them with bombs and shrapnel and grenades. They had put flamethrowers on them. They had infected them with anthrax, all forms of biological warfare, and none of these people that I know of were brought to justice.

That is why everybody is so grateful to the current Prime Minister of Japan, that he offered an apology that we cannot get out of their congress, their "diet," but there were men killed after August 15 over there, and August 14 here. Many prisoners died.

My friend, Jack Singlaub, was parachuted in with a small OSS team to the Chinese island of Hainan, under Japanese warlord control. Notice I say "warlord," to distinguish ourselves from the free democracy of Japan today, and it was mostly, it was all Australian and New Zealand prisoners, no Americans there. He loaded them on trains from this prison camp on the western side of Hainan island and took them over to the biggest port on the eastern side, and five or six Australian and New Zealand prisoners died on that train, but at least they died as free men. That was a very rough 2-week period. All of the prisoners were under death orders. If the United States invasion forces of Operation Olympic had set foot on the Japanese home islands, all prisoners were to be executed. Many were beheaded and beaten to death in the streets of Japanese cities if they were unfortunate enough to bail out over their target. Many of them miraculously survived.

War crimes trials in Japan, but far less than those that were brought to the bar of justice, Hitler's war criminals.

So we passed through all of those anniversaries without a word on this House floor, because we were out. Then came V–J Day. I decided I would spend V–J Day at our airbases encircling tortured Bosnia rather than be in Hawaii, where I planned to be and was invited to go with a World War II veteran, a young-looking gentleman from Arizona, Mr. STUMP. I wanted to be on that trip, but I was so offended by the photo opportunities of the White House at the Normandy beaches to the exclusion of some of our heroes when they should have been the focus, that I did not want to subject myself to that, and I would have been pained to hear Mr. Clinton call the U.S.S. *Missouri*, the battleship upon which the Japanese surrender terms were unconditionally signed on September 2, 1945, I would have been pained to hear Mr. Clinton call it a carrier, an aircraft carrier. I would have been pained to hear him refer to the front of the ship, the bow, as the bow, as in a bow in your hair, and I guess he would call the stern the back side of the ship. If that had been Vice President Dan Quayle making verbal mistakes like that, you would all know about it. It would be headlines. But people are probably listening to C–SPAN today, 1,300,000 who think I am making that up. No, Mr. Clinton actually said those things, aircraft carrier *Missouri*, bow of it, as in bow and arrow, the bow of the ship. He got away with it. I preferred to be out with the troops in the field rather than at those wonderful closing ceremonies.

But now a word here on the floor, Mr. Speaker. Here is what has been painful to me over the last 4 years: Except for the gentleman from Mississippi [Mr. MONTGOMERY], two-star general, retired in the Army, of the Montgomery GI bill fame, and the aforementioned gentleman from Arizona [Mr. STUMP], Navy retiree, except for one 1-hour special order that they did on Iwo Jima, there has not been a single memorial on the floor of the U.S. House of Representatives or the United States Senate for any single 50-year anniversary of anything that happened all during World War II, not Pearl Harbor, not the fall of Bataan, or the Bataan death march, not Corregidor, not the comeback at Guadalcanal, not the landings in Tarawa, not the Dieppe raid along the coast of Hitler's fortress Europe, not Al Alamein, not the battles at Tobruk, not the Kasserine Pass, not the landings at Sicily in July 9, 1943; we have heard here in July 1993, not Salerno, not Anzio, not Operation Overlord on D-Day, not Operation Dragon down on the southern coast of France, nothing about Okinawa, which came after Iwo Jima or the Gilbert Islands or Marshall Islands or the Battle

of the Coral Sea or the Battle of Midway or the Battle of the Solomon Islands or the Santa Cruz Islands, nothing for 4 years in the Senate or the House floor pausing for a series of 1-minute speeches or 1-minute special orders. I am not saying this to pat myself on the back; except for about 10 of my 1-hour special orders, nothing, nothing on this House floor.

I remember an Oklahoma Congressman shut this place down. I remember it because he lost his primary a few months later. I wondered if there was a connection. I think his name was Congressman Risenhoover. He shut this place down. We filled it with potted palms, and on Flag Day, June 14 in some late year in the late 1970's, I forget the year, we had the great western singers, June Carter and Johnny Cash, standing up there. We sang patriotic hymns, and we did Flag Day, and there was nothing special. It was not the 50th anniversary of Flag Day, or silver anniversary. It was just Flag Day, any June 14. The whole place shut down, palms, potted plants all over at every entrance.

I have never seen the like of it, potted plants all around the front here. We do not do that for a State of the Union with the Commander in Chief standing up there. We did not do that for Douglas MacArthur or Winston Churchill the two times he stood up there.

□ 1330

I thought, "Wow, we are going to do this, I guess, all during World War II. Am I lucky to be here."

And, when George Bush got elected, because I went with President Bush to Pearl Harbor's 50th anniversary, and we stood there on that memorial across the midships of the U.S.S. *Arizona*, still a ship of the line, with the flag run up at reveille every morning. I thought, "This is going to be great, go through all these 50-year anniversaries with a 58 combat mission Navy attack carrier pilot in the White House."

And instead we ended up with someone who had avoided the draft three times, has insulted the military over, and over, and over with photo opportunities, using them to try to up his ratings, and thank God it fails every time, and here we are, past September 2, 1995, 50 years gone by. No memorials.

Today I have an editorial, a counter-editorial, in the USA Today. They always put in the left-right views.

They called my office at 2 o'clock yesterday, said, "Give us something quick. Senator WARNER is not responding fast enough, the No. 2 man on Armed Services Committee in the other body." They said, "Give us something on why the military should be built up."

We pumped out something quickly. I sent a corrected copy on a fax to USA Today at 3:30, and I said, "Well, this will be in next week," and it is in this morning, a turnaround of about 15 hours before it hit the streets, and I would like to read it, Mr. Speaker.

It says, "Military Needs Buildup." It is what every one of these young, not-so-young, people all around the Mediterranean told me.

"ROBERT K. DORNAN, opposing view: The military budget has been hit year after year. Security demands that we spend more."

Now I have not read the USA Today house editorial that says we must gut defense even more, but here is my response on September 8:

"After 11 straight years of defense spending cuts, Republicans are providing the national security leadership not found in the current administration.

"Indeed, President Clinton's draconian defense budget would produce another Carter-era "hollow force" reportedly underfunded by as much as $150 billion. Congress, therefore, is not squandering money when it votes to increase the Pentagon's budget by $7 billion more than requested. Instead, it is restoring national security funding to necessary levels.

"How soon we forget what is required to quickly and decisively win on the modern battlefield.

"Today's military modernization is tomorrow's combat readiness. Systems such as the F–117 'Nighthawk' stealth fighter and the Patriot missile were not developed overnight. They were the culmination of years of research and development. These revolutionary systems drastically reduced our casualties" killed in acting and wounded in action) "in Desert Storm." more than any other conflict in history given the level of lethality, and violence, and speed, and maneuverability.

"Today we can improve upon these systems with new weapons that will further reduce the risk to American troops.

"The B–2 'Spirit' Stealth bomber," I helped to name that, so of course I want to get the name in, "carries eight times the payload of the F–117, with greater range and crew survivability."

Keep in mind, listening audience, Mr. Speaker, and my colleagues who may be packing up their bags in their offices to head back to their districts, that the B–2 survived in this Chamber by 3 votes, 213 to 210, to defeat an amendment, mostly by people who have never served in the military, to kill and shut down the world's only bomber production line, the B–2 "Spirit."

"New missile defense programs, such as the upgraded Navy Aegis (A-e-g-i-s) system, provide greater range, accuracy, and coverage than Patriot missiles."

We call that upper-tier Navy defense. Put two ships off Israel, two ships off Korea, just two ships, and the footprint from both those ships can keep Israel free from being struck with a nuclear weapon or, as we now find out from the defecting son-in-law of dictator, mad-dog killer Saddam Hussein; we now find out that, yes, they were driving to completion of a nuclear weapon and were playing around with the most deadly biological, and chemical, and nerve gas weapons since World War II and would have used them, and may have used them; the jury is out on that. So we need this Navy upper-tier Aegis system antimissile defense.

"Does the Pentagon need these expensive new programs? Ask the Air Force pilots who will not have to attack highly defended enemy targets in vulnerable, unstealthy aircraft because they will have the B–2. Ask the Marines and Army troops who will not have to worry about Scud ballistic missile attacks because of the Navy's new ballistic missile defense."

All of this, of course, predicated upon the conference between the House and the Senate, the conference process that we are entering, that we entered this afternoon. My R&D Subcommittee is meeting as I speak. I decided that letting America know what we are doing was more important than participating in that meeting because I am not the chairman of that subcommittee; the gentleman from Pennsylvania [Mr. WELDON] is.

My close in today's USA Today:

"These and other Republican initiatives in areas such as personnel and training will not just maintain, but will enhance, the combat capability that has so quickly deteriorated under Clinton's leadership.

"Those of us who visit," as I did in the Balkans over this break our troops, "and listen to our front-line troops are giving them what they need," what they deserve, "including equipment that will drastically reduce loss of" precious, "life."

"The Reagan revolution of the 1980's laid the foundation for" the victory in, "Desert Storm. The Republican revolution" that started on November 8, "of 1994 is laying the foundation for any future victories, if that is our fate, and the survival of U.S. combat troops well into the 21st century."

Now, Mr. Speaker, I had intended to spend the better part of this hour special order on defense on some of the votes that we won this week. We won them all on the conservative side with the help of many conservative members of the former majority party, the oldest political party in America, the Democrats, but last night I kept a promise that I made to a Navy Seal at Brandezy, Italy. I do not want to identify him by rank, but let us put it this way. All the Seal's in the Mediterranean depend on this fine young officer and Annapolis graduate from decades ago.

He said to me, "Congressman DORNAN, I appreciate you being in the Presidential race, although it appears you

don't have much chance of victory, as I appreciate Mr. Keyes, Alan Keyes, of Maryland, because you discuss the moral issues which I believe are the critical issues of our time."

Now keep in mind this is a senior naval officer trained to the peak of physical and mental performance for his country. He said, "Congressman, I believe as a naval officer that the military culture is the last stable part of American life from which we can begin the rebuilding of our Nation's moral fiber, from which we can begin to defend the moral and cultural ethos that is collapsing around us."

Now I would like to think there is a pocket of us on both sides of the aisle in the House and the Senate that also believe that we are in an advanced state of moral decline in our country.

He said to me, this naval officer, "Did you see the cover story of Newsweek in July on bissexuality?"

I said, "No, captain, I did not."

He said, "Well, I canceled my subscription with a long letter to the New York publisher and senior editors saying that this was the most vile and corrupt article I've ever seen in my life."

And I said, "Well, every week in my office I get 10 magazines and about 10 newspapers," and I said, "I try to read as much as any human being in the House or Senate. With all due immodesty, I've never seen anybody that reads more."

And I said, "I did not see this particular Newsweek. I can go weeks without even catching a cover story in Time, or Newsweek, or U.S. News and World Report, or all the other magazines that we get. Then there is all the great conservative publications, the moderate ones like New Republic I try to stay up with, and Crisis, and First Things, and cutting edge of Catholic and Protestant, conservative, magazines, and of course Bill Buckley, my old pal, with National Review—awful lot to read. We have tremendous responsibility here to stay informed on what our Speaker GINGRICH calls the "information highway" to be an alert, informed man or woman in this place. It is an overwhelming job if you're trying to inform yourself of all aspects of the popular culture and try to cover the economic front, the foreign affairs front, the human rights front, the defense front, all the social issues at home, gang warfare, the O.J. Simpson trial, not as a gawking "Lookie Lou," but as someone aware that this trial, as the Menendez trial has done, can put our whole jury system in jeopardy."

And I promised this Navy SEAL that I would get the Newsweek article out of my huge piles of reading material in my office and take a look at it. I have only been home since the first of September. I got it out last night and read it. Here it is, Mr. Speaker. It is the Newsweek issue of July 17, so it hit the newsstands on Monday, July 10. I read it last night, and I agree with this naval officer, assigned at a forward base in Italy, a kind of a man who will go in and put his life on the line if another Captain Scott O'Grady gets shot down along the coast. The Navy SEAL's will have the job to go in and rescue them under fire, and I agree with this naval officer. This is the most corrupt article, let alone a cover story, that I have ever read in an American magazine in my life—Newsweek.

The Washington bureau chief, and we are having our problems right now over another issue that personally involves my honor, and I will do a 1-hour special order or a personal privilege in the middle of the day—no, I would not do that in September, budget month—to defend my honor from an attack by a reporter who has only been—who was not even hired when this issue came out, who attacked my honor and said I crashed four aircraft in the Air Force. I have not crashed one. Ejected twice from totally out-of-control aircraft, but he doubled that to four and said I crashed them and said I was a black ace, one kind of black ace. The only black aces I know were an F-14 squadron called the "Black Aces" in the unheralded until the HBO special in the last few weeks, the 99th fighter squadron, and then the 332nd Fighter Group, the Tuskegee airmen, our young fighter pilots in the Italian theatre of African-American heritage who are finally getting their recognition 52 years after they entered combat. That is the only "Black Aces" I know about.

But I am having my problems with Evan Thomas, who I think is one of the better talking heads. He will be on television tomorrow, on a program called "Inside U.S.A.," a handsome young man, and we are having out problems on this, but I have not talked to him about this issue, and I will. I am going to fly up to New York. I am going to go see Donald and Katharine Graham. She is chairman emeritus and has discussed this issue.

I almost wonder if I can read this in the Chamber, but listen to this. I wish you folks were not leaving up there because—well, get the CONGRESSIONAL RECORD tomorrow and read this.

Here is the article on bisexuality. It is under "Lifestyle," of course.

"Bisexuality is the wild card of our erotic life. Now it is coming out in the open, in pop culture, in cyberspace, and on campus. But can you really have it both ways?" They asked rhetorically, question mark, by John Leland. The answer is Newsweek thinks you can because in this article, one of America's great magazines—when I was a little kid coming out of St. Patrick's, I used to look at their beautiful headquarters building right there on Fifth Avenue across from Tiffany somewhere. Newsweek, which is owned by the Washington Post, one of America's three major newspapers, all of them liberal: L.A. Times, New York Times, Washington Post. They own this, so it is under Katharine and Donald Graham.

Here is what Newsweek says about this issue. Brace yourself for culture shock if you are still shockable.

They show here Theresa, and Ronelle, all these couples, Stephen and Linda. Of course, she's 47 and he's 30. They all have multiple partners, they all switch-hit, they are all AC/DC, they are dual-gaited. I remember all the cute words in New York, and, after all, I grew up in Manhattan and then west to Los Angeles, Beverly Hills, so I know all the flippant dialog.

□ 1345

Here is a woman, 48, with a young Hispanic guy, it looks like he is about 17, 18, 19; he is in his early 20's. Freud said we are all bisexual. He thought that exclusive heterosexuality was a problem. In the copy it says that he thought homosexuality was a problem, and he never got around to that, because he died and met God before he had a chance to get into that.

But the article goes on, and by its commentary, approving of this fifth gender. Bella Abzug stands up in Beijing, China, in the middle of the world's most oppressive human rights, communistic dictatorship and mentions homophobia and gets a standing ovation from all of the assembled feminists of the world. if Ms. Hillary was in the room, she would have given her a standing ovation.

So here in the picture of this blue-eyed, red-headed guy, Tim, 24, with Ellen, 30 years of age. She has done it all, it is always older women and younger guys in these bisexual things. Listen to this. "The bisexual blip of the 1970's was an offshoot of the sexual revolution."

Of course, Newsweek's position is the sexual revolution was just grand. Tell that to 200,000 people dead of AIDS, another million infected in this country, and 10 to 20 million affected all around the world. Make love, casual sex like alley cats, not war. So they refer to the sexual revolution in an approving way.

"The bisexual blip was an offshoot of that revolution. It was straight with a twist. By contrast, the current bisexual movement rises from the gay and feminists movements." Notice it did not say lesbian wing of the feminist movement, just the feminist movement. "For a generation that came of age during the gay rights movement, same-sex relationships or experiments no longer carry the stigma they once did." Stigma. What would that mean? Would that mean sin? Right and wrong, evil, banal sin, mortal sin?

Newsweek magazine, with this article, Mr. Speaker, and anybody listening, make no mistake about it, Newsweek magazine, with this July 17 cover story, is a direct frontal attack on everything that I was ever taught by my

parents, by every teacher I had in grade school, high school, and college. It is a direct frontal assault on Mother Theresa, on Pope John Paul II, on Billy Graham, or every Protestant, Catholic, and Jewish theologian in this Nation. It is a frontal assault on Moses, right before my eyes, on the Jewish rabbi and great lawgiver Mimones over here; it is a frontal assault on the justice code of almost all of the 23 men whose medallions you see up in this Chamber: The Pope, Pope Innocent, Pope Gregory, St. Louis, Pope Alphonse. It is an assault upon every moral code in this country, but it says, there is no more stigma to promiscuity and groping around like alley cats, and any drug-infested party you can go to, and it gets worse. No longer a stigma.

Get this next line. I hope you are watching, Evan Thomas. If my office is listening, Mr. Speaker, I hope they call Newsweek because he is in his office this afternoon, and ask Evan Thomas to please turn on the television and listen to this. This is not in quotes, this is Newsweek writing, this is John Leland writing, with the help, and I am going to mention him right now, of Steve Rhodes, contributing in Chicago, Peter Katel in Miami, Claudia Kalb and Marc Peyser in New York, Nadine Joseph in San Francisco, and Martha Brant in Washington, in the Washington office and bureau reports.

Get this next line, after there is no stigma: "More and more of us—at work * * *" Is this Newsweek people at work?—at school, in our families, and in our entertainments—"move comfortably between gay and straight worlds."

"Most of us in our work move comfortably between gay and straight worlds and in our schools?" Then they go to a quote: "Those of us who are younger," says Rebecca Kaplan, 24, a psychology major at Massachusetts Institute of Technology—what are your SAT scores to get into MIT? She says, "those of us who are younger owe a great deal to gays, lesbians and bisexuals who came before us."

Who came before us? That is a line for George Washington in his inaugural speech, April 30, 1789. We owe this to Benjamin Franklin and to George Mason up here, we owe it to them, Thomas Payne and those who came before us, those who died at Lexington and Concord, those who suffered during the six and a half years of the Revolutionary War. Any African-American can say, we owe this to those who died in the conflict, to the terrorist John Brown and his sons, we owe it to everybody who came before us, our freedom.

What was the greatest scene in the wonderful movie, "Glory," when Morgan Freeman says to the young rebel Denzel Washington, he says, white boys have anted up and died for our freedom; now it is our time to ante up, and he rallies the 4th regiment to go against Fort Wagner, and they gave their lives in the fight for freedom to keep this country. As it says here, tolerance, liberty and union on the other side, those who went before us.

"The bisexuals, lesbians who went before us, we owe it to them." She is going to make a great psychologist. Still in school at age 24. She says, "because of them," Rebecca continues, "I was able to come out as a bisexual and not hate myself." Here is this word feminism again, not the lesbian branch of feminism. Feminism has also made romantic attachments between two women—either provisional or lasting—more acceptable, even privileged.

Do you know that I had to be a Congressman approaching my sixties before a young graduate of Holyoke told me that the majority of women at that college would say they were lesbians? That she had to form on campus a heterosexual club to defend themselves. They were not just defending virginity, they were defending normal heterosexuality. And she said, of course, most of the women are 4-year lesbians, or more accurately a 3-year, 9-month lesbian. Peer pressure, sexual lesbian experimentation, and then as, some radical lesbians have said, dripping bile from their lips, they have said, and then the sisters betray us, not in this order necessarily, and go out and get themselves a dog, a station wagon, children and a husband.

Is that what Newsweek means by provisional lesbians? Just while they were in college, at a school of higher learning, one of the privileged of the world, to get advanced education beyond high school?

Then it says, after privileged, "as president of the National Organization for Women, Patricia Ireland sets a quiet example". She is a big mouth, so what does quiet mean? "She has both a husband and a female companion." What kind of a wimp is her husband down there in Miami that he lets her keep a lesbian roommate up there in Washington, DC. where she does the work of NOW, preparing to send Bella Abzug to rant on in Beijing, China about homophobia? Incredible. And there were some people at NOW that voted against the Nation's most famous lesbian becoming head of NOW.

Now, this in Newsweek, and this is in quotes, "Namely every college or university in the country and some high schools now have gay and lesbian student centers; sex with one's own gender, for anyone who is curious," that is you, Mr. Speaker, that is everybody in the gallery, that is these two staffers sitting here, that is our pages, that is me, "for anyone who is curious, section with one's own gender is now a visible and protected part of campus culture."

And protected by Newsweek, ladies and gentlemen. Queer studies. I thought queer was a politically incorrect word. "Queer studies and gender studies are now part of the national curriculum. A popular T-shirt spotted recently in a Connecticut high school puts it this way: Do not assume I am straight." That is a high school kid.

"As one 17 year old bi says," we do not know if it is a boy or girl, 17-year-old, someone over 18 rapes a 17-year-old young lady on a date, that is a statutory rape. This is a minor child that Newsweek is writing about. "A 17-year-old minor bi says 'It is not us versus them anymore. There is just more and more of us.'" Tim Horing, but there is an umlaut—I did not know Newsweek's typewriters had umlauts over the 0—21, a sophomore—why is he a sophomore at 21? He should be a senior or junior—at City College in San Francisco, describes himself as "typical of bisexual youth. We just refuse to label ourselves as any of the five food groups." That is male heterosexual, female heterosexual, male homosexual, female homosexual, and the bi's. "We do not want to be any part of the five. We revel in the fuzziness, in the blurred images. Working class, Roman Catholic," and, oh, does the New York Times and the networks as CBS did in their CBS reports last night, do they love to attack Cardinal John Joseph O'Connor and the Roman Catholic Church, if they get a Catholic or practicing Baptist family or an orthodox Jewish family, oh, to get somebody from a traditional Jewish or Roman Catholic to switch over and talk about how they are a recovering Catholic or a recovering Jewish person, because of all that terrible confirmation and Holy Communion and bar mitzvah and bat mitzvah, oh, they love to get one of this.

And get this, Tom's father is a retired New York narcotics cop. A narco guy taking away another one of their flesh privileges, to get high and then grope out boy for all the warm flesh.

"Horing had his first sexual fantasies about the Bionic Woman, and then in his teens he admitted to himself in a series of difficult steps that he was also attracted to men. He came out to a few friends in school, and at his graduation when his name was called, Timothy Horing, six rows in the auditorium mischievously," no, not mischievously, "yelled out 'The bisexual; Tim Horing, the bisexual.' A surprise to his parents."

No, a gut-ripping heart seizure for his New York retired narcotics cop and his Roman Catholic mother.

"For the most part, he has been in monogamous relationships." You like that, "for the most part?" "Usually with men."

Oh, I see. I always said for my entire life that bisexuality was basically a cover story for homosexuality. That when they captured the adjective "gay" to say that they were happier than your average pair, more cheerful, more mirthful, that then, if they said they were bisexual, they could say

"Well, I date the whole base. I can date anybody on Capitol Hill. I am a switch-hitter. I am AC–DC, I am bi. I can go for anything. You are missing out on half the world." But we find out he basically dates men.

As we go all the way through this, most of it is male homosexuality, not bisexuality. Though he is now dating two gay men and a bisexual woman. I see. He is spreading himself around. Two homosexual men and one half-homosexual woman. What would that give him in the rating of chess pieces? What would that make him, 87.75 homosexual?

He says, young Tom, "I never wanted a white picket fence, but I do want someone I can settle down with and raise my Benetton kids." Benetton. Is that the Benetton Colors out of Italy that put Ronald Reagan in major news magazines with cancer, sarcoma, AIDS sores all over his face? Is this Benetton that pushes homosexual money into every corner of America and everywhere else their clothing is marketed?

I notice that the Justice Department today under Janet Reno is investigating Calvin Klein jeans to see if they used underaged children in their soft core pornography, latest wave of disgusting ads, and Klein, unless he gets taken to court, is laughing all the way to the bank again, because negative soft- or hard-core pornography sells in modern America.

They just had an adult bookstore convention in the Sheraton Universal Hotel in Los Angeles, and I am reading in one of my Los Angeles Times clippings that the business, in spite of the January 17 earthquake 2 years ago, has rebounded and doubled. You do not see porno theaters in your markets anymore, because it is in all the hotels for traveling businessmen to demean somebody else's sister, wife, somebody else's daughter, who did not have the love of a father, and it is in all the video stores, including Blockbuster. The ripping apart of these young gals from these transitional neighborhoods who never new the loving touch, the moral touch, of a father, to hug them and kiss them and guide them through school.

They are out there as the young whores of our society being used by the porno industry. And no matter how many commit suicide like Karen Applegate from a beautiful little town in Wisconsin.—I have spoken to her mother. No matter how many kill themselves. Six playmates have killed themselves over the years. When I asked Hugh Hefner that once to his face, he turned red and did not want to discuss it and said it was a lie. I knew them each by name, starting with Marilyn Monroe, his first playmate.

□ 1400

But this guy says he wants to raise his Benetton kids in a swinging orgy household. His partner may be a man or woman, he says. I don't feel forced to choose. I don't have to make any tough choices.

Then it shows this very pathetic human being with his baby. He has gone through every orgy situation available to the humankind. And when people ask him what his little baby is, man or woman, he says ask the baby. He has a little boy or girl and he says, ask the baby. Smart aleck. Pray for him. He is 42 and he has three or four people on the hook. It goes on and on as it gets worse.

Softening tensions. Softening tensions. This is Newsweek. That is a paragraph title. For many bisexuals, it has not been easy. When I came out in '88, says Melissa Merry, 31, energetic Chicagoan who calls herself Mel: I was told by people from local lesbian support groups not to come out as a bisexual or I would be asked to leave.

They did not want the fence straddling. Well, when I got to some of these paragraphs about high schools, the first thing that flashed in my mind, as an Irish-American, was William B. Yeats poem read when Hitler started World War II. And he died that year, Yeats. It is called "The Second Coming", about the beast being born, the Antichrist and slouching off to Bethlehem to be born. Those are the last lines, but it begins turning and turning in the widening gyre, as in gyrations, falcons, circle. Turning and turning in the widening gyre, the falcon no longer hears the falconer. Things fall apart. The center cannot hold. Everywhere the blood din tide is loosed. Everywhere the ceremony of innocence is drowned.

The ceremony of innocence is drowned by Newsweek. The best lack all conviction and the worst are full of passionate intensity. There is an intensity to this article and it is evil and it is the worst.

When I saw in here they are claiming James Dean, the actor who died at age 24 after only three movies, when I see they are claiming Marlene Dietrich as a bisexual lesbian, and Cary Grant, my favorite actor as a young man because of everybody's favorite movie quote-unquote "Gunga Din," when I saw that, I went to the end to see how many women participated in—what is the author's name again, with John Leland in this disgusting, vile piece—and while I was back at the tail end of the article reading all the violence—by the way, if this were in Time we would not know who contributed to this. I could not call any of these people and say have you lost your moral compass totally at this magazine? Does Donald Graham read this, this cover story of this corruption, this drowning of innocence? And as I was reading, I decided I would look before I finished the story at the last line.

Now, let me tell you a story about myself personally. When I was a young man in Beverly Hills, just out of high school, and I heard these rumors, because my uncle is the Tin Man in the Wizard of Oz, Jack Haley, I grew up in that community. I knew who dodged the draft. I knew the heroes who went off to combat, like James Stewart and Tyrone Power. We know who all the ones that were rumored to be homosexuals. I knew about Rock Hudson 10 years before it came out in the press.

I had a small bit part in a movie "Gathering of Eagles," and he minced across the set and the director said cut. And Rock turned around and said was I mincing too much? And the director said, just do it again, Rock. I witnessed that, and everybody talks behind the scenes. Just as in fashion design, in ice skating, in supernumeraries, on Broadway stage, in ballet, and now in some parts of government there is a larger percentage than the 1 percent of homosexuals out there across America. And when I worked on the sets of Hollywood trying to feed my five children and dreaming about running for Congress someday, I had long philosophical discussions with a lot of young homosexual men in their 20's, and they would tell me about Rock and all the stars that they just were dying to get with some night; wanted them, and then to see them up there 50 feet high up on the silver screen and know that you had sexually been with them. What a trip.

And how did I rationalize Cary Grant when I was in high school? I remember working out a rationale that when God gives you a lot of talent and you make a lot of money in your 20's or 30's—what did Robin Williams say after he came off cocaine and watched his friend John Belushi die? He said cocaine is God's way of telling you you are making too much money.

It was the same way in Hollywood. Always has been. Or in any profession where money flows fast into the hands of the young. Look at all our rock stars. Look at Kurt Cobain blowing his brains out. Look at Jerry Garcia. Look at Marilyn Monroe. Look at Elvis. Look at Jimi Hendrix. Look at Jim Morrison. Look at Janis Joplin. Whether it is booze or heroin or drugs, and orgies for all of them.

I watched Elvis Presley using his staff to pimp for him. I thought what a tragedy for this polite young man from Tupelo, MS. I am trying to sell him a script called the 101st American, about Vietnam, because he had served honorably in the Army, and I am watching his staff hit on young pretty extra girls for him. They rented a big mansion up in Beverly Hills below the head of the owner of the L.A. Rams, who is now dead, and you could hear the orgies going on all night long.

He died naked, on drugs at 42 years of age, and now you can get a postage stamp and lick Elvis and stick him on your letter and say there went the

most talented man in rock singing in our lifetime dead at 42. And in that suite of stamps you can get Marilyn Monroe. Do we forget how old she was in August of 1962 when she died? 36 years old. 36 years old! At my age, that is a kid. We are celebrating these two deaths with their most glamorous picture.

Remember the debate in the Post Office department: Do we want the fat, older drug besotted Elvis or the younger Elvis in his prime? We picked the younger one. And he was a polite young man. What a tragedy!

So I watched all these people corrupting themselves, and I watched others, like Jimmy Stewart and my Uncle Jack and others. I remember Danny Thomas telling me I have never told a dirty joke in my life, Bob. Do not ever forget that. My uncle told me, never stoop to dirty humor on the stage. It is too easy to get laughs. Today I watch all these comedians. It is a category with the medical word for male organ. That is all they do, are jokes on genitalia.

It is sickening what is going on in Hollywood. But what was my rationale for Cary Grant? Here it was, I remember it vividly, I was in my teens. I said when you have too much money, and you can have any beautiful woman in the world, and you start going to wild Hollywood parties and drinking too much—we did not know about drugs much in those days—and you start drinking too much, and you are at an orgy, whatever moves, I guess. It is all a mortal sin. It is all promiscuity. It is all flesh. Flesh is flesh, so you experiment with everything.

So I do not think Cary Grant was a homosexual or a bisexual. He just got carried away at those orgies. That was my rationale so I could like Sergeant McChesney of Gunga Din with McLaglen and with Sergeant Ballentine Douglas Fairbanks, Jr.

Years later, in a debate running for the Senate seat that Pete Wilson eventually won, I am debating one of the candidates back in the pack, because I am still back in the pack in the Presidential race, he was a State senator, he was raised as a German-American Roman Catholic, he was a colonel in the Marine Reserve, and I pointed out to him in a radio debate in 1982 at a station in Pasadena, KRLA—how is that for a memory—I said, you know something my State Senate friend, reaching out and grabbing any kind of flesh, whether heterosexual or homosexual, lust is lust. It is one of the seven deadly sins. It is all a mortal sin whether normal or abnormal.

He went ballistic. Would not accept that. Then I found out he had a scandal brewing. He had two college students where he taught as a professor, a marine officer, who were pregnant with children out of wedlock. He bragged, quite properly, at least he was pro-life. I could not understand why he took such exception to saying that God is not going to judge a promiscuous homosexual any more harshly than he will judge a promiscuous heterosexual. It is all lust. It is all the ceremony of innocence being drowned as we do this to our children.

So there it is, when I am a teenager rationalizing Cary Grant and arguing on a radio show in a California Senate race in 1982. Here is my point for telling those two little tangential tales. My eyes jump above all the bylines of these people, Steve and Peter and Claudia and Mark and Nadine and Martha, and here is the last line of this disgusting, vile, decadent piece from the Graham empire of the Washington Post Newsweek magazine and other small newspapers.

It says in the last paragraph, in San Francisco recently Tim Horing—remember him, Roman Catholic, parents retired New York narco cop father—he was telling his friends about how he changed his approach to picking up boys. How old was Horing? 21. Hey, Newsweek, did you slip here in your investigative reporting? Telling his friends how he had changed his approach to pick up boys? Is he a 21-year-old chicken hawk hitting on runaway young men on the street who also, in most cases, until recently, when peer pressure overwhelms even good attentive Jewish Christian mothers and fathers. In the old days, last year, last decade, it was young boys who never knew a father's masculine touch, a mother's hug, a mom or dad taking them to a baseball game or fishing. It was young men who ran away from inattentive alcoholic families that ended up on the street of once glamorous Hollywood Boulevard to be preyed upon, P-R-E-Y-E-D upon, to be taken off for porno films and turned into midnight cowboy male street whores all along Selma Boulevard behind beautiful Jesuit Blessed Sacrament Church in Hollywood.

I drove down that street when I did Michael Reagan's show a month ago, and there they are, still huddling in the driveways with less business because now most of them are infected with AIDS. So Tim Horing—I have to check if he was 21. Yes, he is 21. He says the boys that I pick up now—he has changed his approach. "I used to say are you queer? Then I switched to, do you like boys? Now his favorite line is, do you like me?"

As he sees it, "I have gone from the political to the historical attraction to the very personal. All that matters is if they like me." This is the new bisexual moment, Newsweek says. This is their close in a nutshell.

And I close with this line, Mr. Speaker. "Hard fought, hard thought, and distinctively individual. It is a thorny narrative, fraught with questions of identity and belonging. And in the end, it is really about the simple, mysterious pull between warm human bodies when the lights go out."

My teenage rationale for Cary Grant. We are in advanced moral decay, Mr. Speaker, and I am going to stay in the Presidential race as long as I can, because there is not anyone in the race like Congressman ROBERT K. DORNAN at age 62.

BALANCING THE BUDGET

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, the gentleman from Connecticut [Mr. SHAYS] is recognized for 60 minutes as the designee of the majority leader.

Mr. SHAYS. Mr. Speaker, I appreciate the opportunity to address this Chamber in a special order, and to say that I am interested in talking on a very different issue than the previous speaker, and to say for those who are in staff and want to know what time we are going to end, I do not intend to use the full hour. Twenty minutes is my goal.

Mr. Speaker, I have been in public life for 20 years. I have served 13 years in the statehouse and now 8 years in Congress, but I was in the statehouse and I looked at Congress, an institution that I revered as someone who in high school and college was an American history major, and wondered why Congress would not do its most basic responsibility, and that is to get its own financial house in order. I knew we had to do that at the State level, but I saw Congress continually deficit spend and wondered why it was happening.

I realized it was not the fault necessarily of one party or the White House versus Congress or the Congress versus the White House. Republicans did not want to control military spending, and Democrats did not want to control the growth of what we call entitlements, Medicare, Medicaid, food stamps, other programs. By law, you were entitled to the benefit, entitlements never being voted on by Congress on automatic pilot.

So Republicans did not give on defense. Democrats did not give on entitlements, and then they got together each year to vote on budgets with large deficits, Republicans and Democrats together, the White House and Congress.

During these 8 years I have served in Congress, I have noticed and felt a real privilege of being part of a small group really championed by JOHN KASICH, our Budget Committee chairman, who 8 years ago introduced budgets to get our financial house in order and only 30 Members at that time supported it.

But each year I notice something very distinct. Each year I notice that more and more Members were troubled by the fact that we were increasing our national debt to such a point. It went

up in the last 20 years from $800 billion to now $4.9 trillion.

□ 1415

Each year I would notice 30 would vote for it, then 50, then 70, and during the last Congress, we had a hard core of 160 who were concerned about getting our financial house in order. In fact, at one point, there was a bipartisan effort, unique in this Chamber, comprised of Democrats and Republicans, called the Penny-Kasich proposal, which sought to make over $100 billion of cuts in Government spending.

I went to the White House to encourage them to support this proposal, and if they could not support it, to at least not oppose it. They opposed it. It was defeated by only four votes, Republicans and Democrats uniting to get our financial house in order. We needed 218 votes, and we had about 213.

We now as Republicans have an opportunity to lead Congress, and it is the first time in 40 years. We have, under our watch, the opportunity to get this country back in balance. We have three basic goals. One of our goals is, first, to get our financial house in order and balance our Federal budget.

Our second is to preserve, protect, and strengthen our trust funds, particularly Medicare, which we will see shortly is going bankrupt in 7 years. It is starting next year to go bankrupt. The Medicare trust fund is the trust fund that working people pay into, 1.45 percent is their share; if they are self-employed then they pay double that, 2.9 percent, into a trust fund that pays for the hospital costs of Medicare.

Our third effort is to transform our social and corporate welfare state into an opportunity society, where the most disadvantaged in our communities can have a better future.

Mr. Speaker, as a moderate Republican I am very comfortable using an opportunity society, because that is what we need and that is what we are seeking to have. When we try to get our financial house in order, this first chart basically shows that overall, we are going to spend more money. When we talk about cuts, we are going to cut some programs. Foreign aid is going to be cut. We are going to spend less next year than we spend today. There are certain programs in what we call discretionary spending that are going to be cut. We are going to spend less in those programs than next year. We are going to eliminate some programs. We are going to consolidate some departments.

There are some programs that are going to stay even. Defense spending under our proposal stays even. I would like it to be a reduction, but it is a hard freeze for the next 7 years. In real dollars it is a cut. In absolute dollars it is the same.

In some programs, like Medicare and Medicaid, we are going to spend more dollars. We are not cutting Medicare and Medicaid, we are increasing it. It is only in Washington, when we increase spending but do not spend as much as some people say we should spend, we call it a cut.

One of the ironic things that I found when I became a Member of Congress 8 years ago was that if Congress spent $100 million for a program, in the next year to run the same level of service it has to spend $105 million. If we spend $103 million, even though we were spending $3 million more, Congress, the White House, and the press would call it a $2 million cut in spending, whereas most people I know back in my district would say, "My gosh, you spend $100 million this year, next year you are going to spend 103, so that sounds like a $3 million increase."

In our original spending we are at $1.5 trillion. Under our proposal in the seventh year we are going to be spending $1.8 trillion. We are going to be spending more dollars in the seventh year than we spend now. We are going to change, though, the spending line, which is in red, so it automatically, in 7 years, will intersect revenues, which is in blue.

That green line is our conference agreement. We are tilting down the spending level of Government, still allowing it to increase, but knowing that it will intersect revenue and therefore have a balanced budget in 7 years.

The challenge for us when we balance our budget, and in this pie chart it illustrates it quite well, the purple colors are what we call entitlements: Social Security, which we are not going to change at all; Medicare, Medicaid, other entitlements. If you fit the law, you get the benefit of the program.

What you see in yellow is interest on the national debt. Because of Congress' and the White House's failure to control spending, having annual deficits, at the end of each year the annual deficits are then brought over to the national debt, the national debt keeps increasing.

These added deficits added to our national debt that have meant we spend $235 billion this year in interest on the national debt, 15 percent of our budget, is interest on the national debt. We cannot spend it on programs for children, we cannot spend it on programs for the middle class, we cannot spend it on programs for the elderly. We are having to spend $235 billion on interest on the national debt.

Interestingly enough, now, we pay more in interest on the national debt than we have as a deficit. If we did not have to pay so much interest on the national debt, we would not have deficits. What I vote on as a Member of Congress is about a third of the budget. I vote on defense spending, which is about 17 percent; foreign aid and the State Department, about 1.4 percent of the budget; and I vote on 16 percent of the budget, domestic discretionary spending, all what we call, in the pink, discretionary spending, and what we vote on in the Committee on Appropriations every year, I just vote on the pink, it is a third of the budget.

Then I am making decisions on what we spend on defense, what we spend to run the executive branch and the administration in its entirety, all the branches. I vote on what we spend for the judicial branch and what we spend for the legislative branch. In the executive branch, I am voting on all the grants that I have to make decisions on, but it is only, basically, one-third of the budget I vote on.

The blue I do not vote on. It just happens. It is on automatic pilot. We refer to what is in blue and what is in yellow. Two-thirds of the budget is mandatory spending, and we have not touched it in years.

When people say how come those of you who remember Gramm-Rudman, you were going to control deficits and eliminate them and not keep adding to the national debt. The reason Gramm-Rudman failed is that it only focused in on the pink, it only focused on domestic discretionary spending and defense spending, foreign aid. It ignored all the entitlements.

Now what we are looking to do is to focus in on other programs, Medicare and Medicaid in particular Medicare and Medicaid are 17 percent of our budget. These areas here, 17 percent of our budget, just two programs, are equal to all domestic spending. We are not looking to slow the growth. We are looking to not have Medicare and Medicaid grow at 10 percent a year. For a few years it actually grew at 20 percent a year.

As these programs become larger and larger, and they are mandatory, they are entitlements, what is in the pink, what I vote on every year, becomes smaller and smaller.

The budget is just simply getting out of control. We want to improve and protect and strengthen Medicare and Medicaid. We think, and we believe with all our heart and soul, we can have a better Medicare and Medicaid Program at an increased cost, but not have a 10-percent increase each year.

What is our budget doing? Our budget is having an annual decrease in domestic discretionary spending of 1.6 percent a year. We are having an annual decrease in foreign aid of 4.5 percent a year. Defense spending is not going up, and it is not going down. Some people would say, "How can you have such a large program and not cut it at all, just keep it constant?" I would like it reduced, but there is one serious issue that we are faced with. The Congressional Budget Office says that the defense budget in the next 7 years is over $100 billion oversubscribed. We have weapons system that if we funded all the weapons system that we have authorized, we would have $100 billion

over what we are going to be allowed to spend. The Government Accounting Office, the GAO, says we are $150 billion oversubscribed. We are going to have cuts in defense spending just to stay at a constant no increase in spending.

Finally, we have interest on the national debt, which under our plan is going to grow at 2.7 percent a year. That is the interest payments that we have to pay. By the way, when we pay interest, we are not reducing the national debt, we are just carrying the cost. If it was your home mortgage, you are setting some aside on interest in the national debt and you are paying off some of the principal. We are not paying off the principal, we are just paying off the interest and trying to stay harmless. Other entitlements are going to grow at 4.1 percent a year, Medicaid, and going to grow at 4.9 percent a year, basically 5 percent each year.

We are not cutting Medicaid. Medicaid is health care for the poor, it is nursing care for the elderly. It is going to go up at basically 5 percent a year. Medicare, health care for the elderly, is going to grow at 6.3 percent a year. You have heard that Republicans intend to cut Medicare and Medicaid. It is not true. What we intend to do is slow their growth. In the process, we are looking to change these programs.

Basically, Social Security is going to grow at 5.3 percent a year. We have not looked at Social Security. We are not going to touch Social Security. We are going to focus in on these other parts of the budget. What are we looking to do with Medicaid? We intend to have Medicaid go from $89 billion in this year, to the year 2002 when it is going to go up to $124 billion. That is a significant increase in the seventh year.

It continually goes up, but what we have done is we have reduced the rate of increase. We are not cutting Medicare, we are increasing Medicare spending quite significantly. In fact, Medicaid spending in the next 7 years, we are going to spend $773 billion. In the last 7 years we spent $444 billion. We are going to spend $329 billion more in the next 7 years than we spent in the last 7. Only in Washington, when you spend $329 billion more, do they call it a cut. I know nowhere else in the country, when you spend more money do people call it a cut. We are going to spend $329 billion more.

With Medicare part A, which is health care for the elderly, money that goes to hospital costs, what we know from the trustees report, five of the members were appointed by President Clinton, three of them are Cabinet officials, and one is head of Social Security, all appointed by the President, and they issued a report earlier this year. They said conservatively that Medicare will start to have more money going out of the fund, Medicare part A trust fund, than comes into the fund. Remember, what comes into the fund is what you pay, that 1.4 or 1.5 percent every week or every 2 weeks or every month out of your paycheck. That goes into a fund and it should be building up, but we have 136 billion this year, it is going to go down $1 billion, and by the year 2002, 7 years from today, that blue line goes to zero. There will be no money in the trust fund. Then the only way we fund Medicare would be as the money comes into the fund, it immediately gets taken out. The Medicare part A trust fund is going bankrupt.

We have four ways to save this fund. We can affect the beneficiaries, those that get the service, we can affect the providers, those who give the service, we can decide to raise taxes on those who are working today. However, we must realize that if you are self-employed, 15 percent of your paycheck—before—you pay your income tax is going into Social Security and Medicare. We have intention whatsoever in increasing that tax. We are not going to increase the tax.

We have one other choice. We can change and transform the system and, in the process, benefit beneficiaries and benefit providers. We are looking to transform the system. We are looking to protect it. We are looking to preserve it. We are looking to strengthen it. We are looking to allow Medicare patients to have the same kind of health care that everybody else has. What their children and their children's children have, we want for seniors. If they want to stay in traditional fee-for-service, the traditional Medicare program, what they have now, they will be able to do that, but we are going to try to encourage more Americans in Medicare to get into the private sector, where they can have a variety of new services, and we believe at less cost. Medicare part A is going bankrupt. We are looking to preserve, protect, and strengthen that program.

Are we going to spend less on Medicare? We are going to slow its growth. We are going to spend more on Medicare. We are going to have it go from $178 billion to $274 billion in the seventh year. We are looking to spend 50 percent more, over 50 percent more on Medicare than we spend today in the seventh year. It is going to go up that much.

□ 1430

In fact, in the last 7 years, we spent $926 billion on Medicare and we are looking to spend $1.6 trillion, $1,601 billion more, in the next 7 years. That represents $675 billion of new money. Only in Washington when you spend $675 billion of new money do they call it a cut. We are not cutting Medicare. We are going to spend $675 billion more, a total of $1.6 trillion, in the next 7 years. It goes up from the sum of $178 billion to the sum of $274 billion.

The President had at first said that we should not, quote-unquote, cut Medicare and Medicaid. He described the efforts of Congress to slow the growth of Medicare and Medicaid as a cut. But then a few months ago he came in with what he called his 10-year budget.

I want to say without any hesitation that I am very grateful, and I mean this sincerely, that the President has weighed in and said, yes, we need to balance the budget, we said 7 years, he said 10 years. But there are some of us who believe it should be 5 years, not 7, some of us stretched out into 7, but the President said we should balance the budget in 10 years.

He also said that we should slow the growth of Medicare and Medicaid. So he has weighed in on admitting and acknowledging that we need to slow the growth of these two programs, and he said we are going to spend more but we cannot spend as much as we were originally intending.

What was interesting, though, was when the Congressional Budget Office looked at the President's 10-year plan, they said it does not get balanced in 10 years. They said he is more optimistic on revenue than he should be, he is more optimistic that we can control other costs than he should be, and they said his budget never gets in balance in those 10 years.

One of the reasons why I am here today is the President constantly is referring to his 10-year budget and that he has weighed in on the balanced budget. The Congressional Budget Office says it is not balanced.

How does he say it is balanced? Because the Office of Management and Budget with their numbers, done out of the White House, have said that it is a balanced budget. They are using different economic projections.

When the President was at that dais there when he spoke to us, he said that it was important for us to sing out of the same hymnal, he said it was important for us to use the same referee, the same umpire, and he said it should be the Congressional Budget Office. We have dealt with the conservative projections of the Congressional Budget Office, in part because that is our obligation, in part because the President said that is who it should be. When we look at what the Congressional Budget Office has said about what is under current law, current law is what passed last year and the year before, if you remember, there were tax increases 2 years ago, there was a lot of disharmony, there was the thought that tax increases would slow the deficits, the Congressional Budget Office has weighed in and said under current law, the national debt is $175 billion today, the deficit, excuse me, will be $175 billion. Remember, deficits are the annual difference between revenue and spending, and they say it will be $175 billion. They say the next year under

current law it will go to 210, to 230, to 232, to 265, to 296, to 310, to 340, to 372, to 408, to 454. That was the President's tax plan of 2 years ago. It does not begin to head us in a balanced budget. It is the top line, it is in black, it is current law, it goes in this direction. That is the whole debate. We have got to get that line which is headed up to head down so it gets to zero and does not keep going up.

The President's budget of February, which is hard to see, it is just below the current law, and it is only a 5-year projection, they say that the President's February budget, which the President asked us to act on, would have a deficit of basically $177 billion, 211, then it goes to 232, 231, 256, 276.

The President's budget of February keeps going up. What do they say about the President's 10-year budget? That is in red. When CBO scored the President's budget, they said it goes from 175 to 196, 212, 199, goes down, then it goes up, 213, 220, 211, 210, 207, 209, 209. It never gets below $200 billion a year. That is the President's 10-year budget. That is the budget that he says balance in 10 years.

He can say it because the Office of Management and Budget have given him numbers that allow him to say it. But when the Congressional Budget Office scores it, the organization he said should judge our budget and his budget, when we look at that budget, it never is in balance. It is in a constant deficit of over $200 billion.

When the Congressional Budget Office scores what we intend to do, and what we intend to do is have cuts in discretionary spending, cuts in foreign aid, eliminating some programs, consolidating other programs, eliminating some departments and agencies, reducing others, having a freeze on defense spending, allowing Medicare to go up, allowing Medicaid to go up, they say that our budget goes from $175 billion to 170 to 152 to 116, to 100, to 81, to 33, to minus 6 in the 7th year. Obviously we are estimating. We could be off, we could reduce the deficit a little sooner, it could go out a little more. so every year we are going to have to look at it and be firm that we get to a balanced budget in the next 7 years.

Some people said that when Congress voted for a balanced budget amendment and said they would vote to balance the budget that we, Congress, boxed ourselves in. We did box ourselves in. We felt that if we were in support of a balanced budget in 7 years, a balanced budget amendment, which is the easiest thing to vote for, all you have to do is vote for saying we will balance it, we said that the important thing is that we vote to balance the budget, and so we boxed ourselves in.

We were much like Cortez when he left the old world for the new world and was to conquer the new world. He landed in this new world and he came with sailors and soldiers and the sailors and soldiers looked back at the old world longingly, Cortez did something quite dramatic, he burned his ships. He said there is no retreat.

We have no retreat. We did box ourselves in. We have committed to balancing this budget. We are not looking back at the old world. We are looking at the new world. We are looking to get our financial house in order, we are looking to balance the budget, we are looking to save our trust funds, particularly Medicare which is in the most trouble, and we are looking to transform this social corporate welfare state into an opportunity society where the poor have a future, and we have boxed ourselves in eagerly so. There is no retreat. There is no going back to the old world. We are in the new world and we are out to conquer the new world and to transform our society. The worst that could happen is we would fail. What is the alternative, to go back to the old world?

When the Congressional Budget Office and OMB's numbers are put together, you can learn some very interesting information. Thr red line that goes parallel horizontal is the President's budget scored by the Congressional Budget Office. The red line with black dots is the President's budget scored by the Office of Management and Budget, the President's own office. They say he balances his budget in 10 years.

Now, when we look at the congressional budget, scoring our budget, they say we balance, this green line here, they say we balance the budget in 7 years. If we use the Congress's numbers using the Office of Management and Budget, in other words, have the Office of Management and Budget score our budget using the same projections, then they say we balance the budget in 6 years.

My greatest fear, or one of my greatest fears is that we will have a budget disagreement and people call it a train wreck, I do not call it a train wreck, a train wreck implies tremendous destruction and it is pretty irresponsible to have a train wreck.

What we have is a disagreement between the White House and the President. The President says he wants us to balance the budget in 10 years but it is never balanced according to the Congressional Budget Office. We want to balance it in 7 years. The President has opinions about our spending cuts and our changes to the growth in spending. We have opportunity to have dialog on that issue.

There are things that Republicans are going to, and this majority in Congress is going to hold firm on and there are other issues that I think should be open to debate. One thing that is firm in my judgment is that we need to balance the budget in 7 years. My goodness, we should balance it in 5 years.

I think another issue that clearly is one in which we will hold to strongly, we need a tax cut. When we talk about a tax cut, understand that $145 billion in the next 7 years of loss in revenue. In a spending of over $11 trillion in the next 7 years, we are going to spend over $11 trillion in the next 7 years and we are saying let us just reduce taxes by $245 billion. Half of that tax cut is going to be a $500 tax credit to families under $200,000 for every child. If you have 3 children, you will get $1,500 back from the Federal Government. Now some people might think of that as a gift. I do not.

Mr. Speaker, I notice I am going over 20 minutes. I apologize. I am getting to my end here. Some people think of it as a gift. I do not think of it as a gift. I think of it as trying to direct money where it is nost needed, for families.

I come from a family of 4 boys. I happen to be close to 50. In fact, my biggest shock was I got an invitation to join AARP a few months ago. I do not know if you know what that is like, to get an invitation to be a member of AARP when you are still in your 40's. But my family, my dad and mom, were able to deduct in today's dollars per child from their income tax over $7,000 per child. The laws in the 1950's and early 1960's allowed you to deduct per child over $7,000 per child. Today you are only allowed to deduct $2,450, I believe, per child. So that meant in today's dollars if you were a family of 4, you could deduct $28,000 from your income, you would subtract it, and if you made $50,000, then you had only $22,000 that was taxable. That is if we had the same system now that we had when my family was raising their 4 boys. We were far more family friendly then.

People say, well, we need to be more family friendly. We need to help families. What is the best way to do it? To have a government program where the government takes off a certain amount of money before it directs it to a child? Or to allow families to decide how to spend money on their family? What we want to do with half the tax cut is to give $500 per child. If you have 5 children, you can figure out pretty clearly what you are going to be able to get from that. The other is we want a capital gains exemption.

What do I think is going to basically happen in this budget disagreement? Republicans are going to hold firm to 7 years, Republicans are going to hold firm to a tax cut. The President should weigh in and say I do not like where you are making your spending cuts and tell us how he would do it differently and we can come to some agreement, he may say we are having too large a tax cut, but ultimately I think the issue should be can we make the tax cut apply to families that are not as high income.

For instance, the President has advocated having the child tax credit apply

to families with $75,000 income or less. That is an area that it seems to me makes sense for there to be compromise. Have the tax cuts, just have it apply to families that make less income, so we get away from any argument that he may have that it is going to wealthy people.

What is going to happen with Medicaid and Medicare? We are going to spend in Medicaid in the 7th year $124 billion. He has suggested spending $150 billion. There is not much difference between us. But what the President does is he says he is saving $54 billion from Medicaid and Republicans are saving $182 billion. The problem is his $54 billion is scored by OMB and he is using our $182 billion scored by CBO. If we are going to be fair, if we use the number that we are reducing the growth in Medicaid by $54 billion, that is his number, then our number has to be $114 billion. We are not that far apart. If we use our number of $182 billion of slowing the growth of Medicaid, then CBO says his number is $122 billion. We are simply not that far apart. We have the ability to work out our differences.

Finally, with Medicare, the President says he wants to slow the growth, he wants to spend $260 billion in Medicare in the 7th year and we want to spend $244 billion. There is a difference. The program if we made no change would be over $300 billion on the 7th year. He uses the number of $127 billion, OMB says he is reducing the number $127 billion, then he says Republicans in the majority want to reduce it $270 billion.

In fact, if we use OMB to OMB, if he uses $127 billion scored by OMB, then our number is $205 billion. We are simply not that far apart. If we say we are slowing the growth $270 billion using CBO, his number is not $127 billion, that is scored by OMB, we have to use CBO's number. They say he is slowing the growth of Medicare by $192 billion.

□ 1445

We are simply not that far apart. On a per beneficiary basis, we are spending $4,800 per beneficiary today to Medicare, and in our 7th year we would spend $6,734 per beneficiary. Not only did we have a 50-percent growth in Medicare, but a 40-percent growth per beneficiary. The President wants to spend $7,128 per beneficiary. We are simply not that far apart.

In conclusion, Mr. Speaker, and thank you for this time, I know you have other things to do and I appreciate it. Mr. Speaker, in conclusion, we are going to get our financial house in order. We are going to balance our Federal budget and we are going to do it in 7 years and we are going to have a tax cut.

I am hopeful that the President will weigh in and make that tax cut more responsive to low-income people. I am hoping he will weigh in and look at some of our spending reductions and make suggestions that we can compromise on. There is no reason for us to have ultimately a disagreement.

But I do know this. As a Member of this majority party, when our debt ceiling, the amount that we are allowed to borrow based on our national debt, being at $4.9 trillion, when the President comes in and says, "I need you to raise the debt ceiling, because we have to increase the national debt above $5 trillion," myself, NICK SMITH, and a whole host of other Members on this side of the aisle intend to not raise the debt ceiling. We will not allow this House to increase the debt unless the White House weighs in on a 7-year budget.

Is that a train wreck? Is that gridlock? In one sense it is gridlock. We have never had gridlock on the budget. When I started out, Republicans and Democrats agreed. Democrats did not want to control the growth of entitlements and Republicans didn't want to control the growth of defense spending. So they both agreed to pass budgets with large deficits.

These budgets with large deficits have been agreed to by both Republicans and Democrats, but you have this majority Congress agreeing that we are going to get our financial house in order. It is an unprecedented thing to have Congress say it wants to spend less. Usually Congress wants to spend more.

We do not intend to waste this opportunity that we have. We have been in the minority for 40 years. We are in the majority. It is under our watch, and we look forward to getting our financial house in order.

We will have gridlock until the White House recognizes that we are determined not to increase the debt ceiling, we are determined to balance the budget in 7 years, we are determined to have what we consider a very fair tax credit. But that gridlock will end when the President agrees to a 7-year budget using real numbers, not numbers cooked by OMB, and then the debate will be in my judgment how we spend those dollars and how we effect the tax cut.

Mr. Speaker, I would like to thank you for the opportunity to address the House.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. VOLKMER (at the request of Mr. GEPHARDT), for after 11:30 a.m. today, on account of illness of spouse.

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. LUTHER) to revise and extend their remarks and include extraneous material:)

Mrs. SCHROEDER, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Ms. JACKSON-LEE, for 5 minutes, today.

(The following Members (at the request of Mr. POMBO) to revise and extend their remarks and include extraneous material:)

Mr. MCINTOSH, for 5 minutes, today.

Mr. COBURN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LUTHER) and to include extraneous matter:)

Mr. FRANK of Massachusetts.

Mr. JACOBS.

Ms. DELAURO in three instances.

Mr. ACKERMAN in three instances.

Mr. FARR.

(The following Members (at the request of Mr. POMBO) and to include extraneous matter:)

Mr. WALSH.

Mr. CRANE.

Mr. RIGGS.

Mr. KIM in three instances.

(The following Members (at the request of Mr. SHAYS) and to include extraneous matter:)

Mr. EHRLICH in two instances.

Ms. DELAURO.

Mr. VISCLOSKY.

Mr. DEUTSCH.

Mr. MENENDEZ.

Mr. ORTON.

Mrs. MALONEY.

Mr. UNDERWOOD.

ADJOURNMENT

Mr. SHAYS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 48 minutes p.m.), under its previous order, the House adjourned until Tuesday, September 12, 1995, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1395. A letter from the Director, Office of Management and Budget, transmitting notification of the President's intent to exempt all military personnel accounts from sequester for fiscal year 1996, pursuant to Public Law 101-508, section 13101(c)(4) (104 Stat. 1388-589); to the Committee on Appropriations.

1396. A letter from the Assistant Secretary of Defense, transmitting notification that

the Department of Defense will terminate its leasehold interests in the former emergency operating facility at the Greenbrier Hotel, White Sulphur Springs, WV; to the Committee on National Security.

1397. A letter from the Director of Defense Research and Engineering, Department of Defense, transmitting a report entitled, "Fiscal Year 1996 Department of Defense Master Plan for Science, Mathematics, and Engineering Education," Public Law 101-190, section 829(a); to the Committee on National Security.

1398. A letter from the Secretary of the Treasury, transmitting the Department's fourth monthly report to Congress, as required by section 404 of the Mexican Debt Disclosure Act of 1995, pursuant to Public Law 104-6, section 404(a) (109 Stat. 90); to the Committee on Banking and Financial Services.

1399. A letter from the Acting Director, Office of Thrift Supervision, transmitting the 1994 annual report on enforcement actions and initiatives, pursuant to 12 U.S.C. 1833; to the Committee on Banking and Financial Services.

1400. A letter from the Secretary of Education, transmitting Final Regulations—Administration of Grants to Institutions of Higher Education, Hospitals, and Nonprofit Organizations; Direct Grant Programs; State-administered Programs; and General Provisions Act—Enforcement, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Economic and Educational Opportunities.

1401. A letter from the Secretary of Energy, transmitting the quarterly report on the Strategic Petroleum Reserve for the second quarter of 1995, pursuant to 42 U.S.C. 6245(a); to the Committee on Commerce.

1402. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting notification that no exceptions to the prohibition against favored treatment of a government securities broker or dealer were granted by the Secretary for the calendar year 1994, pursuant to 31 U.S.C. 3121 note; to the Committee on Commerce.

1403. A letter from the Director, Office of Legislative and Intergovernmental Affairs, Federal Communications Commission, transmitting a report on the progress on reinventing the FCC; to the Committee on Commerce.

1404. A letter from the Secretary of Energy, transmitting a report on the status of coal-fuel mixtures; to the Committee on Commerce.

1405. A letter from the Secretary of Health and Human Services, transmitting a copy of a report entitled, "Alcohol and Other Drug Abuse Prevention: The National Structured Evaluation," pursuant to Public Law 100-690, section 3522(a); to the Committee on Commerce.

1406. A letter from the Director, Office of Management and Budget, transmitting OMB's estimate of the amount of discretionary new budget authority and outlays for the current year (if any) and the budget year provided by H.R. 1944, pursuant to Public Law 101-508, section 13101(a) (104 Stat. 1388-578); to the Committee on Government Reform and Oversight.

1407. A letter from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting a proposed plan related to the use and distribution of the Mission Indian's judgement funds in Docket 80-A, before the U.S. Court of Federal Claims; to the Committee on Resources.

1408. A letter from the Under Secretary for Oceans and Atmosphere, Department of Commerce, transmitting a report related to the economic conditions of the U.S. Gulf of Mexico and South Atlantic shrimp fishery; to the Committee on Resources.

1409. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to establish a flexible procedure for facilitating timely payment on claims on account of Government checks; to the Committee on the Judiciary.

1410. A letter from the Administrator, General Services Administration, transmitting informational copies of various lease prospectuses, pursuant to 40 U.S.C. 606(a); to the Committee on Transportation and Infrastructure.

1411. A letter from the Commissioner, General Services Administration, transmitting a report on Federal building consolidations; to the Committee on Transportation and Infrastructure.

1412. A letter from the Director, Office of Personnel Management, transmitting the 1993 and 1994 combined annual report on Veterans' Employment in the Federal Government, pursuant to 38 U.S.C. 4214(e)(1); to the Committee on Veterans' Affairs.

1413. A letter from the Secretary of Agriculture, transmitting notification of the intention of the Departments of the Army and Agriculture to interchange jurisdiction of civil works and national forest lands at Lake Ouachita in the State of Arkansas, pursuant to 16 U.S.C. 505a; jointly, to the Committees on Agriculture and Transportation and Infrastructure.

1414. A letter from the Secretary of Transportation and Administrator of the Environmental Protection Agency, transmitting a joint report entitled "Administrative Assistance to the States: Compliance with Nitrogen Oxides Requirements of the Transportation Conformity Rule"; jointly, to the Committees on Appropriations and Commerce.

1415. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the Agency's implementation of the Waste Isolation Pilot Plant Land Withdrawal Act, pursuant to Public Law 102-579, section 23(a)(2) (106 Stat. 479); jointly, to the Committees on Commerce and National Security.

1416. A letter from the Director, Defense Security Assistance Agency, transmitting the quarterly reports in accordance with section 36(a) and 26(b) of the Arms Export Control Act, the March 24, 1979, report by the Committee on Foreign Affairs, and the Seventh report by the Committee on Government Operations for the third quarter of fiscal year 1995, April 1, 1995 through June 30, 1995, pursuant to 22 U.S.C. 2776(a); jointly, to the Committees on International Relations and Government Reform and Oversight.

1417. A letter from the Administrator, Agency for International Development, transmitting the annual report to Congress on activities under the Denton Amendment Program for fiscal year 1995, pursuant to 10 U.S.C. 402; jointly, to the Committees on International Relations and National Security.

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:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1743. A bill to amend the Water Resources Research Act of 1984 to extend the authorizations of appropriations through fiscal year 2000, and for other purposes; with an amendment (Rept. 104-242). 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. SHAW (for himself, Mr. FORD, Mr. CAMP, Mr. MCCRERY, Mrs. KENNELLY, Mr. COLLINS of Georgia, Mr. ENGLISH of Pennsylvania, Mr. LEVIN, Mr. NUSSLE, Ms. DUNN of Washington, Mr. RANGEL, Mr. ENSIGN, and Mr. STARK):

H.R. 2288. A bill to amend part D of title IV of the Social Security Act to extend for 2 years the deadline by which States are required to have in effect an automated data processing and information retrieval system for use in the administration of State plans for child and spousal support; to the Committee on Ways and Means.

By Mr. BUYER (for himself, Ms. WATERS, Mr. STUMP, Mr. MONTGOMERY, Mr. BARR, Mr. COOLEY, Mr. HUTCHINSON, Mr. SCHAEFER, Mr. CLYBURN, Mr. MASCARA, and Mr. EVANS):

H.R. 2289. A bill to amend title 38, United States Code, to extend permanently certain housing programs, to improve the veterans employment and training system, and to make clarifying and technical amendments to further clarify the employment and reemployment rights and responsibilities of members of the uniformed services, as well as those of the employer community, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FOX:

H.R. 2290. A bill to amend the medical device provisions of the Federal Food, Drug, and Cosmetic Act; to the Committee on Commerce.

By Mr. GEKAS (for himself and Mr. REED):

H.R. 2291. A bill to extend the Administrative Conference of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. HASTINGS of Washington:

H.R. 2292. A bill to preserve and protect the Hanford Reach of the Columbia River, and for other purposes; to the Committee on Resources.

By Mr. LAFALCE:

H.R. 2293. A bill to establish audit authority in the Comptroller of the State of New York over the Niagara Falls Bridge Commission; to the Committee on Transportation and Infrastructure.

By Mr. MOORHEAD (for himself, Mr. HYDE, Mr. CONYERS, and Mrs. SCHROEDER):

H.R. 2294. A bill to amend the Federal Judgeship Act of 1990 to allow affected judicial districts to receive the full benefit of temporary judgeship positions as provided in that act; to the Committee on the Judiciary.

By Mr. SMITH of Michigan:

H.R. 2295. A bill to extend the discretionary spending limits set forth in title VI of the Congressional Budget Act of 1974 and to extend the Balanced Budget and Emergency Deficit Control Act of 1985 until fiscal year 2002; to the Committee on the Budget.

MEMORIALS

Under clause 4 of rule XXII,

158. The SPEAKER presented a memorial of the General Assembly of the State of Nevada, relative to small landfills with environmental regulations; to the Committee on Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. STUPAK introduced a bill (H.R. 2296) for the relief of Robert and Verda Shatusky; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 72: Mr. WELDON of Florida.

H.R. 359: Mr. ZIMMER.

H.R. 394: Mr. FRAZER, Mr. NORWOOD, Mr. HOKE, Mr. RIGGS, and Mr. MCDADE.

H.R. 426: Mr. STENHOLM.

H.R. 752: Mr. FOGLIETTA, Miss COLLINS of Michigan, Mr. FORBES, Mr. SKELTON, and Mr. BILBRAY.

H.R. 820: Mr. TAYLOR of Mississippi, Mr. MANZULLO, Mr. FORD, Mr. MASCARA, and Mr. MOORHEAD.

H.R. 1114: Mr. JONES, Mr. BUNNING of Kentucky, Mr. SAXTON, Mr. PETERSON of Florida, Mr. SHADEGG, Mrs. WALDHOLTZ, Mr. FRAZER, Mr. GUTKNECHT, Mr. BARCIA of Michigan, Mr. MOORHEAD, Mr. GANSKE, Mr. GALLEGLY, and Mr. CRAMER.

H.R. 1204: Mr. GALLEGLY, Mr. DELLUMS, and Ms. DELAURO.

H.R. 1385: Mr. OBERSTAR.

H.R. 1446: Mr. RAHALL.

H.R. 1488: Mr. BUNNING of Kentucky, Mr. SCARBOROUGH, Mr. NORWOOD, Mr. HASTINGS of Washington, Mr. KOLBE, and Mr. ALLARD.

H.R. 1506: Mr. BARR.

H.R. 1552: Mr. SHADEGG, Mr. SHAYS, Mr. NETHERCUTT, Mr. DAVIS, Mr. JOHNSTON of Florida, Mr. COLEMAN, and Mr. NEAL of Massachusetts.

H.R. 1661: Mr. HOLDEN, Ms. SLAUGHTER, Mr. MASCARA, Mr. CALLAHAN, Mr. HEFNER, Mr. KING, Mr. ENSIGN, and Mr. BURTON of Indiana.

H.R. 1753: Mr. RANGEL, Mr. BEVILL, Mr. ENSIGN, and Mr. DAVIS.

H.R. 1791: Mr. LEWIS of Georgia, Mr. TRAFICANT, Mr. CANADY, Mrs. MEEK of Florida, Mr. NEY, Mrs. LINCOLN, Mr. ANDREWS, Mr. HALL of Texas, Mr. WYDEN, Mr. HOKE, and Mr. GANSKE.

H.R. 1885: Ms. DANNER.

H.R. 1893: Mr. WELDON of Pennsylvania, Mr. FATTAH, Mr. MCHUGH, Mr. PARKER, Mr. SOLOMON, Mr. HINCHEY, Mr. TOWNS, Mr. YATES, Mr. FRISA, Mr. INGLIS of South Carolina, Mr. VENTO, Ms. SLAUGHTER, Mr. STUPAK, Mr. SPRATT, Mrs. JOHNSON of Connecticut, and Mrs. LOWEY.

H.R. 1930: Mr. GENE GREEN of Texas, Mr. SHAYS, Mr. STEARNS, and Ms. SLAUGHTER.

H.R. 1933: Ms. VELAZQUEZ, Mr. FRAZER, and Mr. FROST.

H.R. 1975: Mr. HAYES.

H.R. 2009: Mr. STUDDS, Ms. MCKINNEY, Mr. SERRANO, and Mr. DELLUMS.

H.R. 2013: Ms. MOLINARI.

H.R. 2137: Mr. LUTHER, Mr. LOBIONDO, and Mr. BEREUTER.

H.R. 2219: Mr. BACHUS and Mr. FOX.

H.J. Res. 100: Mr. BERMAN and Mr. DREIER.

H.J. Res. 106: Mr. COLLINS of Georgia, Mr. KLUG, Mr. KOLBE, and Mr. SCHIFF.

H. Con. Res. 42: Mr. SHAYS, Mr. KENNEDY of Rhode Island, Mr. SERRANO, Mr. DAVIS, Mr. REED, Mr. SCARBOROUGH, and Mr. KING.

H. Res. 30: Mr. MCCOLLUM, Mr. KENNEDY of Rhode Island, Mr. GORDON, Mr. PETERSON of Minnesota, Mr. DORNAN, Mr. WYNN, Mr. HEFLEY, Mr. HEFNER, and Mr. DE LA GARZA.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 359: Mr. GEKAS.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

38. By the SPEAKER: Petition of the Thibodaux Chamber of Commerce, LA, relative to Federal support programs for sugar; to the Committee on Agriculture.

39. Also, petition of the Southern Governors' Association, relative to regulation E of the electronic benefit transfer [EBT] system; to the Committee on Banking and Financial Services.

40. Also, petition of H.E. Voorn of Arnhem, relative to the death penalty; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1594

OFFERED BY: MR. GENE GREEN OF TEXAS

AMENDMENT NO. 1: Insert after section 4 the following new section (redesignating section 5 as section 6):

SEC. 5. PROTECTION OF DOMESTIC INVESTMENTS.

Nothing in this Act shall be construed as prohibiting the investment by an employee benefit plan (within the meaning of paragraph (3) of section 3 of the Employee Retirement Income Security Act of 1974) in domestic investments, as distinguished from foreign investments.

H.R. 1655

OFFERED BY: MR. BERMAN

AMENDMENT NO. 1: Page 6, strike the closing quotation marks and period.

Page 6, after line 6 insert the following:

"SUNSET

"SEC. 903. This title shall cease to be effective on the date which is three years after the date of the enactment of this title."

Page 6, after line 9, strike the closing quotation marks and period on the line relating to section 902 and insert after such line the following:

"Sec. 903. Sunset.".

H.R. 1655

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 2: Page 10, after line 17, insert the following:

SEC. 308. COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. 309. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 310. PROHIBITION OF CONTRACTS.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a fraudulent label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that was not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SENATE—*Friday, September 8, 1995*

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

And God who gives beginnings, gives the end: a place for broken things too broke to mend.—John Masefield.

Almighty God, Lord of ultimate judgment, and unlimited grace, we come to You for the healing of the profound grief we have over the resignation of our colleague ROBERT PACKWOOD and the circumstances that necessitated it. We thank You that, "never yet a abyss was found deeper than your love could sound." We ask that Your healing grace and mercy, restitution and release, may sound in the depth of his heart today. Heal his brokeness and remind him that You have plans for him, to give him a future and a hope. We praise You for his immense contribution to the work of this Senate through the years. Give him strength and courage as he begins a new phase of his life sustained by Your love and guidance.

Lord, we also ask for Your healing of a pain of a very different kind of brokeness we are all feeling today. We ask You to heal our divisions and bring deeper unity. After our human evaluations are made and judgments rendered, we confess with the Psalmist, "If You Lord, should mark iniquities, O Lord, who could stand? But there is forgiveness with You that You may be feared. I wait for the Lord, my soul waits, and in His Word I do hope."—Psalm 130: 3–4.

With an acute awareness of our own needs, give us humility to trust You with our weaknesses and praise You for our strengths. Give us a renewed commitment to exemplify strong moral leadership. Most of all, bind us together in greater oneness as, with one mind and heart, we press on to the work You have given us to do together. In our Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Texas is recognized.

SCHEDULE

Mrs. HUTCHISON. Mr. President, on behalf of the leader and for the information of all Senators, the Senate will immediately begin resuming consideration of the welfare reform bill. As a reminder to all Senators, there will be two rollcall votes beginning at 9:30 this morning. The first vote will be on or in relation to the Brown amendment No. 2465, to be followed by a vote on or in relation to the Santorum amendment No. 2477.

In addition, there are a number of pending amendments to the welfare reform bill. Therefore, further rollcall votes can be expected. Also, as a reminder, by a previous consent agreement, all amendments must be offered by 5 p.m. today to be in order to the welfare bill.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER (Mr. KYL). Under the previous order, the Senate will now resume consideration of H.R. 4, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Brown amendment No. 2465 (to amendment No. 2280), to provide that funds are expended in accordance with State laws and procedures relating to the expenditure of State revenues.

Moynihan amendment No. 2466 (to amendment No. 2280), in the nature of a substitute.

Feinstein modified amendment No. 2469 (to amendment No. 2280), to provide additional funding to States to accommodate any growth in the number of people in poverty.

Feinstein amendment No. 2470 (to amendment No. 2280), to impose a child support obligation on paternal grandparents in cases in which both parents are minors.

Moseley-Braun amendment No. 2471 (to amendment No. 2280), to require States to establish a voucher program for providing assistance to minor children in families that are eligible for but do not receive assistance.

Moseley-Braun amendment No. 2472 (to amendment No. 2280), to prohibit a State from imposing a time limit for assistance if the State has failed to provide work activity-related services to an adult individual in a family receiving assistance under the State program.

Moseley-Braun amendment No. 2473 (to amendment No. 2280), to modify the job opportunities to certain low-income individuals program.

Moseley-Braun amendment No. 2474 (to amendment No. 2280), to prohibit a State from reserving grant funds for use in subsequent fiscal years if the State has reduced the amount of assistance provided to families under the State program in the preceding fiscal year.

Santorum amendment No. 2477 (to amendment No. 2280), to eliminate certain welfare benefits with respect to fugitive felons and probation and parole violators, and to facilitate sharing of information with law enforcement officers.

Feinstein amendment No. 2478 (to amendment No. 2280), to provide equal treatment for naturalized and native-born citizens.

Feinstein amendment No. 2479 (to amendment No. 2280), to provide for State and county demonstration programs.

Feingold amendment No. 2480 (to amendment No. 2280), to study the impact of amendments to the child and adult care food program on program participation and family day care licensing.

Feingold amendment No. 2481 (to amendment No. 2280), to provide for a demonstration project for the elimination of take-one-take-all requirement.

Boxer amendment No. 2482 (to amendment No. 2280), to provide that noncustodial parents who are delinquent in paying child support are ineligible for means-tested Federal benefits.

AMENDMENT NO. 2477

The PRESIDING OFFICER. Under previous order, the Senator from Pennsylvania [Mr. SANTORUM] is recognized for up to 5 minutes for debate in relation to his amendment.

Mr. SANTORUM. I thank the Chair.

I will not take the 5 minutes. I wanted to inform Members who were not here last night when we debated this amendment, I believe this is an amendment that should get overwhelming support of this body. The amendment addresses a problem that I think has come to light through newspaper articles and other studies that have been done by criminal experts where we found that because of the privacy provisions in the current welfare statutes, police are not able to get addresses of people who are fleeing the criminal justice system, fugitive felons who have warrants out for their arrest or are, in fact, convicted felons who have escaped.

You have warrants out for their arrest, convicted felons that police are trying to track down. They go to the welfare agency and say, "Are they receiving welfare? Is there a current address you might have?" And the welfare agency, under law, is not allowed to tell them whether this person is receiving food stamps or AFDC or whatever the case may be.

You might say, how big of a problem is this? Well, in Cleveland they had a sting operation a year or so ago and 33 percent of the people who they caught in this sting operation had welfare cards, either receiving food stamps, AFDC, or SSI.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

In Philadelphia—I went there earlier this year and talked to the fugitive task force there—they have 50,000 outstanding fugitive warrants, felony warrants in the city of Philadelphia. And of the people that they have brought in under this task force, the police there claim that 75 percent of the people who they have brought in collect welfare. And there is no way for them to go to the welfare agency with this warrant and be able to find out where these people live because one thing the police of Philadelphia told me is that when these folks sign up for welfare, they give the right address because they want those checks to be mailed to the right place.

So we have good information and in many cases we have photographs, and as you know, in pursuing felons you do not necessarily have a recent photograph. They may have changed appearance. So there are all sorts of good reasons this amendment is supported by the chief of police, the FOP—all law enforcement agencies have come out in favor of this amendment.

I am hopeful that the Senate today will adopt this and move forward to help police be able to better find fugitives. Remember, these are dangerous felons who are hiding out, not taking jobs, by collecting Government benefits and therefore not signing up for employment where they might otherwise be caught. So we think this is sort of a logical exemption to the privacy provisions of the Welfare Act. And I hope that the Senate will support the amendment this morning.

I yield the floor.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENTS NOS. 2483, 2484, AND 2485, EN BLOC, TO AMENDMENT NO. 2280

Mr. BINGAMAN. Mr. President, to meet the requirements of the agreement that has been worked out by the managers of the bill and the majority and minority leaders, I send three amendments to the desk and ask that it be in order for me to submit them for consideration at this time en bloc.

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

The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes en bloc amendments numbered 2483 through 2485, en bloc, to amendment No. 2280.

Mr. BINGAMAN. Mr. President, I ask that further reading of the amendments be dispensed with.

And as I understand the agreement at this time, it is appropriate to ask consent that the amendments be set aside for consideration later.

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

The amendments are as follows:

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AMENDMENT NO. 2483

(Purpose: To require the development of a strategic plan for a State family assistance program)

Beginning with page 11, line 8, strike all through page 14, line 16, and insert the following:

"SEC. 402. ELIGIBLE STATES; STATE PLANS.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that has submitted to the Secretary a single comprehensive State Family Assistance Program Strategic Plan (hereafter referred to in this section as the 'State Plan') outlining a 5-year strategy for the statewide program.

"(b) FAMILY ASSISTANCE PROGRAM STRATEGIC PLAN PARTS.—Each State plan shall contain 2 parts:

"(1) 5-YEAR PLAN.—The first part of the State plan shall describe a 5-year strategic plan for the statewide program designed to meet the State goals and reach the State benchmarks for each of the essential program activities of the family assistance program.

"(2) ANNUAL CERTIFICATION.—The second part of the State plan shall contain a certification by the chief executive officer of the State that, during the fiscal year, the State family assistance program will include each of the essential program activities specified in subsection (h)(6).

"(c) CONTENTS OF THE STATE PLAN.—The State plan shall include:

"(1) STATE GOALS.—A description of the goals of the 5-year plan, including outcome related goals of and benchmarks for each of the essential program activities of the family assistance program.

"(2) CURRENT YEAR PLAN.—A description of how the goals and benchmarks described in paragraph (1) will be achieved, or how progress toward the goals and benchmarks will be achieved, during the fiscal year in which the plan has been submitted.

"(3) PERFORMANCE INDICATORS.—A description of performance indicators to be used in measuring or assessing the relevant output service levels and outcomes of each of the essential program activities and other relevant program activities.

"(4) EXTERNAL FACTORS.—An identification of those key factors external to the program and beyond the control of the State that could significantly affect the attainment of the goals and benchmarks.

"(5) EVALUATION MECHANISMS.—A description of a mechanism for conducting program evaluation, to be used to compare actual results with the goals and benchmarks and designate the results on a scale ranging from highly successful to failing to reach the goals and benchmarks of the program.

"(6) MINIMUM PARTICIPATION RATES.—A description of how the minimum participation rates specified in section 404 will be satisfied.

"(7) ESTIMATE OF EXPENDITURES.—An estimate of the total amount of state or local expenditures under the program for the fiscal year in which the plan is submitted.

"(d) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (b).

"(e) STATE WORK OPPORTUNITY PLANNING BOARDS.—

"(1) IN GENERAL.—A Governor of a State that receives a grant under section 403 may establish a State Work Opportunity Planning Board (referred to in this section as 'the Board') in accordance with this section.

"(2) MEMBERSHIP.—Membership of the Board shall include—

"(A) persons with leadership experience in private business, industry, and voluntary organizations;

"(B) representatives of State departments or agencies responsible for implementing and overseeing programs funded under this title;

"(C) elected officials representing various jurisdictions included in the State plan;

"(D) representatives of private and nonprofit organizations participating in implementation of the State plan;

"(E) the general public; and

"(F) any other individuals and representatives of community-based organizations that the Governor may designate.

"(3) CHAIRPERSON.—The Board shall select a chairperson from among the members of the Board.

"(4) FUNCTIONS.—The functions of the Board shall include—

"(A) advising the Governor and State legislature on the development of the statewide family assistance program, the State plan described in subsections (a) and (b), and the State goals and State benchmarks;

"(B) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

"(C) serving as a link between business, industry, labor, non-profit and community-based organizations, and the statewide system;

"(D) assisting in preparing annual reports required under this part;

"(E) receiving and commenting on the State plan developed under subsection (a); and

"(F) assisting in the monitoring and continuous improvement of the performance of the State family assistance program, including evaluation of the effectiveness of activities and program funded under this title".

On page 14, line 17, strike "(b)" and insert "(f)".

On page 15, line 12, strike "(c)" and insert "(g)".

On page 15, line 20, strike "(d)" and insert "(h)".

On page 16, between lines 22 and 23, insert the following:

"(6) ESSENTIAL PROGRAM ACTIVITIES.—The term 'essential program activities' includes the following activities:

"(A) Assistance provided to needy families with not less than 1 minor child (or any expectant family).

"(B) Work preparation and work experience activities for parents or caretakers in needy families with not less than 1 minor child, including assistance in finding employment, child care assistance, and other support services that the State considers appropriate to enable such families to become self-sufficient and leave the program.

"(C) The requirement for parents or caretakers receiving assistance under the program to engage in work activities in accordance with section 404 and to enter into a personal responsibility contract in accordance with section 405(a).

"(D) The child protection program operated by the State in accordance with part B.

"(E) The foster care and adoption assistance program operated by the State in accordance with part E.

"(F) The child support enforcement program operated by the State in accordance with part D.

"(G) A teenage pregnancy prevention program, including efforts to reduce and prevent out-of-wedlock pregnancies.

"(H) Participation in the income and eligibility verification system required by section 1137.

"(I) The establishment and operation of a privacy system that restricts the use and disclosure of information about individuals and families receiving assistance under the program.

"(J) A certification identifying the State agencies or entities administering the program.

"(K) The establishment and operation of a reporting system for reports required under this part."

AMENDMENT NO. 2484

At the end of section 201 of the amendment, add the following new subsection:

(d) FUNDING OF CERTAIN PROGRAMS FOR DRUG ADDICTS AND ALCOHOLICS.—

(1) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are hereby appropriated—

(A) for carrying out section 1971 of the Public Health Service Act (as amended by paragraph (2) of this subsection), $95,000,000 for each of the fiscal years 1997 through 2000; and

(B) for carrying out the medication development project to improve drug abuse and drug treatment research (administered through the National Institute on Drug Abuse), $5,000,000 for each of the fiscal years 1997 through 2000.

(2) CAPACITY EXPANSION PROGRAM REGARDING DRUG ABUSE TREATMENT.—Section 1971 of the Public Health Service Act (42 U.S.C. 300y) is amended—

(A) in subsection (a)(1), by adding at the end the following sentence: "This paragraph is subject to subsection (j).";

(B) by redesignating subsection (j) as subsection (k);

(C) in subsection (j) (as so redesignated), by inserting before the period the following: "and for each of the fiscal years 1995 through 2000"; and

(D) by inserting after subsection (i) the following subsection:

"(j) FORMULA GRANTS FOR CERTAIN FISCAL YEARS.—

"(1) IN GENERAL.—For each of the fiscal years 1997 through 2000, the Director shall, for the purpose described in subsection (a)(1), make a grant to each State that submits to the Director an application in accordance with paragraph (2). Such a grant for a State shall consist of the allotment determined for the State under paragraph (3). For each of the fiscal years 1997 through 2000, grants under this paragraph shall be the exclusive grants under this section.

"(2) REQUIREMENTS.—The Director may make a grant under paragraph (1) only if, by the date specified by the Director, the State submits to the Director an application for the grant that is in such form, is made in such manner, and contain such agreements, assurances, and information as the Director determines to be necessary to carry out this subsection, and if the application contains an agreement by the State in accordance with the following:

"(A) The State will expend the grant in accordance with the priority described in subsection (b)(1).

"(B) The State will comply with the conditions described in each of subsections (c), (d), (g), and (h).

"(3) ALLOTMENT.—

"(A) For purposes of paragraph (1), the allotment under this paragraph for a State for a fiscal year shall, except as provided in subparagraph (B), be the product of—

"(i) the amount appropriated in section 601(d)(1)(A) of the Work Opportunity Act of 1995 for the fiscal year, together with any additional amounts appropriated to carry out this section for the fiscal year; and

"(ii) the percentage determined for the State under the formula established in section 1933(a).

"(B) Subsections (b) through (d) of section 1933 apply to an allotment under subparagraph (A) to the same extent and in the same manner as such subsections apply to an allotment under subsection (a) of section 1933.".

AMENDMENT NO. 2485

On page 374, line 2, insert "and not reserved under paragraph (3)" after "734(b)(2)".

On page 374, between lines 21 and 22, insert the following:

(3) RESERVATION FOR INDIAN VOCATIONAL EDUCATION GRANTS.—From amounts made available under section 734(b)(2) for a fiscal year, the Secretary shall reserve $4,000,000 for such year to award grants, to tribally controlled postsecondary vocational institutions to enable such institutions to carry out activities described in subsection (d), on the basis of a formula that—

(A) takes into consideration—

(i) the costs of basic operational support at such institutions; and

(ii) the availability to such institutions of Federal funds not provided under this paragraph for such costs; and

(B) is consistent with the purpose of section 382 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2397).

Mr. BINGAMAN. Mr. President, I yield the floor.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BROWN. Mr. President, notwithstanding the previous order, I ask unanimous consent to speak for 30 seconds on the amendment that we will be voting on.

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

AMENDMENT NO. 2465

Mr. BROWN. Mr. President, the first vote we will have at 9:30 or shortly thereafter will be on my amendment. What it does is require that the States, when they receive the money from the block grant, handle it the same way they do their own funds. There are six States in our Nation that now have that money from a block grant come to their Governor alone. That Governor is then vested with not only the power to appropriate it, but to act as the executive and, incidentally, approve the person who is the auditor.

So it is a safety measure, very much in line with our concept of constitutional government and the division of powers. And I hope all Members will feel comfortable in supporting it.

Mr. President, I yield back my time and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

Mr. PACKWOOD. I object.

The PRESIDING OFFICER. The clerk will continue with the call of the roll.

The legislative clerk continued with the call of the roll.

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

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

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the majority leader be able to offer a modification to his amendment after the votes.

The PRESIDING OFFICER. Is there objection?

Mr. MOYNIHAN. Mr. President, there is no objection on this side.

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

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask unanimous consent that Senators ABRAHAM and BAUCUS be added as cosponsors to my amendment.

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

VOTE ON AMENDMENT NO. 2465

Mr. KYL. Under the previous order, the hour of 9:30 having arrived, the Senate will now vote on the Brown amendment No. 2465. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT: I announce that the Senator from Mississippi [Mr. COCHRAN] and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

The PRESIDING OFFICER (Mr. DEWINE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 92, nays 6, as follows:

[Rollcall Vote No. 401 Leg.]

YEAS—92

Abraham	D'Amato	Harkin
Akaka	Daschle	Hatch
Baucus	DeWine	Hatfield
Bennett	Dodd	Heflin
Bingaman	Dole	Helms
Bond	Domenici	Hollings
Boxer	Dorgan	Hutchison
Bradley	Exon	Inhofe
Breaux	Faircloth	Inouye
Brown	Feingold	Jeffords
Bryan	Feinstein	Johnston
Bumpers	Ford	Kassebaum
Burns	Frist	Kempthorne
Byrd	Glenn	Kennedy
Campbell	Gorton	Kerrey
Cohen	Graham	Kerry
Conrad	Gramm	Kohl
Coverdell	Grams	Kyl
Craig	Grassley	Lautenberg

Leahy	Nickles	Shelby
Levin	Nunn	Simon
Lieberman	Packwood	Simpson
Lott	Pell	Smith
Lugar	Pressler	Snowe
Mack	Pryor	Specter
McCain	Reid	Stevens
McConnell	Robb	Thomas
Mikulski	Rockefeller	Thurmond
Moseley-Braun	Roth	Warner
Moynihan	Santorum	Wellstone
Murray	Sarbanes	

NAYS—6

Ashcroft	Chafee	Gregg
Biden	Coats	Thompson

NOT VOTING—2

Cochran	Murkowski

So the amendment (No. 2465) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 2477

The PRESIDING OFFICER. The question is now on the Santorum amendment, No. 2477.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Mississippi [Mr. COCHRAN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Texas [Mr. GRAMM] are necessarily absent.

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

The result was announced, yeas 91, nays 6, as follows:

[Rollcall Vote No. 402 Leg.]

YEAS—91

Abraham	Feinstein	Lugar
Ashcroft	Ford	Mack
Baucus	Frist	McCain
Bennett	Glenn	McConnell
Biden	Gorton	Mikulski
Bingaman	Graham	Murray
Bond	Grams	Nickles
Boxer	Grassley	Nunn
Bradley	Gregg	Packwood
Breaux	Harkin	Pell
Brown	Hatch	Pressler
Bryan	Hatfield	Pryor
Bumpers	Heflin	Reid
Burns	Helms	Robb
Byrd	Hollings	Rockefeller
Chafee	Hutchison	Roth
Coats	Inhofe	Santorum
Cohen	Jeffords	Sarbanes
Conrad	Johnston	Shelby
Coverdell	Kassebaum	Simpson
Craig	Kempthorne	Smith
D'Amato	Kennedy	Snowe
Daschle	Kerrey	Specter
DeWine	Kerry	Stevens
Dodd	Kohl	Thomas
Dole	Kyl	Thompson
Domenici	Lautenberg	Thurmond
Dorgan	Leahy	Warner
Exon	Levin	Wellstone
Faircloth	Lieberman	
Feingold	Lott	

NAYS—6

Akaka	Inouye	Moynihan
Campbell	Moseley-Braun	Simon

NOT VOTING—3

Cochran	Gramm	Murkowski

So the amendment (No. 2477) was agreed to.

GOLDEN GAVEL AWARD

Mr. DOLE. Mr. President, as all Senators know, the Senate is a place of tradition, and one tradition we have is honoring those colleagues who preside over the Senate for more than 100 hours a session. Compared to Cal Ripken's 2,131 games, 100 hours may not seem like a long time, but presiding over the Senate can be very tough duty.

There are periods, of course, when absolutely nothing is happening, but there are also periods when rulings from the Chair may change the course of legislation or of history itself.

Many Senators have presided over the Senate, but I am told that no Republican Senator has ever presided for over 100 hours in a shorter period of time than the current occupant of the Chair, Senator MIKE DEWINE, of Ohio.

It is a pleasure to announce that he is the first recipient of the Golden Gavel Award in the 104th Congress. And when Senator DEWINE departs from the chair today, I will invite him back to the cloakroom where we have a cake in his honor. I know all Senators join me in congratulating the presiding officer on this occasion.

[Applause, Senators rising.]

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. DOLE. Mr. President, I am going to modify my amendment. But if I could briefly put in a quorum and indicate that on this side of the aisle the bill will be managed by a number of members on the Finance Committee—Senator GRASSLEY, Senator HATCH, Senator SANTORUM, Senator NICKLES, Senator CHAFEE, and the leader—throughout the remainder of the time on this particular bill. We have a lot of managers.

Could I suggest the absence of a quorum, unless somebody wanted to——

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. A number of Senators simply wish to lay down their amendments. This is understood. And there will be no debate, but simply if you would recognize them as they rise, we would appreciate it, sir.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 2468 TO AMENDMENT NO. 2280

(Purpose: To provide grants for the establishment of community works progress programs)

Mr. SIMON. This is for the purpose of laying down my amendment. It is No. 2468. I would like to call it up.

I think there is another amendment pending that I have to ask unanimous consent to ask that it be set aside. I do so request.

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

Mr. SIMON. I call up my amendment No. 2468.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 2468 to amendment No. 2280.

Mr. SIMON. Mr. President, I ask that further reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. SIMON. I ask unanimous consent that the amendment be set aside.

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

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 2486 TO AMENDMENT NO. 2280

(Purpose: To require recipients of assistance under a State program funded under part A of title IV of the Social Security Act to participate in State mandated community service activities if they are not engaged in work after 6 months of receiving benefits)

Mr. LEVIN. Mr. President, pursuant to the unanimous consent agreement, I send an amendment to the desk so that it will be qualified pursuant to that agreement.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 2486 to amendment No. 2280.

Mr. LEVIN. Mr. President, I ask that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 12, between lines 22 and 23, insert the following:

"(G) COMMUNITY SERVICE.—Not later than 3 years after the date of the enactment of the Work Opportunity Act of 1995, should (and not later than 7 years after such date, shall) offer to, and require participation by, a parent or caretaker receiving assistance under the program who, after receiving such assistant for 6 months—

"(i) is not exempt for work requirements; and

"(ii) is not engaged in work as determined under section 404(c),

in community service employment, with minimum hours per week and tasks to be determined by the State.

On page 35, between lines 2 and 3, insert the following:

"(6) CERTAIN COMMUNITY SERVICE EXCLUDED.—An individual performing community service pursuant to the requirement under section 402(a)(1)(1)G) shall be excluded from the determination of a State's participation rate.

Mr. LEVIN. Mr. President, I ask unanimous consent that the amendment be laid aside.

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

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Thank you, Mr. President.

PRIVILEGE OF THE FLOOR

Mr. BREAUX. Mr. President, I ask unanimous consent that Lisa Aikman, a congressional fellow in my office, be granted floor privileges through the end of our consideration of the Work Opportunity Act of 1995.

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

Mr. BREAUX. Mr. President, I ask that the pending amendment be set aside so I may ask unanimous consent to offer four amendments en bloc.

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

AMENDMENTS NOS. 2487 THROUGH 2490, EN BLOC, TO AMENDMENT NO. 2280

Mr. BREAUX. I send my amendments to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Mr. BREAUX] proposes amendments numbered 2487 through 2490, en bloc, to amendment No. 2280.

Mr. BREAUX. Mr. President, I ask that the reading of the amendments be dispensed with.

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

AMENDMENT NO. 2487

(Propose: To maintain the welfare partnership between the States and the Federal Government)

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 100 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

AMENDMENT NO. 2488

(Purpose: To maintain the welfare partnership between the States and the Federal Government)

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (I) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 90 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purpose of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

AMENDMENT NO. 2489

In section 703(39), strike "(8)" and all that follows and insert "(9) of section 716(a).".

In section 714(c)(2)(B), strike clause (vii) and insert the following:

"(vii) the steps the State will take over the 3 years covered by the plan to comply with the requirements specified in section 716(a)(3) relating to the provision of education and training services;".

In section 716(a)(1)(A), strike "and (4)" and insert "(4), and (5)".

In section 716(a)(1), strike subparagraph (B) and insert the following:

"(B) may be used to carry out the activities described in paragraphs (6), (7), (8), and (9).".

In section 716(a), strike paragraph (9).

In section 716(a)(8), strike "(8)" and insert "(9)".

In section 716(a)(7), strike "(7)" and insert "(8)".

In section 716(a)(6), strike "(6)" and insert "(7)".

In section 716(a)(5), strike "(5)" and insert "(6)".

In section 716(a)(4), strike "(4)" and insert "(5)".

In section 716(a)(3), strike "(3)" and insert "(4)".

In section 716(a), insert after paragraph (2) the following:

"(3) EDUCATION AND TRAINING SERVICES.—

"(A) IN GENERAL.—The State shall use a portion of the funds described in paragraph (1) to provide education and training services in accordance with this paragraph to adults, each of whom—

"(i) is unable to obtain employment through core services described in paragraph (2)(B);

"(ii) needs the education and training services in order to obtain employment, as determined through—

"(I) an initial assessment under paragraph (2)(B)(ii); or

"(II) a comprehensive and specialized assessment; and

"(iii) is unable to obtain other grant assistance, such as a Pell Grant provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), for such services.

"(B) TYPES OF SERVICES.—Such education and training services may include the following:

"(i) Occupational skills training, including training for nontraditional employment.

"(ii) On-the-job training.

"(iii) Services that combine workplace training with related instruction.

"(iv) Skill upgrading and retraining.

"(v) Entrepreneurial training.

"(vi) Preemployment training to enhance basic workplace competencies, provided to individuals who are determined under guidelines developed by the Federal Partnership to be low-income.

"(vii) Customized training conducted with a commitment by an employer or group of employers to employ an individual on successful completion of the training.

"(C) USE OF VOUCHERS FOR DISLOCATED WORKERS.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), education and training services described in subparagraph (B) shall be provided to dislocated workers through a system of vouchers that is administered through one-stop delivery described in paragraph (2).

"(ii) EXCEPTIONS.—Education and training services described in subparagraph (B) may be provided to dislocated workers in a substate area through a contract for services in lieu of a voucher if—

"(I) the local partnership described in section 728(a), or local workforce development board described in section 728(b), for the substate area determines there are an insufficient number of eligible entities in the substate area to effectively provide the education and training services through a voucher system;

"(II) the local partnership or local workforce development board determines

that the eligible entities in the substate area are unable to effectively provide the education and training services to special participant populations; or

"(III) the local partnership or local workforce development board decides that the education and training services shall be provided through a direct contract with a community-based organization serving special participant populations.

"(iii) PROHIBITION ON PROVISION OF ON-THE-JOB TRAINING THROUGH VOUCHERS.—On-the-job training provided under this paragraph shall not be provided through a voucher system.

"(D) ELIGIBILITY OF EDUCATION AND TRAINING SERVICE PROVIDERS.—

"(i) ELIGIBILITY REQUIREMENTS.—An entity shall be eligible to provide the education and training services through a program carried out under this paragraph and receive funds from the portion described in subparagraph (A) through the receipt of vouchers if—

"(I)(aa) the entity is eligible to carry out the program under title IV of the Higher Education Act of 1965; or

"(bb) the entity is eligible to carry out the program under an alternative eligibility procedure established by the Governor of the State that includes criteria for minimum acceptable levels of performance; and

"(II) the entity submits accurate performance-based information required pursuant to clause (ii), [except that entities described in subclause (I)(aa) shall only be required to provide information for programs other than programs leading to a degree.]

"(ii) PERFORMANCE-BASED INFORMATION.—The State shall identify performance-based information that is to be submitted by an entity for the entity to be eligible to provide the services, and receive the funds, described in clause (i). Such information [shall] include information relating to—

"(I) the percentage of students completing the programs, if any, through which the entity provides education and training services described in subparagraph (B), as of the date of the submission;

"(II) the rates of licensure of graduates of the programs;

"(III) the percentage of graduates of the programs meeting skill standards and certification requirements endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act;

"(IV) the rates of placement and retention in employment, and earnings, of the graduates of the programs;

"(V) the percentage of students in such a program who obtained employment in an occupation related to the program; and

"(VI) the warranties or guarantees provided by such entity relating to the skill levels or employment to be attained by recipients of the education and training services provided by the entity under this paragraph.

"(iii) ADMINISTRATION.—The Governor shall designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to clause (ii).

"(iv) ON-THE-JOB TRAINING EXCEPTION.—Entities shall not be subject to the requirements of clauses (i) through (iii) with respect to on-the-job training activities.".

In section 716(a)(7) (as so redesignated), strike subparagraphs (A), (B), and (C).

In subparagraph (D) of section 716(a)(7) (as so redesignated), strike "(D)" and insert "(A)".

In section 716(a)(7) (as so redesignated), strike subparagraph (E).

In subparagraph (F) of section 716(a)(7) (as so redesignated), strike "(F)" and insert "(B)".

In section 716(a)(7) (as so redesignated), strike subparagraph (G).

In subparagraph (H) of section 716(a)(7) (as so redesignated), strike "(H)" and insert "(C)".

In subparagraph (I) of section 716(a)(7) (as so redesignated), strike "(I)" and insert "(D)".

In section 716(a)(7) (as so redesignated), strike subparagraph (J).

In subparagraph (K) of section 716(a)(7) (as so redesignated), strike "(K)" and insert "(E)".

In subparagraph (L) of section 716(a)(7) (as so redesignated), strike "(L)" and insert "(F)".

In subparagraph (M) of section 716(a)(7) (as so redesignated), strike "(M)" and insert "(G)".

In subparagraph (N) of section 716(a)(7) (as so redesignated), strike "(N)" and insert "(H)".

In subparagraph (O) of section 716(a)(7) (as so redesignated), strike "(O)" and insert "(I)".

In section 716(g)(1)(A), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(1)(B), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(2)(A), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(2)(B)(i), strike "(a)(6)" and insert "(a)(7)".

In section 7(38) of the Rehabilitation Act of 1973 (as amended by section 804), strike "(8)" and all that follows and insert "(9) of section 716(a) of the Workforce Development Act of 1995.".

AMENDMENT NO. 2490

(Purpose: To strike provisions relating to workforce development and workforce preparation)

Strike titles VII and VIII of the amendment.

Mr. BREAUX. I ask unanimous consent that the amendments be temporarily set aside until it is appropriate that they be considered.

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

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I believe the pending amendment is offered by this Senator under a time agreement of 1½ hours, equally divided.

The PRESIDING OFFICER. Amendment No. 2466. There is a 90-minute time limit.

Mr. MOYNIHAN. Thank you.

Mr. DOLE. Mr. President, I wonder whether, rather than waste time in a quorum call, I could have consent to modify an amendment? If I could just extend that consent to follow disposition of the Moynihan amendment?

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

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Would it be possible to proceed for 5 minutes or so on a subject outside of that?

Mr. DOLE. It is all right with this Senator.

Mr. MOYNIHAN. Five minutes, and then we can get to this matter then.

The PRESIDING OFFICER. The Senator from Massachusetts.

CONGRESS MOVING TOWARD A "TRAIN WRECK"

Mr. KERRY. Mr. President, it is clear that Congress is moving inexorably toward what the press is consistently referring to as a "train wreck." And all of us understand as we look at the budget process that there is an inevitable confrontation that is going to take place. That train wreck is already beginning to promote a concern in the financial marketplace. It is upsetting people's perceptions about what Congress is capable of doing or willing to do.

And I would like to say at this time, Mr. President, I would like to express my hope that bipartisanship and common sense will still be virtues here in Washington and that we can take the steps necessary to avoid any train wreck.

It seems to me that all of us ought to be pretty sensitive to what is about to happen. Despite the fact that a huge portion of the public has said that they did not like the way we do business.

Mr. President, a portion of the public has already said to us they do not like the way we do business here. And a lot of us have come to understand that. Despite the fact that we talk about change, we rarely accomplish it. And despite the fact that we claim we want bipartisanship and avoid politics as usual, Congress and the President are moving in a kind of mindless Alice in Wonderland atmosphere toward an inevitable confrontation.

And that confrontation is going to leave Americans questioning the quality of the leadership of this country and questioning the degree to which people here are in touch with the real concerns of the American people.

I find this a profoundly disturbing and almost incomprehensible equation. It is contrary to all of the things that people are asking us to do. And yet some people around here seem more content to believe that it is better to have a sort of ripeness to the political confrontation before we sit down and discuss what we are going to do.

Mr. President, I think that the American people have made it very clear that they want us to behave like adults and they want an assurance that critical services are going to continue to be provided to the people who pay our bills, who pay our salaries, and who pay for those services. In addition to that, there are very fundamental, basic needs of the country that should not be made poker chips in a political gamesmanship one-upmanship process.

Most people have made it very, very clear that their concerns are whether they are going to have a job, whether we are going to do something about raising their income, whether kids are

going to get to school and whether the schools are going to be safe, and whether they will be safe in their communities. These are the real concerns of the American people. And every single one of us knows that there are going to be some appropriations bills on the floor that are going to be passed in a unison of ideological fervor. Those bills are absolutely preordained to be vetoed. They are absolutely preordained to have the vetoes upheld. And we are absolutely preordained to come here to confront the moment of reality. But that moment of reality is being put off into the future in a way that makes the American people the pawns in the process.

And I guarantee my colleagues—and they know it because I hear them saying it in the back halls—this will not serve America's interests. This will not serve our interests. It will be bad for this institution. And those of us who I think are concerned about trying to find a bipartisan, moderate, commonsense solution would like to suggest that rather than waiting for the train wreck, let us do what sensible people are supposed to do. Let us sit down now. Let us begin the process now of a bipartisan effort to avoid this confrontation and to find out if we can behave like the adults the American people sent us here to behave like. It is not very complicated.

I would ask that the President of the United States engage with the leadership, with those leaders of the key committees now, and that we even invite the American people to participate. Hold a meeting in the East Room. Let C-SPAN be part of the discussion of the priorities of this country. Let them see why there are differences of opinion. Let America share together with us an opportunity to prove that we are not going to conduct business as usual, that we are prepared to truly think differently.

I ask for 1 additional minute, Mr. President.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. KERRY. Mr. President, rather than go through the process of the inevitable confrontation with a continuing resolution, with a then delayed moment of confrontation with another continuing resolution, it is incumbent on all of us to have a responsible process in the interest of this institution and the American people.

I hope that the President of the United States will reach out to the leadership, and I hope that the majority leader will not be stuck in a position where he suggests that compromise is impossible.

Compromise is the nature of the legislative process. Inevitably, everyone knows there will be some kind of compromise. There has to be. The political equation of the veto, the political equation of the executive versus the legislative branch dictates that that will happen. What the American people do not want to see is a repeat of the Washington Monument and other symbolic closings that ultimately wind up with more than symbolic closings. It is not necessary.

So I implore our colleagues, let us not make the American people the pawns in a political charade. Let us get away from business as usual. Let us begin the process of a real dialog now that proves to the American people we are prepared to have an important, open, significant debate about the priorities of this country, and we can conduct our business in a mature and sensible fashion.

I yield the floor, and I thank the distinguished managers.

THE FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 2466

Mr. MOYNIHAN. Mr. President, I yield myself such time as I may require for an opening statement.

Mr. President, I rise in an all but empty Chamber to offer an amendment which is in the nature of a substitute for the bill reported from the Committee on Finance and later amended by the distinguished Republican leader.

On May 26, the committee considered the chairman's mark and the bill that I offered, the Family Support Act of 1995. It failed by a vote of 12 to 8 in our committee on party lines, with one exception, and it was not a happy moment, much less a promising moment. It was, indeed, a foreboding one.

Had it not been for the 1994 congressional elections, the wave of what George Will called a cymbal-clash change of the electorate, this measure now before the Senate is pretty much the measure we would have been considering. It brings the Family Support Act of 1988 up to the higher standards, higher expectations that we assumed would come with time and which we also assumed in what might seem the innocence of the last decade would be as bipartisan an effort as was the original.

The Family Support Act passed the Senate on June 16, 1988, by a vote of 93 to 3. We went to conference. The conference committee agreed. It came back, and on September 29 it passed out of this Senate 96 to 1, and then the following day the conference report was agreed to in the House by a vote of 347 to 53, near to an overwhelming vote. And on October 13, it was signed by President Reagan in a ceremony in the Rose Garden. Then Governor William J. Clinton of Arkansas, the Chairman of the Governors' Association was on hand, as was Governor Mike Castle, then Republican Governor of Delaware. The two of them had helped this bipartisan effort in the Governors' Association.

President Reagan said:

> I'm pleased to sign into law today a major reform of our Nation's welfare system, the Family Support Act. This bill creates a new emphasis on the importance of work for individuals in the welfare system.

It basically redefined the Aid to Families with Dependent Children legislation, which dates back to 1935. What had been a widow's pension, meant to phase out as survivor's insurance matured in Social Security, had become a wholly different program for a wholly different population, and within a certain measure of delay, when the time came, we redefined the program, redefined its objectives. We did so, Mr. President, with a measure of realism, even of modesty, in the face of extraordinary change in our social structure, our social system, if you will. This change came suddenly and without warning and to this day it can be quantified but scarcely explained. I refer to the subject that has been spoken about with candor and, I think, understanding, with an openness on the floor in this debate already, which is the rise of out-of-wedlock births, from about 6 percent nationwide in 1960 to about 33 percent today.

I have commented several times that this is something we did not know how to talk about, were not sure we ought to talk about, but which Presidents now openly discuss. President Bush was the first President to raise this issue in a State of the Union Message. President Clinton has done the same. President Clinton has suggested projections that we have made in our office which could take us surely to 40 percent, a number without meaning until this moment in history. We could not have imagined it.

We created the JOBS Program, one of those acronyms, Jobs Opportunities and Basic Skills. We set quotas, percentages that States had to meet as they moved along with the funds available, and we began to see results.

We never promised a very great deal. We made very clear that the persons we were concerned about were the persons most in need, and they are not difficult to define, Mr. President.

About 42 percent of persons who enter the welfare system are there for 24 months or less. They typically are women with children whose marriages have dissolved, and it takes them a period to put their life back, their affairs back in order, and they do. A fairly considerable amount of research has indicated they do not need anything but time and a certain amount of income support, which is what the Social Security system is all about.

On the other hand, a very large proportion of our children enter this system and stay in it for more than 5 years, stay in it for much of their childhood. Seventy-six percent of persons on the AFDC rolls at any given time will be on more than 5 years. They are the ones who are most in need. They are the ones who are most difficult to help. Those are the ones, when something succeeds, you have saved a life. We should concentrate on that.

We were off to a slow start. We had a recession. We had a rise in the number of out-of-wedlock births. What is worrisome is that the cohort of women age 15–24, the age group disproportionately responsible for out-of-wedlock births, is expected to rise over the next 10 years. We will have more illegitimacy, and consequently more of a need for welfare assistance. That phrase "demography is destiny"—demography is destiny for the welfare system.

In the face of these massive, disturbing, changes in the structure of the family, we enacted the Family Support Act of 1988. For the first time, we said that the single mothers on the welfare rolls must be in education, training, or work to receive their benefits, to the extent State resources permit. We gave States great flexibility to experiment. And we began to get good news from around the country as these programs took effect. The word came out that you can innovate, you ought to try.

How many Senators have we heard talking about Riverside, CA? We had the director of that jobs program in to testify before us this spring in the Finance Committee, with enthusiasm, full of energy. He had a blue button that says "Life works when you work." That sort of energy in the executive establishment is to be praised. All across the country, we began to hear of this program and that program taking hold. But still, the welfare caseload grew.

As I said yesterday, our assessment in the Congressional Budget Office is that about half the growth was due to the increase in out-of-wedlock births. About a quarter of the decline of the economy is the increase in unemployment. There is a measure in which the economy affects welfare dependency. But primarily, welfare dependency derives from single-parent families. It is affected by the rise in the business cycle—but marginally. We are dealing with something very different, very new, just learning our way. And yet, while we simply do not know how to change the behavior which is driving illegitimacy, we are learning how to get welfare recipients off the rolls and into jobs. What we have learned we have learned under the Family Support Act.

That is why it has come as a source of dismay to many students of the subject, scholars such as Lawrence Mead, of New York University, who certainly wishes himself to be understood as conservative in these matters. He said recently of the legislation before us, what we voted on yesterday and what we will vote on:

> The main effect of block grants would be to disestablish the jobs program which has been the major force pushing States with large caseloads to reform.

Dr. Meade has commented that even New York is beginning to get the message. Well, that is a large event. You cannot break the mindset of a half century instantly. There is a sort of law of retarded response, that large bureaucracies established to provide benefits on a permanent basis to permanently dependent persons, widows react slowly to change, and it will take a generation to get it understood that this is no longer the reality.

I knew Frances Perkins rather well. She was very much in evidence here in Washington in the early sixties. We began to notice this welfare problem, and I would talk with her about it. When it began, she would describe the typical recipient of the Aid to Families with Dependent Children. The typical recipient was a West Virginia miner's widow. There was no expectation that she would go to work in the mines. In time, the survivors insurance would take care of that. In time the survivors insurance did. Only about 71 percent of the persons receiving Social Security benefits are retired persons. The rest are spouses, children of deceased workers, and persons of that order.

We knew we were changing and we knew the change would be difficult, but we built into our legislation very careful evaluation to find what works. We particularly looked to the Manpower Demonstration Research Corporation based in New York, which had provided the basic data on which we enacted the legislation, and they have now reported. They are not easily impressed. They quantify, they measure, and they are very realistic. This is what they recently wrote about an assessment of the program Nationwide:

> This report represents early evidence that well-implemented, highly mandatory jobs programs that use job search followed by a range of short-term education, training, and other services to promote rapid job entry can produce dramatic reductions in welfare receipt and substantial increases in employment and earnings.

May I say, Mr. President, the MDRC is not in the habit of referring to dramatic reductions. But they have done it. Indeed, we see our caseloads beginning to decline over the last year. They have dropped by a quarter of a million, 240,000 or almost 5 percent. Most of the decline has come in the 44 smaller States that have about half the caseload. Forty-four States have half of the AFDC cases; six have the other half.

I have spoken to you, Mr. President, about the degree to which so many of our cities are effectively overwhelmed by this social disorder, as it now is. In the city of Chicago, in a given year, 46 percent of all children will be on welfare. In Detroit, 67 percent will be. In Philadelphia, 57 percent. In New York, 39 percent. These are numbers that overwhelm a political and a social system. They will stay overwhelmed. It will be a generation before we are out of this.

But if we now abandon efforts which are beginning to show results, we will regret it. We will regret it if we remember having done it. I have, several times, referred to a remark made on the Charlie Rose show by the new director of the National Urban League, Mr. Hugh Price, who said that what we are proposing is something equal to the measures of the deinstitutionalization of mental patients in the 1960's.

I happen to have been much involved in that. The program began in the 1950's in New York State, where the first tranquilizers were developed. I was on hand, Mr. President, when on October 31, 1963, President John F. Kennedy had his last public bill signing ceremony. He signed the Community Mental Health Construction Act of 1963. He gave me a pen, and I have had it framed. We were going to build 2,000 community mental health centers between then and 1980. We were going to empty out our mental institutions and treat people in their communities. Well, we emptied out our mental institutions, but we did not build the centers. We built about 400 and then forgot what we were doing. Then the problem of the homeless appeared, and people said, "Where did these homeless persons come from?"

In my city of New York they said, well, it is obviously the problem of lack of affordable housing. It was not a lack of affordable housing. It is schizophrenia, found in a basic incidence of large populations. We did something terribly wrong and we cannot even recover the memory.

If in 10 years' time we find children sleeping on grates, picked up in the morning frozen, and we ask, why are they scavenging, being awful to themselves, awful to one another? Would anyone remember how it began? It would have begun on the House floor this spring and the Senate Chamber this autumn.

You will have half a million children in New York City with altogether inadequate provision, if any. It will almost be forgotten. Such is the amnesiac quality of so much of our politics, that there was a time when the Federal Government said it had a responsibility.

These children are all our children and we are all responsible for them. If you had more intelligent federalism it would sort so many things out. We have so many things we are doing at the Federal level in which we have no business.

It was remarked yesterday that when the Food Stamp Program began, States

were free to set their own levels and they set them at wildly different levels, and many were quite inadequate. President Nixon came along and said, no, children are children, they are all American children. We will have a national standard.

President Nixon proposed a guaranteed income. The distinguished Presiding Officer was presiding the other day when just by coincidence a Brazilian Senator happened to be in Washington and came to watch us, observe us. I went out to introduce myself and asked him to come and join us on the floor. Senator Eduardo Suplicy, who gave us a copy of a bill that has passed the Brazilian Senate which provided a guaranteed minimum income—all families with children up to age 14.

Brazil is doing it, moving in the direction we were. We are moving away. We are moving away amidst all manner of myth and misinformation.

First of all there is the myth that there is, in fact, an individual entitlement to welfare benefits. There is not, sir. States are entitled to a Federal matching share of any outlays they make on their own State programs.

The Federal share for various States ranges from 50 percent to about 78 percent. A State may have any program it wishes; it may have no program and provide $1 per year per child or $1,000 per year per child.

The number of actual Federal requirements are relatively few. The Federal statute says you can have only $1,000 in assets. All these children are paupers.

The bureaucracy has been too presciptive in detailing how States may implement their programs, and has often taken much too long to approve various State experiments. But the fact remains that under current law States have a good deal of flexibility, and through the waiver process they can do almost anything they please. There exists now flexibility for innovation, as there exists a Federal commitment to provide a share of provision to impoverished dependent children. If we abandon that, we abandon those children.

The legislation offered in the Finance Committee—I see my distinguished friend from Illinois was there—and now here as an amendment in the nature of the substitute, would build on the Family Support Act of 1988.

We would increase the funding for the Jobs Program from $1.2 billion in this coming fiscal year to $2.5 billion. The Federal matching rate for JOBS and child care would go from 60 to 70 percent. The participation rates would increase from 20 percent this year in stages to 50 percent in the year 2001.

These are increases we anticipated would be made as we got the hang of this effort, got to learn more about it. We learned, for example, that immediate job search is the most important thing; that a focus solely on educational training delays the reality of getting a job.

We are even learning to break one of the worst habits we ever acquired on this subject, which is disparaging entry-level jobs. My Lord, how I have spent 30 years listening to "advocates" talk about dead end jobs. Now the cliche is "flipping hamburgers."

The present chief executive officer of McDonald's, Ed Rensi, began flipping hamburgers. As I recall, he entered his entry wage at 83 cents an hour. Everybody starts. It is getting started that matters most.

This was our program, Mr. President. We had great hopes for it. It was bipartisan—96 to 1. It has taken hold.

If we look around, a great majority of the States have been coming in, proposing innovative measures of this kind, such as increasing income—disregards, moving people into the work force.

We have a transition from Medicaid provision for a year after leaving the AFDC rolls. We have child care provisions. We thought this out. We have done it. We have done it well. That we should abandon it now would be a great loss to our children. The United States will end up looking to the rest of the world as a place that cannot handle its affairs. We will wonder what we did. We have an opportunity to avoid that. We will vote in a very short while now.

Three years ago we would routinely have upgraded, updated, brought up to the expected higher standards the Family Support Act. If we are unwilling to do so today, at least in 10 years' time, when the horrors we shall have visited upon the children of the United States begin to be unmistakable, there will be those who can remember this day in this Chamber and say, "I saw that coming and I voted to prevent it."

Mr. President, I yield the floor. I see the distinguished Senator from Iowa is managing and would like to speak.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume. But I would like to have the Chair notify me when I have used 20 minutes because if I have colleagues who want to speak, I want to make sure that they have an opportunity to do so.

Mr. President, we have heard a defense of the 1988 act from the distinguished Senator from New York. I believe, as one who voted for the 1988 act, that it was pursued from beginning to end with the best of intentions. The goals were to move people from welfare to work, from dependence to independence, to strengthen the family and even to save the taxpayers money.

I have to look back on those efforts as work being sincerely done, but as I look at the evolution of that act, the use of it and what it set out to accomplish and has accomplished, I believe I failed when I voted for that bill. I do not want to say that anyone else failed, but I look back at our efforts and see 3.1 million more people on AFDC now than we had then as one measure of failure. I see a lot more tax dollars being spent as another measure of failure.

Now we are being asked by the other side, by the amendment of the distinguished Senator from New York, to build on the 1988 act. Albeit, I am sure, they are suggesting changes in the amendment before us that reflect what they see as failures of that 1988 act. But the difference between the leadership proposal under the distinguished leadership of Senator DOLE and what the loyal opposition offers is the difference between night and day.

We have seen the Federal Government failing in welfare reform, not just since the 1988 act but, we would have to say, over the last several decades. In contrast, we have seen States succeed where we have failed, States like Missouri and Iowa and Wisconsin, Michigan, Massachusetts, New Jersey, and others. That is why we propose to get the Federal Government out of the business of welfare and turn it over to the States with the resources to accomplish the goal of ending welfare as we know it.

The major difference between what my distinguished friend from New York suggests and what Senator DOLE and the Finance Committee on this side suggests is whether or not we are going to maintain what is called the Federal entitlement. We propose to end the Federal entitlement. The Moynihan proposal maintains it.

Republicans propose to save the taxpayers $70 billion. Under the Moynihan proposal, the savings is only $2.1 billion. That is $2.1 billion in savings with the proposal on that side of the aisle; $70 billion in savings on the program from this side of the aisle.

Now, we do not propose our bill just to save money. We do not propose the ending of the entitlement just to save money. In fact, even if there was not an issue of balancing the budget, the failure of the Federal Government, after decades in the welfare business, is why it should be reformed on its own merits, and that is the way we proceed.

The litmus test of whether or not there is going to be change in Washington, the litmus test of whether it is no longer business as usual, is this issue of the Federal entitlement. Our proposal ends the Federal entitlement. That side would preserve the Federal entitlement.

As I look back at the 1988 legislation, there are things that I see as wrong now that I did not see then. It loosened some of the tough eligibility requirements that were enacted in the 1981 Reagan welfare reforms. It expanded the eligibility to two-parent families.

It provided for State waivers that would make it possible to reverse still more of those 1981 reforms.

I know some people would say we made those waivers available, that is why these States today are doing what they are doing. That is true. But, also, in the first instance, States were able to seek waivers of the 1981 reforms that were enacted.

We also permitted waivers to redefine who was unemployed by basing it on income earned rather than hours worked. We allowed the term "strict work requirements" to be undermined by creating an exemption for mothers having another child under 6. We promised a lot of education. We promised a lot of job training. We promised other attractive social services including child care and medical services to AFDC recipients who leave the welfare rolls. And the sole price for admission to those rolls was having that first baby.

Now, you can say to me, that any one of those things are very, very small. These are precisely the reasons, though, why AFDC has grown by 3.1 million people since 1988. Yes, these results demonstrate, as I look back at the 1988 legislation, that some of those changes were wrong. Though each of the changes might have been slight, they created incentives which, taken together, have caused the dramatic explosion in the AFDC rolls from 1989 to 1995.

Now, I anticipate some will say, "Well, GRASSLEY, you forget that we had a recession in 1991 and 1992. That obviously had something to do with the explosion of people on AFDC."

Before I respond to that, let me give the statistics on the growth of AFDC. There were 3 million in 1960. It rose rapidly through the 1960's and early 1970's. It rose rapidly, yes, even into the 1970's and then leveled off in 1972.

We had a very, very deep recession in 1974 and 1975, and the numbers dropped in the middle of that recession. That recession was deeper than what we had in 1991. The numbers stayed fairly level, though they did rise a little bit during the Carter administration, to 11.1 million in 1981, then they leveled off. They were 10.3 million in 1982, 11 million in 1989, and then we had that dramatic increase of another 3 million people that I believe is blamed on the 1988 law. We were promised that the numbers would go down as a result of the 1988 legislation. We thought that the act would steer AFDC parents to work and off the dole. Obviously, the legislation was praised by Democrats as well as Republicans as a final means of reducing welfare dependency.

We heard earlier that President Reagan praised the 1988 act when he signed it into law. But I still maintain, looking back over the history, that there was a period of time when President Reagan was against what was going on in the Congress. But we had a candidate for President in 1988 by the name of President Bush who, all of a sudden, at the time of the conference committee, came out and supported the legislation. I think that pulling of the rug out from the efforts to modify the legislation nixed what opportunity we had at that late moment to do more. And that legislation passed with only one dissenting vote. It was bipartisan, and I suppose for that reason nobody wants to expose the dramatic failures.

I can only speak for myself. But I do see the six or seven reasons that I gave of changes in the 1981 law, some expansion of eligibility and the redefinition of unemployed, and the redefinition of strict work requirements as opening up the opportunity for the dramatic growth we then saw. I do not see the growth, Mr. President, in any direct way related to a recession because we did not have that dramatic of an increase in the last recession that we had in 1974 and 1975.

So, we are at the point where we have to consider the new approach to welfare reform, an approach that establishes faith in State governments and local governments because they have done a lot to reduce welfare. Their plans are working. Yet, they had to come to the Federal Government on bended knees, hat in hand, even to get limited waivers to accomplish what they wanted to do. I will bet that in most instances they would have been more dramatic, more dynamic in what they would want to try in the way of reform if they had not had to get those waivers. I know my own State of Iowa had to wait 8 months for waivers.

Iowa has moved 2,000 people off the welfare rolls and reduced the monthly check from $360 to $340. My State has the highest percentage of anybody on AFDC at work, 34 percent. That has been a dramatic increase from under 18 percent when our program started, less than 2 years ago.

President Clinton ran for office in 1992. When he was running for office, he promised to end welfare as we know it. After 2 years of inaction, the American people rendered a very dramatic change in Congress, so dramatic that some historians say you have to go back to 1930 to see such a political change at the grassroots in America reflected in the membership of Congress. But for the first time since 1954, Republicans control both Houses of the Congress.

The American people said that they wanted change. The people had not seen the President and a Congress of the President's party so that there would be no gridlock delivered, as was promised in that 1992 election. They wanted change and they did not receive it. So they voted out the old and voted in the new.

I stated how in 1988 we passed welfare reform. Unfortunately, it failed our hopes and expectations. We have more people on welfare today than we did then.

The proposal that is before us from the other side of the aisle is basically a modification and continuation of the 1988 plan. The only positive thing to come out of the 1988 Family Support Act is that some States sought out waivers and came up with changes. As our political laboratories, our State legislatures, they suggested changes which could be made. They began to move people from welfare to work and save the taxpayers' money.

The example of the States then is what moved us on this side of the aisle to our block grant approach as a means of addressing the crisis in the current welfare system. We are ending the entitlement approach, by ending the attitude that the Federal Government knows the answers to all the welfare problems, that we can decide in Washington and we can pay for them as well.

Well, we learned that we do not have all the answers. We have learned that we have not solved all of the problems. And we are finally, after 30 years, facing up to the fact that we cannot afford all of these entitlements.

I am surprised when I hear that if we give authority back to the States, children will be left starving in the streets. That has not been said this morning, but the implication is there when we are told that 10 years from now if we vote for a block grant approach, we are going to look back and see that it is a mistake. That could be. And we have constitutional authority to reevaluate what we have done. But I think I have seen enough change and improvement in the programs at the State level to give me courage to move forward with ending the Federal entitlement and to ignore the warnings that I have received from my good friend.

Somehow I think some in this body have bought into the idea that we at the Federal level know what's best and that we can fix everything. I think it is a fairly arrogant approach to assume that only the Federal leaders as opposed to State leaders have compassion towards the needs of those less fortunate in our society.

In 40 years of Federal control we have seen an increase in dependency. We have seen an increase in the number of people on welfare. We have seen an increase in all of the social pathological problems that come from single-parent families.

We have heard these statistics over and over, but 70 percent of the juveniles in reformatories come from single-parent families, 60 percent of the rapists, 72 percent of the adolescent murderers. Kids that come from broken families are 40 percent more likely to fail a grade, 70 percent more likely to be expelled from school. Girls from broken families are more likely to have

out-of-wedlock births and continue the problem.

The PRESIDING OFFICER. The Chair will advise the Senator he has used 20 minutes.

Mr. GRASSLEY. OK. I am going to take just a few more minutes and then yield the floor to my colleagues.

We have seen well-intended Federal programs destroy the nuclear family. And then we see amendments like we have before us today to continue that form of Federal control.

There is something I believe that we as Republicans and Democrats do agree on, and that is that the current system must be changed and changed dramatically. How dramatically?

Well, not very dramatically from the ideas we are getting from the other side of the aisle. When you want to end a Federal entitlement and let the States make the decisions, that is very dramatic.

We do not all agree that the welfare state is broken, but both Republicans and Democrats agree that the welfare system within the welfare state is broken, or we would not even have these ideas from the other side of the aisle.

The leadership bill meets the basic goals of welfare reform. That is to provide a system that meets the short-term needs of low-income Americans as they prepare for independence, to provide for much greater State flexibility, to reduce the incidence of out-of-wedlock births and strengthen the family, and finally to save the taxpayers some of their hard-earned money.

It is interesting to me that many Members will oppose the leadership bill and support the Moynihan bill because they say our proposal might hurt children. Yet I wish that these same Members would admit that the current system has hurt children.

The system I have described has not been good for our children. If we truly care about these children, we will reform very dramatically the current detrimental system.

Then you have to consider: If you are concerned about children, you also have to be concerned about children who are not on welfare. And if we are not concerned about doing something about this out-of-control Federal spending—though welfare is a small part of it—then we do not show the proper concern for each child born this day who inherits at the first breath $18,000 of responsibility for the $4.9 trillion debt we have. If we do not reverse the deficit crisis, our children, all children, will pay 80 percent of their lifetime earnings in taxes. Mr. President, that is wrong. We have to be concerned about the children who are not on welfare as well as children who are on welfare.

It is appropriate for us to be concerned about the children of low-income Americans but, frankly, I think it is about time that we are concerned about all the children of America. That means we have to reduce the deficit while we change the welfare system to free those who are trapped in it. If we take steps to move people from welfare to work, to give more flexibility to the States, to reduce illegitimacy and to strengthen the family, we will in the long run save the taxpayers money. This will be the natural result of positive changes to the current system.

I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I understand the distinguished Senator from West Virginia would like to offer an amendment, and to do so with celerity. I yield 30 seconds for such purpose.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I thank my ranking member.

AMENDMENTS NOS. 2491 AND 2492, EN BLOC, TO AMENDMENT NO. 2280

Mr. ROCKEFELLER. Mr. President, pursuant to the unanimous consent, I send two amendments, en bloc, to the desk and ask they be read and the pending amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. ROCKEFELLER] proposes, en bloc, amendments numbered 2491 and 2492 to amendment No. 2280.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2491

(Purpose: To provide States with the option to exempt families residing in areas of high unemployment from the time limit)

On page 36, between lines 18 and 19, insert the following:

"(4) AREAS OF HIGH UNEMPLOYMENT.—

"(A) IN GENERAL.—At the State's option, the State may, on a uniform basis, exempt a family from the application of paragraph (1) if—

"(i) such family resides in an area of high unemployment designated by the State under subparagraph (B); and

"(ii) the State makes available, and requires an individual in the family to participate in, work activities described in subparagraphs (B), (D), or (F) of section 404(c)(3).

"(B) AREAS OF HIGH UNEMPLOYMENT.—The State may designate a sub-State area as an area of high unemployment if such area—

"(i) is a major political subdivision (or is comprised of 2 or more geographically contiguous political subdivisions);

"(ii) has an average annual unemployment rate (as determined by the Bureau of Labor Statistics) of at least 10 percent; and

"(iii) has at least 25,000 residents.

The State may waive the requirement of clause (iii) in the case of a sub-State area that is an Indian reservation.

AMENDMENT NO. 2492

(Purpose: To provide for a State option to exempt certain individuals from the participation rate calculation and the time limit)

On page 35, between lines 2 and 3, insert the following:

"(6) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may opt to not require an individual described in subclause (I) or (II) of section 405(a)(3)(B)(ii) to engage in work activities and may exclude such an individual from the determination of the minimum participation rate specified for such fiscal year in subsection (a).

On page 40, strike lines 6 through 16, and insert the following:

"(B) LIMITATION.—

"(i) 15 PERCENT.—In addition to any families provided with exemptions by the State under clause (ii), the number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(ii) CERTAIN FAMILIES.—At the State's option, the State may provide an exemption under subparagraph (A) to a family—

"(I) of an individual who is ill, incapacitated, or of advanced age; and

"(II) of an individual who is providing full-time care for a disabled dependent of the individual.

Mr. ROCKEFELLER. I thank the Senator from New York. I ask unanimous consent to lay the amendments aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New York.

AMENDMENT NO. 2466

Mr. MOYNIHAN. Mr. President, I yield myself 90 seconds, first to say in response to my friend from Iowa, my long associate on the Committee on Finance, he was this morning talking of the achievements of the State of Iowa in this area, and did so the other day, and he was talking about the achievements under the Family Support Act. There is yet a new proposal that came from Iowa, a request for a new set of disregards, and such like, received in April and approved in August for the Iowa Family Investment Program.

The Senator is right to be proud, but why not associate what Iowa has done with the legislation that encouraged it. I do not ask a response. I do not expect a response. But I would like to put that new Iowa Family Investment Program in the RECORD at this point, Mr. President. It is one page.

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

IOWA FAMILY INVESTMENT PROGRAM

(Request: April 1993. Approved: August, 1993)

STATEWIDE

Disregard 20% of earnings as work expense deduction; in addition, disregard 50% of earned income after all other deductions applied; disregard all earnings in first four months of employment if individual reports employment in timely manner and had less

than $1200 in earnings in 12 months before the employment began.

$2,000 asset limit for applicants, $5,000 for recipients; exempt equity value of automobile up to $3,000, adjusted annually by CPI; income deposited in IDA will not be counted as income and funds in IDA not counted toward asset limit.

Limit exemptions from requirement of Family Investment Agreement to individuals: 1) with a child under 6 months; 2) already employed 30 hours per week or more; or 3) disabled.

Plan specifies that families will be given individualized time limits based on their circumstances. At the end of the specified period, all benefits terminated. Extensions available for good cause.

For noncompliance, family will receive "Limited Benefit Plan," full benefits for three months of benefits, followed by three months of benefits for children only, followed by full family ineligibility for six months.

TCC for 24 months.

Eliminate 100-hour rule and work history requirements.

Allow stepparents same earned income disregards as available to recipients, as described above. Stepparents also allowed to receive regular child care expense deduction.

Allow grandparents same earned income disregards as available to recipients, as described above.

Mr. MOYNIHAN. Mr. President, again, in response to my friend, it is the fact that in the 1992 campaign, then candidate, now President Clinton proposed to end welfare as we know it. In an address to Georgetown University opening his campaign in 1991, he proposed a 2-year limit and now we begin to see the consequences. I have nothing more to say than that except to concede, I hope graciously, the Senator is right. We are ending the Federal entitlement to States for the support of dependent children and it is ending what we have known as welfare.

Sir, my able colleague and friend from Louisiana would like to speak to the experience of Louisiana under the Family Support Act. I am happy to yield 5 minutes to the Senator from Louisiana.

Mr. BREAUX. I thank very much the ranking member for giving me some time.

I, too, was a little confused when the Senator from Iowa was talking about the situation in his State. I have heard many, many times in many forums the success of Iowa in being innovative, in creating new programs and ideas of how to solve the problems of welfare reform in their particular State. And those accomplishments really were accomplished under the Family Support Act that was passed in this Congress in 1988.

That bill, which passed this body by a vote of 96 to 1, allowed States to be creative, allowed States to put in new ideas and new programs. Iowa took advantage of that and I think made some great progress. I think they should be proud of it. But it also is a result of actions that this Senate, this body took when we enacted the Family Support Act of 1988, the principal author of which was the ranking member of the Senate Finance Committee, the senior Senator from the State of New York.

Is it perfect? Of course not. Is anything we do ever perfect? Of course not. But it has allowed for great progress in permitting States to be innovative in creating programs that best fit the needs of their particular State.

In keeping with that, I wanted to share the experience of my State of Louisiana. The headline in the Monroe News Star World of August 14 of this year: "Project Independence Trims Welfare Rolls Across State." This is good news. This was done under the existing program, under the Family Support Act of 1988. There is good news in the land, in many States that have done substantially positive things in getting people off welfare. I read from the article. It says:

"In Louisiana, welfare reform is nothing new. Since October of 1990, the number of Louisiana residents receiving Aid to Families with Dependent Children has dropped 20 percent," said Howard Prejeau, Assistant Secretary for the Office of Family Support.

"Since 1990, it has dropped 20 percent." The article further continues:

"That decrease," he said, "is due in large part to Project Independence, a program that helps AFDC recipients find jobs and increase their education." Project Independence was created under the Family Support Act of 1988.

As of June 1995, 11,260 participants received jobs with 8,332 making enough money to get off welfare completely, according to a report released by the Department of Social Services.

A program in my State provides child care and transportation, absolutely essential ingredients if we are going to have real reform for those looking for work. Also it helps build up self-esteem by teaching the value of working and showing them their own self-worth.

Project Independence also has programs to help participants receive their GED's or high school diplomas, receive associate and 4-year degrees or job-skills training and build résumés through community service work.

A report issued by the Public Welfare Association in 1994, Louisiana ranked last in AFDC caseload growth in the country for 1989 through 1993.

Mr. President, it is not a coincidence that this achievement and this accomplishment for my State of Louisiana was produced as a direct product of the Family Support Act of 1988 offered by the distinguished Senator from New York, Senator MOYNIHAN. We should recognize and congratulate success where it has occurred. And under this program there have been outstanding examples of real success. We should not ignore it.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I would yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. I thank the Senator from Iowa for yielding the time.

Mr. President, I think it is appropriate during this debate to be aware of something that is going on around the Nation today that there are those individuals trying to hold on to the past with white knuckles and using taxpayers' money to do that.

I was shocked to find out yesterday that in my hometown of Tulsa, OK, we had a traveling troupe from Texas. These are the regional directors of the various agencies: Mr. Steve Weatherford from Housing and Urban Development, he is the regional director; Pat Montoya, Health and Human Services; and Jim Cantu, of Labor, all converging upon one city, to scare the people of Tulsa, OK, into thinking that if we go along with the changes that we are advocating in the welfare system, the changes in Government as we know it, the changes that are consistent with the revolution that took place on November 8, 1994, that somehow people are going to be starving.

I am just going to read a couple of the quotes here. And it happens that our mayor in Tulsa is a very strong supporter of President Clinton, so I am sure she joined in. But Steve Weatherford of HUD said, "We are talking about major cuts to our social fabric. * * * We are talking about hundreds of thousands of children and poor people who will be affected in Oklahoma."

We have Pat Montoya with Health and Human Services, "Tulsa would lose more than $5 billion in Federal funding between 1995 and the year 2002 if the GOP program is adopted."

Jim Cantu of Labor said that GOP budget cuts would "take food out of the mouths of children and punish 15-year-old mothers."

And on and on and on.

You know, I have to join with my fellow Senator from Oklahoma, DON NICKLES, as well as Congressman STEVE LARGENT whose district this city of Tulsa is, when we say that there is no better case that can be made of the bloated Government and the waste that has taken place today than to have these top officials with all their entourage trouping around going from city to city to scare people and into maintaining the status quo.

I think that the stories that we are hearing today in conjunction with the welfare bill are very similar to that.

I think the most profound thing that was said by the Senator from Iowa was that if you are really concerned and really having compassion, look at the children who will be born today, if we do not make these major changes, having to spend 82 percent—I think it has been calculated of their lifetime earnings—on supporting Government. So I

hope that we can keep this in mind that there is an army of bureaucrats trouping around the country right now, trying to scare people into thinking that we cannot afford a major change.

Let us keep in mind that in November there was a change, that there is a mandate that came with that, and that is, let us end these age-old programs that have been proven failures and change the role of Government as we have come to know it since the 1960's.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I would like to defer to the Senator from Maine on the same basis we just did a little while ago to the Senator from West Virginia.

Mr. MOYNIHAN. Would my friend mind if we alternate at this point?

Mr. GRASSLEY. I will yield the floor to the Senator from New York.

Mr. MOYNIHAN. I am very happy to yield 5 minutes of our remaining time to my strong colleague on the Committee on Finance, the Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you very much, Mr. President.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. I want to thank the Senator from New York for his exemplary leadership in this area and for what I consider to be a brilliant statement earlier.

There is so much to say about this subject, one scarcely can say it all in 5 minutes. But I am going to just talk about an observation I had a few minutes ago listening to PAT MOYNIHAN on this subject.

The observation had to do with the whole notion of perspective, of how one perceives an issue often dictates the kind of conclusions that one reaches about it, whether the facts support that perception or not.

I was reminded of a fact that PAT MOYNIHAN has been an oracle, if you will, a visionary for a number of years about a number of these issues going to the social fabric in our country. He has found himself over time derided, criticized for his observations. Then, with the passage of time, people come back and say, oh, by the way, that PAT MOYNIHAN was right 20 years ago. He warned us about the increase in illegitimacy. He warned us about this development, or he warned us about another development.

And so, frankly, it has got to be a little frustrating to him to be that kind of prophet in his own time, pointing the way and trying to give people the facts, the basic information that should influence debates like this one, but I daresay unfortunately all too often do not influence debates like this one.

The fact of the matter is, this is more of a political debate than it is anything having to do with reality. The fact of the matter is, this debate is being shaped by hot buttons and wedge issues and frustration and, frankly, campaign dynamics more than anything going to the experience, the history, the reality or anything that can be projected for the future.

I heard a lot of conversation about this as a revolution we are going to go and do things a new way. We are going to get the Federal Government out of the business of providing for poor children and out of setting up the welfare system and the like.

The reality is, Mr. President, that there is an old expression that those who do not learn the lessons of history are doomed to repeat its mistakes. I think that is ancient wisdom that still applies.

The fact of the matter is that the Federal Government was not always in the business of providing for poor children.

Last night, when I made a statement about this issue, I talked about the friendless foundlings and homeless half-orphans, the experience of this country in dealing with the poverty, child poverty particularly, before the Federal Government ingratiated itself and got involved in providing a national safety net, a national base, if you will, below which we expect no American child to fall.

Well, we apparently did not learn that history or have chosen, because of our frustration and our aggravation with our inability to fix this problem, decided to go back to that, to go back to the model that says the Federal Government has no role and, more to the point, as a national community because it is not a Federal Government that sets out there. We are all as Americans in this democracy—really the Federal Government is an expression of all of us as a national community. And this legislation, as has been admitted and spoken to very candidly on the floor, says that as a national community we have no obligation to poor children in the various locations and locales around this country, that a child's situation and the level and degree of poverty or privation may well depend on an accident of that child's geography, and that that is OK by this body with the pending legislation.

Well, that may be the case. But I submit to you, Mr. President, we have, at a minimum, an obligation to do no harm. As we talk about our political revolution and anger about politicians making statements or whatever, and we go through all of that, it seems to me we have an obligation to do no harm.

In my mind, that means that we do not allow ourselves to construct a response to poverty that will leave the possibility wide open that PAT MOYNIHAN might once again be right, will leave the possibility that we could very well wind up with children being found frozen on the grates on the street corners, that children will no longer have a national safety net, that we will not, as a national community, have a sense of obligation and responsibility to poor children.

There are estimates that given the leadership proposal, should the leadership proposal pass, and this is a preliminary estimate, in my State of Illinois alone, it is projected that the number of children by the 21st century—which is not that far from now—the number of children that will be cut off will be 598,000 children, or 34 percent.

The PRESIDING OFFICER. The Chair advises the Senator 5 minutes have expired.

Mr. MOYNIHAN. I yield 1 additional minute.

Ms. MOSELEY-BRAUN. Mr. President, I will be brief. Nationally, the number of children who are likely to be affected and left with no safety net for their welfare whatsoever in this country will be 12 million children—12 million children, a third of the children.

We already know in this country, in America, right now we have the highest child poverty rate in the entire industrialized world. That, in and of itself, ought to make us mindful of our obligation to do better by the response to poverty that we construct in this legislative body than the hot button and the politics that is apparently driving the debate today. If anything, that perspective makes me very sad.

I want to congratulate Senator MOYNIHAN for continuing to raise the issues that these are a phenomenon that transcends anything the Federal Government standing alone can do or any bill standing alone will do. These are the issues that go to the core of fundamental issues having to do with the functioning of our economy, with the existence of poverty and with the breakdown of the family as a unit.

Those kinds of concerns are not being addressed by the leadership bill, and I hope that the Members will support Senator MOYNIHAN's amendment, at least with the prescription that as we move in this very sensitive and important area, we do no harm to the children.

The PRESIDING OFFICER. The Chair advises the Senator from New York he has 2 minutes and 15 seconds. The Senator from Iowa has 17 minutes and 6 seconds. Who yields time?

Mr. GRASSLEY. I yield the floor to the Senator from Maine, on the same basis that we did the Senator from West Virginia earlier today.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I thank the Senator for yielding.

I ask unanimous consent to temporarily set aside the pending amendment.

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

AMENDMENT NO. 2493 TO AMENDMENT NO. 2280

(Purpose: To clarify provisions relating to the distribution to families of collected child support payments)

Ms. SNOWE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Ms. Snowe], for herself and Mr. BRADLEY, proposes an amendment No. 2493 to amendment No. 2280.

Ms. SNOWE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Beginning on page 582, strike line 3 and all that follows through line 2 on page 583, and insert the following:

"(ii) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—From any remainder after the application of clause (i), in order to satisfy arrearages of support obligations that accrued before the family received assistance from the State, the State—

"(I) may distribute to the family the amount so collected with respect to such arrearages accruing (and assigned to the State as a condition of receiving assistance) before the effective date of this subsection; and

"(II) shall distribute to the family the amount so collected with respect to such arrearages accruing after such effective date.

"(iii) RETENTION BY THE STATE OF A PORTION OF ASSIGNED ARREARAGES TO REPAY ASSISTANCE FURNISHED TO THE FAMILY.—From any remainder after the application of clauses (i) and (ii), the State shall retain (with appropriate distribution to the Federal Government) amounts necessary to reimburse the State and Federal Government for assistance furnished to the family.

"(iv) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—The State shall distribute to the family any remainder after the application of clauses (i), (ii), and (iii)."

On page 585, between lines 10 and 11, insert the following:

(c) AMENDMENTS TO INTERNAL REVENUE CODE CONCERNING COLLECTION OF CHILD SUPPORT ARREARAGES THROUGH INCOME TAX REFUND OFFSET.—

(1) Section 6402(c) of the Internal Revenue Code of 1986 is amended by striking the third sentence.

(2) Section 6402(d)(2) of such Code is amended in the first sentence by striking all that follows "subsection (c)" and inserting a period.

On page 585, line 11, strike "(c)" and insert "(d)".

Ms. SNOWE. Mr. President, this amendment is also being cosponsored by Senator BRADLEY of New Jersey.

Mr. President, I ask unanimous consent to set aside the pending amendment.

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

AMENDMENT NO. 2494 TO AMENDMENT NO. 2280

(Purpose: To clarify that the penalty provisions do not apply to certain single custodial parents in need of child care and to exempt certain single custodial parents in need of child care from the work requirements)

Ms. SNOWE. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Ms. SNOWE] proposes an amendment No. 2494 to amendment No. 2280.

Ms. SNOWE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 36, strike lines 14 through 25, and insert the following:

"(d) PENALTIES AGAINST INDIVIDUALS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required under subsection (c)(1) or (c)(2), a State to which a grant is made under section 403 shall—

"(A) reduce the amount of assistance otherwise payable to the family pro rate (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

"(B) terminate such assistance, subject to such good cause and other exceptions as the State may establish.

"(2) EXCEPTION.—Notwithstanding paragraph (1), a state may not reduce or terminate assistance under the State program based on a refusal of an adult to work if such adult is a single custodial parent caring for a child age 5 or under and has a demonstrated inability to obtain needed child care, for one or more of the following reasons:

"(A) Unavailability of appropriate child care within a reasonable distance of the individual's home or work site.

"(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

"(C) Unavailability of appropriate and affordable formal child care arrangements."

Ms. SNOWE. Mr. President, I ask unanimous consent to set aside the pending amendment.

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

Who yields time?

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 2495 TO AMENDMENT NO. 2280

(Purpose: To modify the penalty provisions)

Mr. PRYOR. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR] proposes an amendment numbered 2495 to amendment No. 2280.

Mr. PRYOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 52, lines 4 through 6, strike "so used, plus 5 percent of such grant (determined without regard to this section)." and insert "so used. If the Secretary determines that such unlawful expenditure was made by the State in intentional violation of the requirements of this part, then the Secretary shall impose an additional penalty of up to 5 percent of such grant (determined without regard to this section).".

On page 56, between lines 9 and 10, insert the following:

"(d) COMPLIANCE PLAN.—

"(1) IN GENERAL.—Prior to the deduction from the grant of aggregate penalties under subsection (a) in excess of 5 percent of a State's grant payable under section 403, a State may develop jointly with the Secretary a plan which outlines how the State will correct any violations for which such penalties would be deducted and how the State will insure continuing compliance with the requirements of this part.

"(2) FAILURE TO CORRECT.—If the Secretary determines that a State has not corrected the violations described in paragraph (1) in a timely manner, the Secretary shall deduct some or all of the penalties described in paragraph (1) from the grant.".

On page 56, strike lines 11 through 14, and insert the following:

"(1) IN GENERAL.—The penalties described in paragraphs (2) through (6) of subsection (a) shall apply—

"(A) with respect to periods beginning 6 months after the Secretary issues final rules with respect to such penalties; or

"(B) with respect to fiscal years beginning on or after October 1, 1996;

whichever is later.".

Mr. PRYOR. Mr. President, I ask unanimous consent that the amendment just sent to the desk be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. MOYNIHAN. I yield 30 seconds to the distinguished Senator from Arkansas.

Mr. PRYOR. The Senator from Arkansas just offered the amendment. So I yield back my few seconds. I thank the chairman.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. How much time does Senator MOYNIHAN have left?

The PRESIDING OFFICER. The Senator from New York has 1 minute remaining. The Senator from Iowa has 15 minutes, 30 seconds remaining.

AMENDMENT NO. 2466

Mr. GRASSLEY. Mr. President, I am going to use the same amount of time Senator MOYNIHAN has left, and then I will yield back my time.

I would like to respond to a couple statements that have been made, I think one by Senator MOYNIHAN, the other one by Senator BREAUX. They each made the point that since my State of Iowa has been doing so well in getting waivers, why should we not just continue building upon the 1988 act.

The point here, Mr. President, is first, that it takes such a very, very long time to get a waiver. Second, I believe State legislatures, in changing their welfare laws with the hopes of getting a waiver, are relatively less dynamic and venturesome than they

would be if they had the sole authority to make a determination of what they wanted in welfare reform for their State.

Just to show you how complicated it is to get such a waiver approved, a State can sometimes be caught getting waivers from four different Federal Departments: The Department of Health and Human Services, the Department of Agriculture, the Department of Housing and Urban Development, and the Department of Labor.

All four of these Departments are, in one way or another, responsible for programs that affect low-income families served by our current welfare system. However, there is no coordination among these Departments in granting waivers to the States. In fact, each specific program has its own set of statutes and rules defining the parameters of possible waivers.

I could give you description after description of what my State of Iowa has gone through. In the first days of debate on this legislation, we heard speeches by the Senator from Oregon about the complicated process of waivers that Oregon had to go through, the multitudes of meetings, the multitudes of trips to Washington, DC, the changes that were required, and then they had to go back through the approval process again. We want to end the process by which the coequal States of our Union come to Washington hat in hand on bended knee to get these waivers.

The last point I will make is this. We have had the opportunity again today to hear from the Senator from Illinois about the plight of children. She does this very well.

There is no disputing anything she says, including the facts and figures that she has given of the rapid increase in the number of children in those circumstances.

But let me remind her—let me remind everybody—as we debate welfare reform, as we consider a change of this system, that all the problems she describes are under a failed system. All those statistics that have increased in number, such as the number of people in poverty—the system that is being defended today, is the cause of those increases.

It is about time that we try something new. I think we have seen the success of the States, and we ought to move to a new approach.

I ask my colleagues to vote against the Moynihan amendment.

I yield 2 minutes to the Senator from New York.

Mr. MOYNIHAN. And I yield 1 minute of the 2 minutes, generously provided by the Senator from Iowa, to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the pending measure be set aside for the purposes of sending amendments to the desk, not being counted against my time.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

AMENDMENTS NOS. 2496, 2497, AND 2498, EN BLOC, TO AMENDMENT NO. 2280

Mr. BRADLEY. Mr. President, I send all three amendments to the desk, en bloc, and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes amendments numbered 2496, 2497, and 2498.

Mr. BRADLEY. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2496

(Purpose: To modify the provisions regarding the State plan requirements)

At the end of section 402(a), insert the following:

"(9) ADDITIONAL REQUIREMENTS.—

"(A) ELIGIBILITY.—The terms and conditions under which families are deemed needy and eligible for assistance under the program.

"(B) TERMS AND CONDITIONS.—The terms and conditions described in subparagraph (A) shall include—

"(i) a need standard based on family income and size;

"(ii) a standard for benefits or schedule of benefits for families based on family size and income;

"(iii) explicit rules regarding the treatment of earned and unearned income, resources, and assets; and

"(iv) a description of any variations in the terms and conditions described in clauses (i), (ii), and (iii) that are applicable in—

"(I) regions or localities within the State; or

"(II) particular circumstances.

"(C) IDENTIFICATION OF FAMILIES CATEGORICALLY INELIGIBLE FOR ASSISTANCE.—Identification of any categories of families, or individuals with such families, that are deemed by the State to be categorically ineligible for assistance under the program, regardless of family income or other terms and conditions developed under subparagraph (A).

"(D) ASSURANCES REGARDING THE PROVISION OF ASSISTANCE.—Assurances that all families deemed eligible for assistance under the program under subparagraph (A) shall be provided assistance under the standard for benefits or the benefit schedule described in subparagraph (B)(ii), unless—

"(i) the family or an individual member of the family is categorically ineligible for assistance under subparagraph (C); or

"(ii) the family is subject to sanctions or reductions in benefits under terms of another provision of the State plan, this part, Federal or State law, or an agreement between an individual recipient of assistance in such family and the State that may contain terms and conditions applicable only to the individual recipient.

"(E) PROCEDURES FOR ENSURING THE AVAILABILITY OF FUNDS.—The procedures under which the State shall ensure that funds will remain available to provide assistance under the program to all eligible families during a fiscal year if the State exhausts the grant provided to the State for such fiscal year under section 403.

"(F) WAITING LISTS.—Assurances that no family otherwise eligible for assistance under the program shall be placed on a waiting list for assistance or instructed to reapply at such time that additional Federal funds may become available.".

AMENDMENT NO. 2497

(Purpose: To prohibit a State from shifting the costs of aid or assistance provided under the aid to families with dependent children or the JOBS programs to local governments)

At the end of section 405, insert the following:

"(f) NO UNFUNDED LOCAL MANDATES.—A State to which a grant is made under section 403 may not, by mandate or policy, shift the costs of providing aid or assistance that, prior to October 1, 1995 (or March 31, 1996, in the case of a State exercising the option described in section 110(b) of the Family Self-Sufficiency Act of 1995) was provided under the aid to families with dependent children or the JOBS programs (as such programs were in effect on September 30, 1995) to—

"(1) counties;

"(2) localities;

"(3) school boards; or

"(4) other units of local government.".

AMENDMENT NO. 2498

(Purpose: To provide that existing civil rights laws shall not be preempted by this Act)

At the appropriate place at the end of Title I, add the following:

Nothing in this Act shall be interpreted to preempt the enforcement of existing civil rights laws.

AMENDMENT NO. 2466

Mr. BRADLEY. Mr. President, I rise to congratulate Senator MOYNIHAN for putting together the only welfare alternative that is really based on what we know about welfare, what the problems are, what we can fix, and what we can't fix.

As a member of the Finance Committee, I was struck by the fact that we held several months of hearings, heard from academic experts, State administrators, Governors, people who work with young mothers in residential programs, and job placement specialists. We heard all their suggestions about what could be improved, and then we proceeded to ignore all their advice. We simply ignored it.

Instead we adopted a solution that serves the political purpose of claiming that we've eliminated welfare, but in reality, does nothing. It turns over the whole thing, with all its problems, to the States, in the hopes that they can figure it out.

Senator MOYNIHAN took the right approach. He looked at his own greatest accomplishment, the Family Support Act of 1988, and was willing to acknowledge that it had fallen short of our expectations in some very distinct ways:

First, the JOBS Program overall was not successful at moving people into work. It put too little emphasis on real work and discouraged real education, leaving people to waste their time in

empty job search programs and structured study halls. Some programs actually delayed recipients getting jobs longer than if they hadn't been in the program. But several counties and States found ways to do much better, by striving to place people directly into real jobs and building the training around those jobs. This amendment shifts the focus of the JOBS Program to build on its strengths rather than its shortcomings.

Second, AFDC overall, and the JOBS Program in particular, don't give States enough flexibility to find their own solutions. That's not an argument for handing the States a fixed pot of money and washing our hands of the whole thing. Instead, it's an argument for giving the States flexibility within clear standards, requiring the States to structure the JOBS Program as they see fit but requiring results. This amendment does just that.

Third, we made a mistake in 1988 that we are now on the verge of making all over again, in much greater magnitude: We made big promises and failed to invest. Taking individuals from the middle of the turmoil of America's cities, from the turmoil of their own families and neighborhoods, individuals who are caring for children, and helping them to become economically self-sufficient is an enormous challenge. It means giving each person almost constant attention, helping them find a way to balance work and family, helping them master new skills, compensating for the failures of the elementary and secondary school system. It means sticking with people after they find their first job, helping them keep that job and move on to a better one. It cannot be done with slogans or wishes. It requires an investment.

Since 1988, we have spent only $1 billion a year on the JOBS Program, and much of that has gone unspent because States have not been willing or able to come up with their share. This amendment is the only alternative that makes realistic promises about getting people to work and puts the investment behind it.

The argument I have heard against this amendment is simply that it retains the entitlement. That's an evil work, but what does it really mean? It means that States will get an amount of money equal to what they need—when hardship increases because of the economy, States will have the resources they need. It means that individuals who need help will get it, as long as they make an effort to become self-sufficient. Nobody is entitled to anything if they don't follow the rules. And the States can set the rules with greater flexibility under this amendment.

Mr. President, I urge my colleagues to support Senator MOYNIHAN's alternative. It is the only welfare bill we will vote on that is based on reality and not slogans. It builds on the successful piece of legislation in 1988 by repairing its most glaring flaws. It will not end welfare as we know it, but it will reform welfare into a system that strengthens families, that connects parents to work, that brings fathers back into the family, and that promotes innovation.

Those may seem like modest expectations compared to the slogans that we hear on this floor throughout this debate. But if we can accomplish this much, we will have reason to be proud.

This amendment and this alternative deserves the Senate's support.

Mr. ROTH. Mr. President, we all owe a debt of gratitude to Senator MOYNIHAN for his tireless efforts to educate this body and indeed the American people about the causes of poverty in modern society. Spanning four decades, Senator MOYNIHAN has performed several roles in the effort to end poverty. Throughout his distinguished career, he has been a professor, a planner, an economist, a social scientist, an advocate, and an author, as well as a brilliant legislator and dedicated public servant.

But most of all, he has been right about the causes of poverty amidst the wealthiest nation on earth. He has given us, chapter and verse, the reasons why the number of children receiving AFDC has increased threefold since a small group in the Office of Economic Opportunity mapped out the War on Poverty 30 years ago.

Senator MOYNIHAN predicted the growing tragedy of the American welfare system. He was right because he knew then, as he maintains today that there are consequences to behavior.

But we are here today because knowing why something happens does not necessarily tell us how to modify the predictable results. In fact, we now have 30 years of experience which tells us that despite the best of intentions, the Federal Government cannot replace strong families. The needs of children and families cannot be reduced to mathematical diagrams. The wisdom of Solomon is rarely found in the Federal Register.

Under the present welfare system, we now have over 9 million children receiving AFDC benefits. If we do nothing, the Department of Health and Human Services projects there will be 12 million children on AFDC within 10 years. That is what the present system will bring. This fact alone should embolden us to act in a dramatic way to change the status quo.

Today, we have the choice between two different approaches to changing the welfare system. There are several important, fundamental differences between Senator MOYNIHAN's proposal and the Republican legislation. Perhaps the most important difference is the role of the Federal Government. It is time to release the grasp of Washington which for too long has choked off the initiative and creativity of the States in answering the challenges of the welfare system. If the States remain dependent on Washington, they will not take the bold steps we need and should encourage to the vexing problems of our welfare system. The States do not need another Washington-based approach. They do not need another revision based on a faulty premise. Our block grant approach will free the 50 sovereign States to serve their needy citizens in the most effective manner possible. It is time to leave the past behind and place our confidence in the States to meet the challenges of the future.

Mr. GRASSLEY. Mr. President, I yield back what time I have remaining.

Mr. MOYNIHAN. Mr. President, I yield back such time as we may have remaining.

The PRESIDING OFFICER. All time is yielded back.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Mississippi [Mr. COCHRAN] and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

I also announce that the Senator from Tennessee [Mr. THOMPSON] is absent due to illness.

I further announce that, if present and voting, the Senator from Tennessee [Mr. THOMPSON] would each vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 41, nays 56, as follows:

[Rollcall Vote No. 403 Leg.]

YEAS—41

Akaka	Feinstein	Lieberman
Biden	Ford	Mikulski
Boxer	Glenn	Moseley-Braun
Bradley	Graham	Moynihan
Breaux	Heflin	Murray
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Byrd	Johnston	Reid
Conrad	Kennedy	Robb
Daschle	Kerrey	Rockefeller
Dodd	Kerry	Sarbanes
Dorgan	Lautenberg	Simon
Exon	Leahy	Wellstone
Feingold	Levin	

NAYS—56

Abraham	Campbell	Dole
Ashcroft	Chafee	Domenici
Baucus	Coats	Faircloth
Bennett	Cohen	Frist
Bingaman	Coverdell	Gorton
Bond	Craig	Gramm
Brown	D'Amato	Grams
Burns	DeWine	Grassley

Gregg	Kyl	Santorum
Harkin	Lott	Shelby
Hatch	Lugar	Simpson
Hatfield	Mack	Smith
Helms	McCain	Snowe
Hutchison	McConnell	Specter
Inhofe	Nickles	Stevens
Jeffords	Nunn	Thomas
Kassebaum	Packwood	Thurmond
Kempthorne	Pressler	Warner
Kohl	Roth	

NOT VOTING—3

Cochran	Murkowski	Thompson

So the amendment (No. 2466) was rejected.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield to the Senator from Missouri to offer an amendment.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 2499 TO AMENDMENT NO. 2280

Mr. BOND. Mr. President, I will only take a moment. I want to offer an amendment. I will send it to the desk and ask it be set aside so it may be covered—may be discussed and acted upon next week.

Yesterday I told this Chamber about a situation in Sedalia, MO, where we are attempting to get people off of welfare into an employment situation. The program is working well except we found that when welfare recipients, AFDC recipients, went to the employer and tested positively for drugs and were refused a job, the State was prohibited under Federal regulations from cutting them off from their AFDC aid. So we have a situation where, if someone wants to stay on welfare and does not want to have to take a job, they could use drugs, be disqualified from taking a position because of drug tests, and could not be sanctioned by the State.

This measure very simply states that notwithstanding any other provision of law, a State shall not be prohibited by the Federal Government from sanctioning welfare recipients who test positive for use of controlled substances.

Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 2499 to amendment No. 2280.

Mr. BOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill, insert the following:

Notwithstanding any other provision of law, States shall not be prohibited by the federal government from sanctioning welfare recipients who test positive for use of controlled substances.

Mr. BOND. Mr. President, I ask unanimous consent the amendment be set aside to be called up pursuant to agreement by the manager and ranking member.

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

Mr. MOYNIHAN. Mr. President, the Senator from Ohio wishes to be recognized.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 2500 TO AMENDMENT NO. 2280

(Purpose: To ensure that training for displaced homemakers is included among workforce employment activities and workforce education activities for which funds may be used under this Act)

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 2500 to amendment No. 2280.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 322, strike lines 8 through 14 and insert the following:

(8) DISPLACED HOMEMAKER.—The term "displaced homemaker" means an individual who—

(A) has been dependent—

(i) on assistance under part A of title IV of the Social Security Act and whose youngest child is not younger than 16; or

(ii) on the income of another family member, but is no longer supported by such income; and

(B) is unemployed or underemployed, and is experiencing difficulty in obtaining or upgrading employment.

On page 359, line 13, strike "and".

On page 359, line 16, strike the period and insert "; and".

On page 359, between lines 16 and 17, insert the following:

(P) preemployment training for displaced homemakers.

On page 364, between lines 9 and 10, insert the following:

(6) providing programs for single parents, displaced homemakers, and single pregnant women;

On page 364, line 10, strike "(6)" and insert "(7)".

On page 364, line 12, strike "(7)" and insert "(8)".

On page 412, line 4, strike "and".

On page 412, line 5, strike the period and inset "; and".

On page 412, between 5 and 6, insert the following:

(G) displaced homemakers.

Mr. GLENN. Mr. President, I rise today to offer this amendment because I am extremely concerned that the current provisions in this bill will neglect and ignore a very important segment of our population—displaced homemakers. Nationwide, there are over 17 million displaced homemakers with close to 700,000 in Ohio. The current Perkins Vocational programs for displaced homemakers and single parents has been extremely effective. Approximately 80 percent of women served in these programs are placed in employment and/or post-secondary education. I repeat, 80 percent. Now, if this is not considered a success story, I do not know what is.

This is a good example in which something that we created many years ago, works and works well. Recent statistics show that 85 percent of former program participants across the Nation rated the displaced homemakers programs excellent or very good. Over 75 percent said that these programs were better than other government-funded programs they had participated in.

You know why the success rate is so high? It's because people like Amber McDonald of Akron, OH take their training very seriously and are dead set on getting off welfare.

In a recent letter to me, Amber wrote:

I'd like to state that I am on public assistance at this time in my life and have one child. I don't take pride in the fact I receive welfare. I am grateful to the State of Ohio for their help. It has allowed me to survive and keep my child. It's a long hard road to getting off assistance. One I believe I'm on now. I am attending displaced homemaker classes and these classes have helped me make decisions—good solid decisions. Not the "please-the-system-decisions I've made in the past. The Displaced Homemaker classes educated me about where I could go, what I would need to succeed and how to go about it. We need this program and others like it. A lot of us want off welfare. We are as tired of being on the system as the system is of having us.

Before 1984, when States were not required to fund displaced homemakers' training activities, States unfortunately spent less than 1 percent of their funding on specialized services for displaced homemakers. This is unfortunate because programs for single parents and displaced homemakers have been effective in both preventing families from entering the welfare system and helping families move from the welfare system. And displaced homemakers remain an at-risk population. According to the 1980 census, more than half of the displaced homemakers live in or near poverty.

My amendment will not, I repeat, will not result in a set aside. This amendment will only make it permissible for States to fund for specialized vocational training programs. States will have the flexibility in determining the funding amount and the types of programs to institute. I just want to make sure that States are encouraged to continue these programs that are working.

I have been hearing from many people from Ohio who have benefited from these services. These women are now gainfully employed; they are off welfare. And they are providing for their families. Are these not the outcomes we want?

For example, Rebecca Richards from Fairfield, OH, wrote how her and her child's life changed since she participated in a displaced homemaker program. She said "As a result of the programs available, I was able to become a productive person in society." and she concluded by saying "With the program, I found a friend who counseled me, listened to complaints and successes, gave me useful information and training, and helped me meet with other single parents to form a network of friends." Let us face it, the traditional vocational training programs will not provide this type of training.

Mr. President, I urge my colleagues to support this amendment which is central to the welfare reform debate. Another Ohioan—Diane Cook—wrote me saying that "Everyone makes mistakes but they all should be allowed a second chance. Give us that second chance."

The bottom line is to get people off welfare and to keep them off welfare. What better way to accomplish this objective than encouraging the States to tailor training programs which will affect over 17 million women. Mr. President, let us give them that second chance. I yield the floor.

Mr. President, I ask unanimous consent the amendment be set aside pending consideration of the next amendment.

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

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENTS NOS. 2501 AND 2502 TO AMENDMENT NO. 2280

Mr. GRASSLEY. Mr. President, I send to the desk an amendment for Senator PRESSLER and an amendment for Senator COHEN.

I ask unanimous consent these amendments be read and filed and laid aside under the usual procedure.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. PRESSLER, proposes an amendment numbered 2501 to amendment No. 2280 and, for Mr. COHEN, an amendment numbered 2502 to amendment No. 2280.

The amendments are as follows:

AMENDMENT NO. 2501

(Purpose: To provide a State option to use an income tax intercept to collect overpayments in assistance under the State program funded under part A of title IV of the Social Security Act)

On page 77, line 21, strike the end quotation marks and the end period.

On page 77, between lines 21 and 22, insert the following:

"SEC. 418. COLLECTION OF OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

"(a) IN GENERAL.—Upon receiving notice from the Secretary of Health and Human Services that a State agency administering a plan approved under this part has notified the Secretary that a named individual has been overpaid under the State plan approved under this part, the Secretary of the Treasury shall determine whether any amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether such individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is payable, the Secretary shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

"(b) REGULATIONS.—The Secretary of the Treasury shall issue regulations, after review by the Secretary of Health and Human Services, that provide—

"(1) that a State may only submit under subsection (a) requests for collection of overpayments with respect to individuals—

"(A) who are no longer receiving assistance under the State plan approved under this part,

"(B) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved to collect the past-due legally enforceable debt; and

"(C) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from the income tax refunds of such individuals;

"(2) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under subsection (a); and

"(3) the procedures that the State and the Secretary of the Treasury will follow in carrying out this section which, to the maximum extent feasible and consistent with the specific provisions of this section, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.".

(c) CONFORMING AMENDMENTS RELATING TO COLLECTION OF OVERPAYMENTS.—

(1) Section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds) is amended—

(A) in subsection (a), by striking "(c) and (d)" and inserting "(c), (d), and (e)";

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

"(e) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsection (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 418 of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act).".

(2) Paragraph (10) of section 6103(*l*) of such Code is amended—

(A) by striking "(c) or (d)" each place it appears and inserting "(c), (d), or (e)"; and

(B) by adding at the end of subparagraph (B) the following new sentence: "Any return information disclosed with respect to section 6402(e) shall only be disclosed to officers and employees of the State agency requesting such information.".

(3) The matter preceding subparagraph (A) of section 6103(p)(4) of such Code is amended—

(A) by striking "(5), (10)" and inserting "(5)"; and

(B) by striking "(9), or (12)" and inserting "(9), (10), or (12)."

(4) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking "section 464 or 1137 of the Social Security Act" and inserting "section 418, 464, or 1137 of the Social Security Act."

AMENDMENT NO. 2502

(Purpose: To ensure that programs are implemented consistent with the first amendment)

On page 78, line 18, insert after "subsection (a)(2)" the following: "so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution".

On page 80, line 13, add ";" after "governance" and delete lines 14–16.

The PRESIDING OFFICER. Without objection the amendments will be laid aside.

Mr. MOYNIHAN. Mr. President, I defer to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I thank the Chair.

AMENDMENTS NUMBERED 2503, 2504, 2505, AND 2506 EN BLOC TO AMENDMENT NO. 2280

Mr. WELLSTONE. Mr. President, I send amendments en bloc to the desk and ask for their consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], proposes amendments numbered 2503, 2504, 2505, and 2506 en bloc to amendment No. 2280.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2503

(Purpose: to prevent an increase in the number of hungry children in states that elect to participate in a food assistance block grant program)

On page 229, between lines 13 and 14, insert the following:

"(4) SUNSET OF ELECTION UPON INCREASE IN NUMBER OF HUNGRY CHILDREN.—

"(A) FINDINGS.—The Congress finds that—

"(i) on March 29, 1995 the Senate adopted a resolution stating that Congress should not enact or adopt any legislation that will increase the number of children who are hungry;

"(ii) it is not the intent of this bill to cause more children to be hungry;'

"(iii) the Food Stamp Program serves to prevent child hunger;

"(iv) a State's election to participate in the optional state food assistance block grant program should not serve to increase the number of hungry children in that State; and

"(v) one indicator of hunger among children is the child poverty rate.

"(B) SUNSET.—If the Secretary of Health and Human Services makes two successive findings that the poverty rate among children in a State is significantly higher in a State that has elected to participate in a program established under subsection (a) than it would have been had there been no such election, 180 days after the second such finding such election shall be permanently and irreversibly revoked and the provisions of paragraphs (1) and (2) shall not be applicable to that State.

"(C) PROCEDURE FOR FINDING BY SECRETARY.—In making the finding described in subparagraph (B), the Secretary shall adhere to the following procedure:

"(i) Every three years, the Secretary shall develop data and report to Congress with respect to each State that has elected to participate in a program established under subsection (a) whether the child poverty rate in such State is significantly higher than it would have been had the State not made such election.

"(ii) The Secretary shall provide the report required under clause (i) to all States that have elected to participate in a program established under subsection (a), and the Secretary shall provide each State for which the Secretary determined that the child poverty rate is significantly higher than it would have been had the State not made such election with an opportunity to respond to such determination.

"(iii) If the response by a State under clause (ii) does not result in the Secretary reversing the determination that the child poverty rate in that State is significantly higher than it would have been had the State not made such election, then the Secretary shall publish a finding as described in subparagraph (B).

AMENDMENT NO. 2504

(Purpose: To prevent an increase in the number of hungry and homeless children in states that receive block grants for temporary assistance for needy families)

On page 124, between lines 12 and 13, insert the following:

"SEC. 113. SUNSET UPON OF INCREASE IN NUMBER OF HUNGRY OR HOMELESS CHILDREN.

"(a) FINDINGS.—The Congress finds that—

"(1) on March 29, 1995 the Senate adopted a resolution stating that Congress should not enact or adopt any legislation that will increase the number of children who are hungry or homeless;

"(2) it is not the intent of this bill to cause more children to be hungry or homeless;

"(3) the Aid to Families with Dependent Children program, which is repealed by this title, has helped prevent hunger and homelessness among children;

"(4) the operation of block grants for temporary assistance for needy families under this title should not serve to increase significantly the number of hungry or homeless children in any State; and

"(5) one indicator of hunger and homelessness among children is the child poverty rate.

"(b) SUNSET.—If the Secretary of Health and Human Services makes two successive findings that the poverty rate among children in a State is significantly higher in the State than it would have been had this title not been implemented, then all of the provisions of this title shall cease to be effective with regard to the State 180 days after the second such finding, making effective any provisions of law repealed by this title.

"(c) PROCEDURE FOR FINDING BY SECRETARY.—In making the finding described in subsection (b), the Secretary shall adhere to the following procedure:

"(1) Every three years, the Secretary shall develop data and report to Congress with respect to each State whether the child poverty rate in that State is significantly higher than it would have been had this title not been implemented.

"(2) The Secretary shall provide the report required under paragraph (1) to all States, and the Secretary shall provide each State for which the Secretary determined that the child poverty rate is significantly higher than it would have been had this title not been implemented with an opportunity to respond to such determination.

"(3) If the response by a State under paragraph (2) does not result in the Secretary reversing the determination that the child poverty rate in that State is significantly higher than it would have been had this title not been implemented, then the Secretary shall publish a finding as described in subsection (b), and the State must implement a plan to decrease the child poverty rate."

AMENDMENT NO. 2505

(Purpose: To express the sense of the Senate regarding continuing medicaid coverage for individuals who lose eligibility for welfare benefits because of more earnings or hours of employment)

On page 86, between lines 3 and 4, insert the following:

SEC. 104A. SENSE OF THE SENATE REGARDING CONTINUING MEDICAID COVERAGE.

(a) FINDINGS.—The Senate finds that—

(1) the potential loss of medicaid coverage represents a large disincentive for recipients of welfare benefits to accept jobs that offer no health insurance;

(2) thousands of the Nation's employers continue to find the cost of health insurance out of reach;

(3) the percentage of working people who receive health insurance from their employer has dipped to its lowest point since the early 1980s; and

(4) children have accounted for the largest proportion of the increase in the number of uninsured in recent years.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any medicaid reform enacted by the Senate this year should require that States continue to provide medicaid for 12 months to families who lose eligibility for welfare benefits because of more earnings or hours of employment.

AMENDMENT NO. 2506

(Purpose: To provide for an extension of transitional medicaid benefits)

On page 86, between lines 3 and 4, insert the following:

SEC. 104A. EXTENSION OF TRANSITIONAL MEDICAID BENEFITS.

(a) FINDINGS.—The Senate finds that—

(1) the potential loss of medicaid coverage represents a large disincentive for recipients of welfare benefits to accept jobs that offer no health insurance;

(2) thousands of the Nation's employers continue to find the cost of health insurance out of reach;

(3) the percentage of working people who receive health insurance from their employer has dipped to its lowest point since the early 1980s; and

(4) children have accounted for the largest proportion of the increase in the number of uninsured in recent years.

(b) EXTENSION OF MEDICAID ENROLLMENT FOR FORMER TEMPORARY EMPLOYMENT ASSISTANCE RECIPIENTS FOR 1 ADDITIONAL YEAR.—

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r-6(b)(1)) is amended by striking the period at the end and inserting the following: ", and shall provide that the State shall offer to each such family the option of extending coverage under this subsection for an additional 2 succeeding 6-month periods in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.".

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 1925 (42 U.S.C. 1396r-6) is amended—

(i) in subsection (b)—

(I) in the heading, by striking "EXTENSION" and inserting "EXTENSIONS";

(II) in the heading of paragraph (1), by striking "REQUIREMENT" and inserting "IN GENERAL";

(III) in paragraph (2)(B)(ii)—

(aa) in the heading, by striking "PERIOD" and inserting "PERIODS"; and

(bb) by striking "in the period" and inserting "in each of the 6-month periods";

(IV) in paragraph (3)(A), by striking "the 6-month period" and inserting "any 6-month period";

(V) in paragraph (4)(A), by striking "the extension period" and inserting "any extension period"; and

(VI) in paragraph (5)(D)(i), by striking "is a 3-month period" and all that follows and inserting the following: "is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the first or fourth month of such extension period."; and

(ii) by striking subsection (f).

(B) FAMILY SUPPORT ACT.—Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(i) by striking "(A)"; and

(ii) by striking subparagraphs (B) and (C).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

AMENDMENT NO. 2507 TO AMENDMENT NO. 2280

(Purpose: To exclude energy assistance payments for one-time costs of weatherization or repair or replacement of unsafe or inoperative heating devices from income under the food stamp program)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. WELLSTONE), for himself and Mr. FEINGOLD, proposes an amendment numbered 2507 to amendment No. 2280.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Beginning on page 161, strike line 7 and all that follows through page 163, line 1, and insert the following:

SEC. 308. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(11)) is amended by striking "any payments or allowances" and inserting the following: "a one-time payment or allowance for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device,".

(b) CONFORMING AMENDMENTS.—Section 5(k)(1)(A) of the Act (7 U.S.C. 2014(k)(1)(A)), is amended by striking "plan for aid to families with dependent children approved" and inserting "program funded".

Mr. WELLSTONE. I ask unanimous consent that the amendments be laid aside and be considered next week.

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

Several Senators addressed the Chair.

Mr. GRASSLEY. Mr. President, I defer to the Senator from Colorado for the purposes of offering an amendment.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 2508 TO AMENDMENT NO. 2280

(Purpose: To impose a cap on the amount of funds that can be used for administrative purposes)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado (Mr. BROWN) proposes an amendment numbered 2508 to amendment No. 2280.

On page 25, strike line 4 and insert the following: "1, 1995;

except that not more than 15 percent of the grant may be used for administrative purposes.".

Mr. BROWN. Mr. President, I ask unanimous consent that the amendment be laid over until next week for consideration.

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

Mr. DOLE. Mr. President, I will not interfere with people offering their amendments. But I wonder if I might be permitted to modify my amendment at a later time this afternoon.

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

Mr. MOYNIHAN. Mr. President, I defer to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENTS NOS. 2509 AND 2510 TO AMENDMENT NO. 2280

Mr. SIMON. Mr. President, I send two amendments to the desk and ask for their consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois (Mr. SIMON) proposes amendments numbered 2509 and 2510 to amendment No. 2280.

Mr. SIMON. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendment is as follows:

AMENDMENT NO. 2509

(Purpose: To eliminate retroactive deeming requirements for those legal immigrants already in the United States)

On page 289, lines 2 through 5, strike ", or for a period of 5 years beginning on the day such individual was first lawfully in the United States after the execution of such affidavit or agreement, whichever period is longer".

(The text of the amendment No. 2510 is printed in today's RECORD under "Amendments Submitted.")

Mr. SIMON. I ask unanimous consent that the amendments be set aside.

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

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I defer to the Senator from Michigan for the purposes of offering an amendment.

AMENDMENTS NOS. 2511 AND 2512 TO AMENDMENT NO. 2280

Mr. ABRAHAM. Mr. President, I send two amendments to the desk and ask for their consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan (Mr. ABRAHAM) proposes amendments numbered 2511 and 2512 to amendment No. 2280.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2511

At the appropriate place in the bill, add the following new section:

"SEC. . SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that—

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase entrepreneurial growth, capital formation, job creation, educational opportunities and homeownership in the designated communities and zones;

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Homeownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-income parents with new and expanded educational options for their children's elementary and secondary schooling.

AMENDMENT NO. 2512

(Purpose: To increase the block grant amount to States that reduce out-of-wedlock births)

On page 46, after line 24, insert the following:

"(a) GRANT INCREASED TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

"(1) IN GENERAL.—The amount of the grant payable to a State under section 403(a)(1)(A) for fiscal years 1998, 1999, and 2000 shall be increased by—

"(A) 5 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations in the State for the same fiscal year is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

"(B) 10 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations in the State for the same fiscal year is not higher than the rate of induced pregnancy termination in the State for fiscal year 1995.

"(2) DETERMINATION OF THE SECRETARY.—The Secretary shall not increase the grant amount under paragraph (1) if the Secretary determines that the relevant difference between the illegitimacy ratio of a State for an applicable fiscal year and the illegitimacy ratio of such State for fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the illegitimacy ratio or if the Secretary determines that the relevant non-increase in the rate of induced pregnancy terminations for an applicable fiscal year as compared to fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the rate of induced pregnancy terminations.

"(3) ILLEGITIMACY RATIO.—For purposes of this subsection, the term "illegitimacy ratio" means, with respect to a State and a fiscal year—

"(A) the number of out-of-wedlock births that occurred in the State during the fiscal year; divided by

"(B) the number of births that occurred in the State during the same fiscal year.

"(4) AVAILABILITY OF AMOUNTS.—There are authorized to be appropriated and there are appropriated such sums as may be necessary for fiscal years 1998, 1999, and 2000 for the purpose of increasing the amount of the grant payable to a State under section 403(a)(1) in accordance with this subsection.

Mr. ABRAHAM. I ask unanimous consent that the amendments be set aside.

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

Mr. MOYNIHAN. Mr. President, I defer to the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. I thank the Chair. I thank the Senator from New York.

AMENDMENT NO. 2513 TO AMENDMENT NO. 2280

(Purpose: To limit deeming of income to cash and cash-like programs, and to retain SSI eligibility and exempt deeming of income requirements for victims of domestic violence)

Mrs. FEINSTEIN. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California (Mrs. Feinstein) proposes an amendment numbered 2513 to amendment No. 2280.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 276, line 22, strike "or".

On page 276, line 23, insert ", or (VI)" after "(V)".

On page 277, line 10, strike "and".

On page 277, line 16, strike the period and insert a semicolon.

On page 277, between lines 16 and 17, insert the following:

(F) assistance or services provided to abused or neglected children and their families; and

(G) assistance or benefits under other Federal non-cash programs.

On page 278, line 22, strike "or".

On page 278, line 25, insert "; or (VI) an alien lawfully admitted to the United States for permanent residence who has been subjected to domestic violence, or whose household members have been subjected to domestic violence, by the alien's sponsor or by members of the sponsor's household" after "title II".

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the amendment be set aside.

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

Mrs. FEINSTEIN. I thank the Chair.

AMENDMENT NO. 2514 TO AMENDMENT NO. 2280

(Purpose: To establish a job placement performance bonus that provides an incentive for States to successfully place individuals in unsubsidized jobs, and for other purposes)

Mr. MOYNIHAN. Mr. President, on behalf of the Senator from Connecticut [Mr. LIEBERMAN], I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. LIEBERMAN, for himself and Mr. BREAUX and Mr. CONRAD, proposes amendment numbered 2514 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 17, line 8, insert "and for each of fiscal years 1998, 1999, and 2000, the amount of the State's job placement performance bonus determined under subsection (f)(1) for the fiscal year" after "year".

On page 17, line 22, insert "and the applicable percent specified under subsection (f)(2)(B)(ii) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) JOB PLACEMENT PERFORMANCE BONUS—

"(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the job placement performance fund determined in accordance with the formula developed under paragraph (2).

"(2) ALLOCATION FORMULA: BONUS FUND.—

"(A) ALLOCATION FORMULA.—

"(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.

"(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

"(I) provide a greater financial bonus for individuals in families described in clause (i) who remain employed for greater periods of time or are at greater risk of long-term welfare dependency; and

"(I) take into account the unemployment conditions of each State or geographic area.

"(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

"(i) IN GENERAL.—The amount in the job placement performance bonus fund for a fiscal year shall be an amount equal to—

"(I) the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

	The applicable percentage is:
"For fiscal year:	
1998	3
1999	4
2000 and each fiscal year thereafter	5.

On page 29, line 16, strike "(f)" and insert "(g)".

On page 66, line 13, insert "and a preliminary assessment of the job placement performance bonus established under section 403(f)" before the end period.

AMENDMENT NO. 2515 TO AMENDMENT NO. 2280

(Purpose: To establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, require States to establish a set-aside for teenage pregnancy prevention activities, and for other purposes)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk in behalf of Senator LIEBERMAN and I ask for its consideration.

The PRESIDING OFFICER. The Clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. LIEBERMAN, proposes an amendment numbered 2515 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 5 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(c) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and

implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendments numbered 2514 and 2515 be set aside.

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

Mr. GRASSLEY. Mr. President, we are waiting for a few minutes for Senator CRAIG to get here to offer the next amendment that will be considered this afternoon. So, until he arrives, I would like to have permission to speak as if in morning business to introduce a bill that Senator LEVIN and I are introducing.

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

(The remarks of Mr. GRASSLEY pertaining to the introduction of S. 1224 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1996

The PRESIDING OFFICER. Under a previous order, the Chair lays before the Senate H.R. 2126. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes.

The PRESIDING OFFICER. Under the order, all after the enacting clause is stricken and the language of S. 1087 is inserted.

The clerk will read the bill for the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill is passed and the motion to reconsider is laid upon the table.

So the bill (H.R. 2126), as amended, was passed.

The PRESIDING OFFICER. Under the order, the Senate insists on its amendments, requests a conference with the House on the disagreeing votes of the two Houses, and the Chair is authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER appointed Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. GRAMM, Mr. BOND, Mr. MCCONNELL, Mr. MACK, Mr. SHELBY, Mr. HATFIELD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BYRD, Mr. LEAHY, Mr. BUMPERS, Mr. LAUTENBERG, and Mr. HARKIN conferees on the part of the Senate.

The PRESIDING OFFICER. Under the order, S. 1087 is indefinitely postponed.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is the Boxer amendment No. 2482.

AMENDMENT NO. 2508

Mr. BROWN. Mr. President, I ask unanimous-consent that the pending amendment be set aside and that the portion of the unanimous-consent agreement which laid aside consideration of the Brown amendment until next Monday be waived and that I be allowed to bring up the Brown amendment at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BROWN. Mr. President, I therefore call up amendment No. 2508, the Brown amendment.

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

Mr. BROWN. Mr. President, this is a very straightforward amendment. When it was initially offered, it was read.

Let me simply reiterate for the benefit of Members who may not have been here at the time, what it does is place a limit of 15 percent on the Federal funds that may be used for administrative expenditures under the temporary assistance block grant. This is under title I.

Mr. President, what this suggests is that at least 85 percent of the money that is given in a block grant go to actual assistance and only 15 percent, or a maximum of 15 percent go for bureaucracy or administrative costs.

History shows that the vast majority of our States can and do live within this limitation already. Frankly, my purpose in offering it is to make it clear that this money is not simply to be consumed in administrative costs but to go to programs and to go to the people where it will do some good.

One may reasonably ask, is 15 percent reasonable?

I might say that three-fourths of the States already operate within that for comparable programs. But I also might mention that the other parts of the welfare bill have limitations on administrative costs and that this is perhaps more generous than most of those.

Let me be specific. In the child care block grant the cap is 5 percent whereas this is 15 percent. Job training coordination for statewide work force education is a 1-percent cap—that is 5 percent of the 20 percent. The statewide work force employment program versus the education program is a 5-percent cap. The food stamp block grant option is a 6-percent cap. So by suggesting a 15-percent cap for administrative costs we are not trying to be overly tight with the States but we do think some upper limit with regard to administrative costs is appropriate, that is, essential.

How many times have we heard from our States and counties where we have said most of the money that was sent to them, or a large portion of the money that was sent to them, to deal with a problem is consumed at the State level for administrative costs, money that does not go to help people, money that may not go to directly dealing with the people at hand.

The 50-percent maximum limit is reasonable. It is one that States can live with. And, frankly, Mr. President, what it says is this money is meant to help people and goes to effect a program, not to simply be consumed by new bureaucracies at a State level.

With the broad new discretion given the States, this sort of reasonable upper limit for bureaucracy, I think, is appropriate and needed. The saddest commentary of all would be if delineating the money to the States, doing away with the Federal bureaucracy, ended up producing a whole new huge bureaucracy on the State level. So a reasonable limit is needed, appropriate.

I urge its adoption, Mr. President.

Mr. President, on this amendment I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BROWN. Mr. President, I yield back the balance of my time.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I would rise in support of the amendment by the Senator

from Colorado. I think in this whole process of moving from categorical programs administered from Washington to more flexible programs, you can also call block grants to the States. I think we have an appropriate responsibility to the Federal taxpayers to make sure that money is not eaten up in excess administrative costs.

I think the Brown amendment is a step in the right direction. I do not think very many States would exceed that anyway, and probably very few States exceed that presently. But we are moving into a program of what we think is of considerable length. And I have always said that to meet the Federal responsibilities on block grants it is legitimate to put limits on administrative expenses, to have some national goals that ought to be met, and to have a targeted population described by the Federal taxpayers.

It seems to me that this solves one of those major, legitimate issues that we ought to deal with here, albeit at the same time we are going to give the maximum discretion to the States on the administering of the welfare program. So I compliment the Senator from Colorado for his amendment.

I yield the floor.

Mr. BIDEN. Mr. President, the Brown amendment to the welfare bill sounds good on the surface, and I suspect it will pass by a large margin. But, I will vote against it, and I want to explain why.

The fact is, this amendment would be prejudicial to my State of Delaware. It would require all States to treat their Federal welfare block grant funds as if they were State revenues, thus requiring the moneys to be appropriated by the State legislature.

However, Delaware is one of only six States where the General Assembly has decided that Federal moneys can bypass the State legislature and be directly appropriated to a State agency by the governor. In other words, State legislators in Delaware have decided themselves to forego the right to appropriate Federal funds.

I simply do not believe that this bill is the time or the place to change my State's budget law and longstanding appropriations process. If the Delaware General Assembly wants to appropriate the Federal funds that Delaware receives, the General Assembly is fully within its rights to change Delaware's law. But, I cannot support imposing that on my State—especially in a bill that is intended, according to its sponsors, to give States more rights and flexibility.

Mr. President, I thank the Chair, and I yield the floor.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

Mr. MOYNIHAN. Mr. President, this appears to me to be another amendment that will make the block grant unworkable. And I entirely support that.

I believe the yeas and nays have been requested?

Mr. GRASSLEY. Yes.

Mr. MOYNIHAN. I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2508 offered by the Senator from Colorado.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Colorado [Mr. CAMPBELL], the Senator from Mississippi [Mr. COCHRAN], the Senator from Florida [Mr. MACK], the Senator from Arizona [Mr. MCCAIN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Alabama [Mr. SHELBY] are necessarily absent.

I also announce that the Senator from Tennessee [Mr. THOMPSON] is absent due to illness.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] is necessarily absent.

The PRESIDING OFFICER (Mr. GRAMS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 87, nays 5, as follows:

[Rollcall Vote No. 404 Leg.]

YEAS—87

Abraham	Feingold	Levin
Akaka	Feinstein	Lieberman
Baucus	Ford	Lott
Bennett	Frist	McConnell
Biden	Glenn	Mikulski
Bingaman	Graham	Moseley-Braun
Boxer	Gramm	Moynihan
Bradley	Grams	Murray
Breaux	Grassley	Nickles
Brown	Gregg	Nunn
Bryan	Harkin	Packwood
Bumpers	Hatfield	Pell
Burns	Heflin	Pressler
Byrd	Helms	Reid
Chafee	Hollings	Robb
Coats	Hutchison	Rockefeller
Cohen	Inhofe	Roth
Conrad	Inouye	Santorum
Coverdell	Jeffords	Sarbanes
Craig	Johnston	Simon
D'Amato	Kassebaum	Simpson
Daschle	Kempthorne	Smith
DeWine	Kennedy	Snowe
Dodd	Kerrey	Specter
Dole	Kerry	Stevens
Domenici	Kohl	Thomas
Dorgan	Kyl	Thurmond
Exon	Lautenberg	Warner
Faircloth	Leahy	Wellstone

NAYS—5

Ashcroft	Gorton	Lugar
Bond	Hatch	

NOT VOTING—8

Campbell	McCain	Shelby
Cochran	Murkowski	Thompson
Mack	Pryor	

So, the amendment (No. 2508) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, pursuant to the previous agreement, I ask unanimous consent that the pending amendment be briefly set aside so that I and Senator HELMS, in that order, may send amendments to the desk and ask for their immediate consideration in accordance with the unanimous consent agreement already agreed to.

Mrs. BOXER. Reserving the right to object, I assume after those two are laid down we will go to my amendment. I need only 1 minute to explain it.

Mr. HATCH. As soon as we do this procedural matter and we conclude this, we will move right to the Senator from California. I include that in the unanimous consent agreement.

Mr. EXON. Reserving the right to object, may I please have an understanding of what the procedure is?

The Senator from Nebraska also has an amendment to offer that I have been waiting to offer for some time. I am not in any particular rush. Are we setting up an order?

If the unanimous consent request is granted, as I understand it, there would be some motion taken up offered by the Senators from North Carolina and Utah, and following that we will go to the Senator from California; is that correct?

Mr. HATCH. That is correct. We would be happy to have the Senator put his in, but we are not making arguments at this time.

Mr. MOYNIHAN. Mr. President, it is my understanding that the Senator from Nebraska would like to speak, and we had anticipated after the vote on the Boxer amendment other Senators would speak. I see the Senator from Idaho may wish to speak.

Mr. HATCH. My understanding is that the Boxer amendment will require a vote so we want to move forward as fast as we can.

Mr. EXON. With that understanding, I have no objection, and after the vote on the Boxer amendment I will proceed at that time.

Mr. HATCH. I have been informed immediately following the Boxer vote that Senator CRAIG has reserved some time; will the Senator from Nebraska wait until after Senator CRAIG?

Mr. EXON. Sure. With the understanding I be recognized sometime prior to 5 p.m.

Mr. HATCH. Mr. President, I ask unanimous consent that the pending amendment be briefly set aside.

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

AMENDMENT NO. 2516 TO AMENDMENT NO. 2280

(Purpose: To establish a block grant program for the provision of child care services)

Mr. HATCH. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for himself and Mr. KOHL, proposes an amendment numbered 2516 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. HATCH. Mr. President, I am pleased to be joined in this amendment by the Senator from Wisconsin, Senator KOHL. I invite all my colleagues to review this amendment and join us as cosponsors.

This is not a partisan proposal. It is intended to assist States in making child care services a key component of their title I temporary assistance programs.

We will be discussing this amendment in more detail later, but let me simply say today that I believe this amendment addresses a broadly recognized need for child care by families who are on welfare and struggling to get off.

Obviously, for a single parent, child care is necessary in order for that parent to work. A mother or father cannot leave a young child at home alone.

Mr. President, I believe in the work requirements incorporated in the Dole substitute. I happen to believe that work—and the sense of personal accomplishment that comes from it—is one of the single most important things we can provide to welfare recipients. But, we cannot do it without child care.

My amendment simply provides a child care block grant into the title I temporary assistance block grant. It is not complicated. It carries no new administrative requirements.

Mr. President, I will have more to say about this next week. I invite my colleagues to join Senator KOHL and me in sponsoring this important amendment.

Mr. President, I ask unanimous consent that the pending amendment be briefly set aside.

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

AMENDMENTS NOS. 2517, 2518, AND 2519, EN BLOC, TO AMENDMENT NO. 2280

Mr. HATCH. I send three amendments to the desk on behalf of Senator DEWINE.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. DEWINE, proposes amendments, en bloc, numbered 2517 through 2519 to amendment No. 2280.

Mr. HATCH. I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2517

(Purpose: To provide for quarterly reporting by banks with respect to common trust funds)

On page 712, between lines 9 and 10, insert the following:

SEC. . QUARTERLY REPORTS WITH RESPECT TO COMMON TRUST FUNDS.

(a) IN GENERAL.—Section 6032 of the Internal Revenue Code of 1986 (relating to returns of banks with respect to common trust funds) is amended by striking "each taxable year" and inserting "each quarter of the taxable year".

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

AMENDMENT NO. 2518

(Purpose: To modify the method for calculating participation rates to more accurately reflect the total case load of families receiving assistance in the State, and for other purposes)

On page 31, line 15, insert "and" after the semicolon.

On page 31, line 23, strike "and" and insert "divided by".

Beginning on page 31, line 24, strike all through page 32, line 10.

Beginning on page 33, line 10, strike all through page 34, line 5, and insert the following:

"(3) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—

"(A) IN GENERAL.—The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which—

"(i) the number of families receiving assistance during the fiscal year under the State program funded under this part is less than

"(ii) the number of families that received aid under the State plan approved under part A of this title (as in effect before October 1, 1995) during the fiscal year immediately preceding such effective date.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

"(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under such State's plan under the aid to families with dependent children program, as such plan was in effect on the day before the date of the enactment of the Work Opportunity Act of 1995.

AMENDMENT NO. 2519

(Purpose: To provide for a rainy day contingency fund)

On page 29, between lines 17 and 18, insert the following:

"(g) RAINY DAY CONTINGENCY FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Rainy Day Contingency Fund' (hereafter in this section referred to as the 'Rainy Day Fund').

"(2) DEPOSITS INTO FUND.—Out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated for fiscal years 1996, 1997, 1998, 1999, and 2000 such sums as are necessary for payment to the Rainy Day Fund in a total amount not to exceed $525,000,000.

"(3) COMPUTATION OF GRANT.—

"(A) IN GENERAL.—The Secretary of the Treasury shall pay to each State for each quarter in a fiscal year following the quarter in which such State becomes an eligible State under this subsection, an amount equal to the Federal medical assistance percentage for such State for such fiscal year (as defined in section 1905(b)) of so much of the expenditures by the State in such year under the State program funded under this part as exceed the historic State expenditures for such State.

"(B) METHOD OF COMPUTATION, PAYMENT, AND RECONCILIATION.—

"(i) METHOD OF COMPUTATION.—The method of computing and paying such amounts shall be as follows:

"(I) The Secretary of Health and Human Services shall estimate the amount to be paid to the State for such quarter under the provisions of subparagraph (A), such estimate to be based on a report filed by the State containing its estimate of the total sum to be expended in such quarter and such other information as the Secretary may find necessary.

"(II) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services.

"(ii) METHOD OF PAYMENT.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(iii) METHOD OF RECONCILIATION.—If at the end of each fiscal year, the Secretary of Health and Human Services finds that a State which received amounts from the Rainy Day Fund in such fiscal year did not meet the maintenance of effort requirement under paragraph (5)(B) for such fiscal year, the Secretary shall reduce the State family assistance grant for such State for the succeeding fiscal year by such amounts.

"(4) USE OF GRANT.—

"(A) IN GENERAL.—An eligible State may use the grant—

"(i) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(ii) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(B) REFUND OF UNUSED PORTION.—Any amount of a grant under this subsection not used during the fiscal year shall be returned to the Rainy Day Fund.

"(5) ELIGIBLE STATE.—

"(A) IN GENERAL.—For purposes of this subsection, a State is an eligible State with respect to any quarter in a fiscal year, if such State—

"(i) has an average total unemployment rate for such quarter which exceeds by at

least 2 percentage points such average total rate for the same quarter of either the preceding or second preceding fiscal year; and

"(ii) has met the maintenance of effort requirement under subparagraph (B) for the State program funded under this part for the preceding fiscal year.

"(B) MAINTENANCE OF EFFORT.—

"(i) IN GENERAL.—The maintenance of effort requirement for any State under this subparagraph for any fiscal year is the expenditure of an amount at least equal to 100 percent of the level of historic State expenditures for such State.

"(ii) HISTORIC STATE EXPENDITURES.—For purposes of this subparagraph, the term 'historic State expenditures' means payments of cash assistance to recipients of aid to families with dependent children under the State plan under part A of title IV for fiscal year 1994, as in effect during such fiscal year.

"(iii) DETERMINING STATE EXPENDITURES.—For purposes of this subparagraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

Mr. HATCH. Mr. President, pursuant to the previous agreement, I ask unanimous consent that the pending amendment be briefly set aside.

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

AMENDMENT NO. 2520 TO AMENDMENT NO. 2280

Mr. HATCH. I send an amendment to the desk and ask for its immediate consideration for and on behalf of Senator BURNS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] for Mr. BURNS, proposes an amendment numbered 2520 to amendment No. 2280.

Mr. HATCH. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Amend section 105 (a) to read:

(a) IN GENERAL.—The Secretary of Health and Human Services shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that at least 50 percent of the personnel in positions that relate to a covered activity are separated from service. Where possible, reductions should come from headquarters before reductions are made in the field. In the case of a program that is repealed, 100% of the positions shall be eliminated.

Elimination of positions may begin upon passage of this Act but shall be completed no later than six (6) months following the date of implementation.

Mr. HATCH. I ask unanimous consent the pending amendment be set aside.

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

AMENDMENT NO. 2521 TO AMENDMENT NO. 2280

(Purpose: To ensure state eligibility and benefit restrictions for immigrants are no more restrictive than those of the Federal Government)

Mr. HATCH. Mr. President, I send an amendment to the desk for and on behalf of Senator SIMPSON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. SIMPSON, proposes an amendment numbered 2521 to amendment No. 2280.

Mr. HATCH. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 287, strike lines 13–17 and insert the following:

"(a) IN GENERAL.—(1) Subject to paragraph (2) and subsection (b), a State may, at its option, limit or restrict the eligibility of noncitizens of the United States for any means-tested public assistance program, whether funded by the Federal Government or by the State.

"(2)(A) The authority under subsection (a) may be exercised only to the extent that any prohibitions, limitations, or restrictions are not more restrictive or of a longer duration than comparable Federal programs.

"(B) For the purposes of this subsection, attribution to a noncitizen of the income or resources of any person who (as a sponsor of such noncitizen's entry into the United States) executed an affidavit of support or similar agreement with respect to such noncitizen, for purposes of determining the eligibility for or amount of benefits of such noncitizen, shall not be considered more restrictive than a prohibition of eligibility."

Mr. HATCH. I ask unanimous consent the pending amendment be set aside.

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

AMENDMENT NO. 2522 TO AMENDMENT NO. 2280

(Purpose: To modify provisions relating to funds for other child care programs)

Mr. HATCH. Mr. President, I send another amendment to the desk for and on behalf of Senator KASSEBAUM and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mrs. KASSEBAUM, proposes an amendment numbered 2522 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Beginning on page 313, strike line 13 and all that follows through line 5 on page 314, and insert the following new subsection:

(l) APPLICATION OF SUBCHAPTER.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 658T. APPLICATION TO OTHER PROGRAMS.

"Notwithstanding any other provision of law, a State that uses funding for child care services under any Federal program shall ensure that activities carried out using such funds meet the requirements, standards, and criteria of this subchapter, except for the quality set-aside provisions of section 685G, and the regulations promulgated under this subchapter. Such sums shall be administered through a uniform State plan. To the maximum extent practicable, amounts provided to a State under such programs shall be transferred to the lead agency and integrated into the program established under this subchapter by the State.".

Mr. HELMS. I ask unanimous consent the pending amendment be set aside.

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

AMENDMENT NO. 2523 TO AMENDMENT NO. 2280

(Purpose: To require single, able-bodied individuals receiving food stamps to work at least 40 hours every 4 weeks)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] for himself, Mr. FAIRCLOTH, Mr. SHELBY, and Mr. GRAMS, proposes an amendment numbered 2523 to amendment No. 2280.

Mr. HELMS. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Beginning on page 195, strike line 22 and all that follows through page 198, line 14, and insert the following:

SEC. 319. WORK REQUIREMENT.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 318) is further amended by inserting after subsection (m) the following:

"(n) WORK REQUIREMENT.—

"(1) IN GENERAL.—Subject to paragraph (3), no individual shall be eligible to participate in the food stamp program as a member of any household if the individual did not work at least 40 hours during the preceding 4-week period.

"(2) WORK PROGRAM.—For purposes of paragraph (1), an individual may perform community service or work for a State or political subdivision of a State through a program established by the State or political subdivision.

"(3) EXEMPTIONS.—Paragraph (1) shall not apply to an individual if the individual is—

"(A) a parent residing with a dependent child under 18 years of age;

"(B) a member of a household with responsibility for the care of an incapacitated person;

"(C) mentally or physically unfit;

"(D) under 18 years of age; or

"(E) 55 years of age or older.".

Exemption: Emergency care and nutrition assistance for teenage parents.

Mrs. BOXER. I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, the amendment is set aside.

AMENDMENT NO. 2482

The PRESIDING OFFICER. The question is on agreeing to the amendment of Senator BOXER, amendment No. 2482.

Mrs. BOXER. Mr. President, I understand I have 60 seconds. I will use 30 seconds to explain my amendment.

What we are saying here is if you are a deadbeat dad or a deadbeat mom and have fallen behind on your child support more than 2 months, you must not be eligible for means-tested Federal benefits.

I have modified that amendment with the help of Senator SANTORUM. We exclude emergency medical care and nutrition assistance for teenage parents, but basically if you do not sign a repayment schedule committing yourself to make up for those delinquent payments, you will not get benefits such as housing assistance or SSI or food stamps.

We feel it is very important to send a message to deadbeat parents. I ask Senators to give us an aye vote.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 2482), as modified, is as follows:

On page 712, between lines 9 and 10, insert the following:

SEC. 972. DENIAL OF MEANS-TESTED FEDERAL BENEFITS TO NONCUSTODIAL PARENTS WHO ARE DELINQUENT IN PAYING CHILD SUPPORT.

(a) IN GENERAL.—Notwithstanding any other provision of law, a non-custodial parent who is more than 2 months delinquent in paying child support shall not be eligible to receive any means-tested Federal benefits.

(b) EXCEPTION.—

(1) IN GENERAL.—Subsection (a) shall not apply to an unemployed non-custodial parent who is more than 2 months delinquent in paying child support if such parent—

(A) enters into a schedule of repayment for past due child support with the entity that issued the underlying child support order; and

(B) meets all of the terms of repayment specified in the schedule of repayment as forced by the appropriate disbursing entity.

(2) 2-YEAR EXCLUSION.—(A) A non-custodial parent who becomes delinquent in child support a second time or any subsequent time shall not be eligible to receive any means-tested Federal benefits for a 2-year period beginning on the date that such parent failed to meet such terms.

(B) At the end of that two-year period, paragraph (A) shall once again apply to that individual.

(c) MEANS-TESTED FEDERAL BENEFITS.—For purposes of this section, the term "means-tested Federal benefits" means benefits under any program of assistance, funded in whole or in part, by the Federal Government, for which eligibility for benefits is based on need.

Exemption: Emergency care and nutrition assistance for teenage parents.

Mrs. BOXER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Colorado [Mr. CAMPBELL], the Senator from Mississippi [Mr. COCHRAN], the Senator from Florida [Mr. MACK], the Senator from Arizona [Mr. MCCAIN], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Arkansas [Mr. MURKOWSKI] are necessarily absent.

I also announce that the Senator from Tennessee [Mr. THOMPSON] is absent due to illness.

Mr. FORD. I announce that the Senator from Louisana [Mr. BREAUX] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 405 Leg.]

YEAS—91

Abraham	Feinstein	Lieberman
Akaka	Ford	Lott
Ashcroft	Frist	Lugar
Baucus	Glenn	Mikulski
Bennett	Gorton	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Gramm	Murray
Bond	Grams	Nickles
Boxer	Grassley	Nunn
Bradley	Gregg	Packwood
Brown	Harkin	Pell
Bryan	Hatch	Pressler
Bumpers	Hatfield	Reid
Burns	Heflin	Robb
Byrd	Helms	Rockefeller
Chafee	Hollings	Roth
Coats	Hutchison	Santorum
Cohen	Inhofe	Sarbanes
Conrad	Inouye	Shelby
Coverdell	Jeffords	Simon
Craig	Johnston	Simpson
D'Amato	Kassebaum	Smith
Daschle	Kempthorne	Snowe
DeWine	Kennedy	Specter
Dodd	Kerrey	Stevens
Dole	Kerry	Thomas
Domenici	Kohl	Thurmond
Dorgan	Kyl	Warner
Exon	Lautenberg	Wellstone
Faircloth	Leahy	
Feingold	Levin	

NOT VOTING—9

Breaux	Mack	Murkowski
Campbell	McCain	Pryor
Cochran	McConnell	Thompson

So the amendment (No. 2482) as modified, was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2524 TO AMENDMENT NO. 2280

(Purpose: To provide for a good cause exception for hospital-based programs providing for voluntary acknowledgment of paternity)

Mr. CRAIG. Mr. President, I send an amendment to the desk for myself and Senator SHELBY.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows.

The Senator from Idaho [Mr. CRAIG], for himself and Mr. SHELBY, proposes an amendment numbered 2524 to amendment No. 2280.

Mr. CRAIG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 643, line 16, insert ", subject to such good cause and other exceptions as the State shall establish and taking into account the best interests of the child" before the end period.

Mr. CRAIG. Mr. President, it is my understanding that this amendment has received recognition from both sides and is acceptable.

The amendment would simply allow the States to establish good cause and other exceptions and thus will not override State laws defining paternity. Moreover, it requires all hospital bed programs providing for voluntary acknowledgment of paternity to take into account the best interests of the child. It provides consistency between Federal AFDC law and the laws regarding in-hospital paternity establishment.

Mr. HATCH. Mr. President, we think the amendment is an excellent amendment, and we are prepared to accept it on this side. I understand the other side is prepared to accept it. I turn to the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, we surely agree this a commendable amendment. We thank the Senator from Idaho for offering it. It would be agreed to on this side if the question is asked.

Mr. HATCH. I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to amendment No. 2524.

So the amendment (No. 2524) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, first, an inquiry of the Chair.

As I understand it, the present measure before the Senate is the amendment numbered 2280 by Senator DOLE. Is that correct?

The PRESIDING OFFICER. That is the first-degree amendment pending. There have been second-degree amendments offered that have been set aside.

Mr. EXON. That is what I wished to clarify. The Senator from Nebraska is ready to offer an amendment to that amendment.

AMENDMENT NO. 2525 TO AMENDMENT NO. 2280

(Purpose: To prohibit the payment of certain Federal benefits to any person not lawfully present within the United States, and for other purposes)

Mr. EXON. I send the amendment to the desk at this time and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows.

The Senator from Nebraska [Mr. EXON] proposes an amendment numbered 2525 to amendment No. 2280.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 302, between lines 5 and 6, insert the following:

SEC. 506. PROHIBITION ON PAYMENT OF FEDERAL BENEFITS TO CERTAIN PERSONS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), Federal benefits shall not be paid or provided to any person who is not a person lawfully present within the United States.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following benefits:

(1) Emergency medical services under title XIX of the Social Security Act.

(2) Short-term emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5) Public health assistance for immunizations and, if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of a serious communicable disease, for testing and treatment of such disease.

(c) DEFINITIONS.—For purposes of this section:

(1) FEDERAL BENEFIT.—The term "Federal benefit" means—

(A) the issuance of any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, Social Security, health, disability, veterans benefit, public housing, education, food stamps, unemployment benefit, or any other similar benefit for which payments or assistance are provided by an agency of the United States or by appropriated funds of the United States.

(2) VETERANS BENEFIT.—The term "veterans benefit" means all benefits provided to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States.

(3) PERSON LAWFULLY PRESENT WITHIN THE UNITED STATES.—The term "person lawfully present within the United States" means a person who, at the time the person applies for, receives, or attempts to receive a Federal benefit, is a United States citizen, a permanent resident alien, an alien whose deportation has been withheld under section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)), and asylee, a refugee, a parolee who has been paroled for a period of at least 1 year, a national, or a national of the United States for purposes of the immigration laws of the United States (as defined in section 101(a)(17) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(17)).

(d) STATE OBLIGATION.—Notwithstanding any other provision of law, a State that administers a program that provides a Federal benefit (described in section 506(c)(1)) or provides State bene fits pursuant to such a program shall not be required to provide such benefit to a person who is not a person lawfully present within the United States (as defined in section 506(c)(3)) through a State agency or with appropriated funds of such State.

(e) VERIFICATION OF ELIGIBILITY.—

(1) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal benefit, including a benefit described in section 506(b), is a person lawfully present within the United States and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(2) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (1) are adopted, a State that administers a program that provides a Federal benefit described in such subsection shall have in effect a verification system that complies with the regulations.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

(f) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

Mr. EXON. Mr. President, I rise today to offer an amendment to the pending welfare reform bill to address the issue of payment of Federal benefits to illegal aliens. I have talked with the managers of the bill, and I have agreed to offer it now, to briefly debate the matter, and we will schedule a vote and possibly limited debate sometime next week as we move through the whole series of amendments we have pending.

Mr. President, I introduced a similar measure, S. 918, earlier in this Congress. As many Senators know, I have long supported blocking Federal benefits to illegal aliens as a matter of both sound immigration policy and as a matter of sound fiscal policy. I have introduced this measure as either a stand-alone bill or as an amendment in every Congress since 1989.

In 1993, when we debated the comprehensive crime bill, the Senate accepted my amendment to restrict benefits to illegal aliens by a vote of 85 to 2. Unfortunately, Mr. President, the provision was dropped in conference with the House of Representatives. Simply stated, my amendment says that Federal benefits shall not be paid or provided to those not lawfully present within the United States. My amendment is well crafted to only deny illegals the benefit of Federal support and specifically defines who is a person lawfully present within the United States.

My amendment also provides for a number of exemptions. Federal funds could be provided to illegal aliens for emergency medical services, disaster relief, school lunches, child nutrition and immunization. Sick people would not be turned away at the hospital emergency rooms, nor would the public health be threatened by a communicable disease.

We must draw the line and say that illegal aliens should not be receiving scarce resources except for true emergencies and public health concerns.

Also, States would not be obligated to provide benefits to those not lawfully present in our country. Following the publishing of the rules by the Attorney General, the States would have 2 years to comply with the verification requirements, and necessary funds would be authorized.

It should be noted that the long-awaited report of the U.S. Commission on Immigration Reform, headed by former Representative Barbara Jordan, has generally recommended that illegal aliens not receive publicly funded services or assistance.

Mr. President, it is true that many Federal programs specifically exclude by statute illegal aliens in their criteria for eligibility, but in many cases the benefits continue to flow to these illegal aliens due to the expansive and misguided agency regulations and court interpretation.

Many Federal programs allow benefits to go to aliens permanently residing in the United States under color of law. However, this category is not defined by statute, and the categories of aliens it covers vary from program to program because various court decisions have defined it differently. I am sure that my fellow colleagues are well aware of the published growing concern with our country's haphazard immigration policy and porous border. I believe this debate over welfare reform provides us with a golden opportunity to create a new and more coherent policy regarding immigrants and to stop, once and for all, the payment of benefits to illegal aliens.

The Senate appears ready to give the States more flexibility and responsibility to oversee Federal programs. I think it is only fair that in exchange for the increased flexibility and discretion, the Federal Government should ask the States to stand with us in verifying immigrant status and help identify illegal aliens.

With the assistance of the States in the verification process, few illegals will receive benefits. And both Federal and State budgets will reflect those savings. It is the simple fact that a deported alien will not be available to collect welfare benefits that are desperately needed by many of our citizens.

Mr. President, in my opinion, the Federal Government and the States have been working at cross-purposes in enforcing our immigration laws. The States have decried the inability of the Federal Government to police our borders. Yet when Congress proposes dropping the payment of benefits to illegal aliens, the States complain that they will be saddled with the full cost of providing these services.

It is only reasonable to require States to verify the status of applicants provided we help give them the resources to do the job. By allowing States to deny benefits to these not lawfully present and providing funds for States to set up verification systems, my amendment is actually a fully funded mandate.

I believe we must do more regarding immigration reform itself. I feel strongly that deportation proceedings should be expedited, and there needs to be greater enforcement when holders of temporary visas intentionally overstay their visit. I also believe that there needs to be a stricter enforcement of sponsor affidavits and the deeming provision to ensure that immigrants will not be a burden to taxpayers. Efforts to provide better border patrols and to attack asylum abuse are also needed. The widespread abuse of identification cards by illegal aliens is a major problem. The production of false resident alien cards, drivers' licenses, and Social Security cards is a multimillion dollar national crime which only aids illegal aliens receiving Government benefits. It must be stopped.

The word is out, if you want to receive welfare benefits more generous than any, come to America. Do not even bother to enter legally. By allowing the payment of benefits to illegal aliens, we have become a magnet. In the past, immigrants came to America to work hard and prosper under freedom, but today too many are coming to receive the free ride.

Finally, and in closing, Mr. President, I must address briefly the overall context in which this issue is being discussed. Right now we are debating the welfare bill which will have great impact on those in our country who are in need. While I believe that our welfare system needs a major overhaul, I am concerned that those who are truly in need will bear an undue share of the burden. In these times of massive budget reductions, I must remind all that our Government is still there. It still has the responsibility to help its needy citizens. By providing Federal funds to those that are in our country illegally, we are misusing scarce resources. We simply cannot justify nor can we afford giving Federal benefits to people who are in our country illegally.

Mr. President, I thank the Chair. And I will make an understanding with the managers of the bill when we will take up this matter again at the beginning of next week.

I thank the Chair. I yield the floor.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Alabama.

AMENDMENTS NOS. 2526 AND 2527 TO AMENDMENT NO. 2280

Mr. SHELBY. I ask unanimous consent that the pending amendment be set aside so that I may send two amendments to the desk.

I ask for their immediate consideration.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SHELBY] proposes amendments, en bloc, numbered 2526 and 2527 to amendment No. 2280.

Mr. SHELBY. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The amendments are as follows:

AMENDMENT NO. 2526

At the appropriate place, insert:

SEC. . REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. ADOPTION EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds $60,000, bears to

"(B) $40,000.

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

"(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(d) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ", or from section 35 of such Code".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

"Sec. 35. Adoption expenses.

"Sec. 36. Overpayments of tax.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. . EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. ADOPTION ASSISTANCE.

"(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

"(b) DEFINITIONS.—For purposes of this section—

"(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

"(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such terms by section 127(c).

"(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1502 of title 10, United States Code, or section 514 of title 14, United States Code.

"(4) QUALIFIED ADOPTION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

"(i) which are directly related to, and the principal purpose of which is for, the legal and finalized adoption of an eligible child by the taxpayer, and

"(ii) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

"(B) ELIGIBLE CHILD.—The term 'eligible child' means any individual—

"(i) who has not attained age 18 as of the time of the adoption, or

"(ii) who is physically or mentally incapable of caring for himself.

"(c) COORDINATION WITH OTHER PROVISION.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

"Sec. 137. Adoption assistance.

"Sec. 138. Cross references to other Acts."

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1995.

SEC. . WITHDRAWAL FROM IRA FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 is

amended by adding at the end the following new paragraph:

"(8) QUALIFIED ADOPTION EXPENSES.—

"(A) IN GENERAL.—Any amount which is paid or distributed out of an individual retirement plan of the taxpayer, and which would (but for this paragraph) be includible in gross income, shall be excluded from gross income to the extent that—

"(i) such amount exceeds the sum of—

"(I) the amount excludable under section 137, and

"(II) any amount allowable as a credit under this title with respect to qualified adoption expenses; and

"(ii) such amount does not exceed the qualified adoption expenses paid or incurred by the taxpayer during the taxable year.

"(B) QUALIFIED ADOPTION EXPENSES.—For purposes of this paragraph, the term 'qualified adoption expenses' has the meaning given such term by section 137, except that such term shall not include any expense in connection with the adoption by an individual of a child who is the child of such individual's spouse."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

AMENDMENT NO. 2527

On page 216, strike lines 4 thorough 6 and insert the following:

"(3) at the option of a State, funds to—

"(A) operate an employment and training program for needy individuals under the program; or

"(B) operate a work program under section 404 of the Social Security Act:

"(4) at the option of a State, funds to provide benefits to individuals with incomes below 185 percent of the poverty line under subsection (d)(3)(B)(v); and

On line 216, line 7, strike "(4)" and insert "(5)".

On page 216, strike lines 13 through 17 and insert the following:

"(2) FOUR-YEAR ELECTION.—

"(A) PERIOD.—A State may elect to participate in the program established under subsection (a) for a period of not less than 4 years.

"(B) ELECTION.—At the end of each 4-year period, a State may elect to participate in the program established under subsection (a) or in the food stamp program in accordance with the other sections of this Act.

On page 219, strike lines 11 through 13 and insert the following:

"(iii) at the option of a State—

"(I) to operate an employment and training program for needy individuals under the program; or

"(II) to operate a work program under section 404 of the Social Security Act;;

On page 219, line 15, strike the period at the end and insert "; and".

On page 219, between lines 15 and 16, insert the following:

"(v) to provide other forms of benefits to individuals with incomes below 185 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), except that not more than 20 percent of the amount allotted to a State under subsection (l)(2) may be used under this clause.

On page 220, strike line 14 and insert the following:

"(E) NOTICE AND HEARINGS.—

"(i) IN GENERAL.—The State

On page 220, between lines 20 and 21, insert the following:

"(ii) LIMITATION.—Clause (i) shall not impeded the ability of the State to promptly and efficiently alter or reduce benefits in response to a failure by a recipient to perform work or other required activities.

On page 223, strike lines 7 and 8 and insert the following:

"(g) EMPLOYMENT AND TRAINING.—No individual or

On page 223, strike lines 14 through 17.

On page 227, strike line 8 and insert the following:

"(5) PROVISION OF FOOD ASSISTANCE.—

"(A) IN GENERAL.—A

On page 227, strike lines 14 and 15 and insert the following:

"to food purchases, direct provision of commodities or cash aid in lieu of coupons under subparagraph (B).

"(B) CASH AID IN LIEU OF COUPONS.—

"(i) ELIGIBLE INDIVIDUALS.—An individual shall be eligible under this subparagraph if the individual is—

"(I) receiving benefits under this Act;

"(II) receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(III) participating in unsubsidized employment, subsidized employment, on-the-job training, or a community services program under section 404 of the Social Security Act.

"(ii) STATE OPTION.—In the case of an individual described in clause (i), a State may—

"(I) convert the food stamp benefits of the household in which the individual is a member to cash, and provide the cash in a single integrated payment with cash aid under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(II) sanction an individual, or a household that contains an individual, or reduce the benefits of the individual or household under the same rules and procedures as the State uses under part A of title IV of the Act (42 U.S.C. 601 et seq.).

On page 229, strike line 24 and all that follows through page 231, line 2, and insert the following: "97 percent of the federal funds the Director of the Office of Management and Budget estimates would have been expended under the food stamp program in the State for the fiscal year if the State had not elected to participate in the program under this section.".

Mr. SHELBY. Mr. President, I ask unanimous consent that the amendments be set aside until next week.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, I have a number of amendments which I am going to send forward and then ask to be laid aside. I am doing this at the request of colleagues.

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

AMENDMENTS NOS. 2528 THROUGH 2532, EN BLOC, TO AMENDMENT NO. 2280

Mr. MOYNIHAN. First, Mr. President, on behalf of Senators CONRAD and LIEBERMAN, an amendment designed to combat teen pregnancy; second, an amendment from Mr. CONRAD and Mr. BRADLEY to provide State flexibility; third, an amendment by Mr. CONRAD alone to create second-chance homes; and, further, an amendment by Mr. CONRAD to encourage States to move people to payrolls; and, finally, a complete substitute by Mr. CONRAD that provides employees with work, protects children and promotes family and State flexibility.

I send them to the desk.

The PRESIDING OFFICER. Without objection, the clerk will report the amendments by number only.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for others, proposes amendments, en bloc, numbered 2528 through 2532 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendments, en bloc, be dispensed with.

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

AMENDMENT NO. 2528

(Purpose: To provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.)

On page 50, strike line 6 and all that follows through page 51, line 11, and insert the following:

"(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN ADULT-SUPERVISED SETTINGS.—

"(1) IN GENERAL.—

"(A) REQUIREMENT.—Except as provided in paragraph (2), if a State provides assistance under the State program funded under this part to an individual described in subparagraph (B), such individual may only receive assistance under the program if such individual and the child of the individual reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home.

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual described in this subparagraph is an individual who is—

"(i) under the age of 18; and

"(ii) not married and has a minor child in his or her care.

"(2) EXCEPTION.—

"(A) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in subparagraph (B), the State agency shall provide, or assist such individual in locating, an appropriate adult-supervised supportive living arrangement, including a second chance home, another responsible adult, or a foster home, taking into consideration the needs and concerns of the such individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that such parent and the child of such parent reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual is described in this subparagraph if the individual is described in paragraph (1)(B) and—

"(ii) such individual has no parent or legal guardian of his or her own who is living or whose whereabouts are known;

"(iii) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(iv) the State agency determines that the physical or emotional health of such individual or any minor child of the individual would be jeopardized if such individual and such minor child lived in the same residence with such individual's own parent or legal guardian; or

"(v) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of paragraph (1) with respect to such individual.

"(C) SECOND-CHANCE HOME.—For purposes of this paragraph, the term 'second-chance home' means an entity that provides individuals described in subparagraph (B) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

"(3) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—

"(A) IN GENERAL.—For each of fiscal years 1998 through 2002, each State that provides assistance under the State program to individuals described in paragraph (1)(B) shall be entitled to receive a grant in an amount determined under subparagraph (B) for the purpose of providing or locating adult-supervised supportive living arrangements for individuals described in paragraph (1)(B) in accordance with this subsection.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount that bears the same ratio to the amount specified under clause (ii) as the amount of the State family assistance grant for the State for such fiscal year (described in section 403(a)(2)) bears to the amount appropriated for such fiscal year in accordance with section 403(a)(4)(A).

"(ii) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(I) for fiscal year 1998, $20,000,000;

"(II) for fiscal year 1999, $40,000,000; and

"(III) for each of fiscal years 2000, 2001, and 2002, $80,000,000.

"(C) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—There are authorized to be appropriated and there are appropriated for fiscal years 1998, 1999, and 2000 such sums as may be necessary for the purpose of paying grants to States in accordance with the provisions of the paragraph.

"(e) REQUIREMENT THAT TEENAGE PARENTS ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—If a State provides assistance under the State program funded under this part to an individual described in subsection (d)(1)(B) who has not successfully completed a high-school education (or its equivalent) and whose minor child is at least 12 weeks of age, the State shall not provide such individual with assistance under the program (or, at the option of the State, shall provide a reduced level of such assistance) if the individual does not participate in—

"(1) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(2) an alternative educational or training program that has been approved by the State.

On page 51, strike "(e)" and insert "(f)".

At the appropriate place, insert the following:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearninghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 of the Social Security Act (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

AMENDMENT NO. 2529

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2530

(Purpose: To provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program)

On page 50, strike line 6 and all that follows through page 51, line 11, and insert the following:

"(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN ADULT-SUPERVISED SETTINGS.—

"(1) IN GENERAL.—

"(A) REQUIREMENT.—Except as provided in paragraph (2), if a State provides assistance under the State program funded under this part to an individual described in subparagraph (B), such individual may only receive assistance under the program if such individual and the child of the individual reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home.

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual described in this subparagraph is an individual who is—

"(i) under the age of 18; and

"(ii) not married and has a minor child in his or her care.

"(2) EXCEPTION.—

"(A) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in subparagraph (B), the State agency shall provide, or assist such individual in locating, an appropriate adult-supervised supportive living arrangement, including a second chance home, another responsible adult, or a foster home, taking into consideration the needs and concerns of the such individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that such parent and the child of such parent reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual is described in this subparagraph if the individual is described in paragraph (1)(B) and—

"(ii) such individual has no parent or legal guardian of his or her own who is living or whose whereabouts are known;

"(iii) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(iv) the State agency determines that the physical or emotional health of such individual or any minor child of the individual would be jeopardized if such individual and such minor child lived in the same residence with such individual's own parent or legal guardian; or

"(v) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of paragraph (1) with respect to such individual.

"(C) SECOND-CHANCE HOME.—For purposes of this paragraph, the term 'second-chance home' means an entity that provides individuals described in subparagraph (B) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

"(3) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—

"(A) IN GENERAL.—For each of fiscal years 1998 through 2002, each State that provides assistance under the State program to individuals described in paragraph (1)(B) shall be entitled to receive a grant in an amount determined under subparagraph (B) for the purpose of providing or locating adult-supervised supportive living arrangements for individuals described in paragraph (1)(B) in accordance with this subsection.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount that bears the same ratio to the amount specified under clause (ii) as the amount of the State family assistance grant for the State for such fiscal year (described in section 403(a)(2)) bears to the amount appropriated for such fiscal year in accordance with section 403(a)(4)(A).

"(ii) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(I) for fiscal year 1998, $20,000,000;

"(II) for fiscal year 1999, $40,000,000; and

"(III) for each of fiscal years 2000, 2001, and 2002, $80,000,000.

"(C) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—There are authorized to be appropriated and there are appropriated for fiscal years 1998, 1999, and 2000 such sums as may be necessary for the purpose of paying grants to States in accordance with the provisions of this paragraph.

"(e) REQUIREMENT THAT TEENAGE PARENTS ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—If a State provides assistance under the State program funded under this part to an individual described in subsection (d)(1)(B) who has not successfully completed a high-school education (or its equivalent) and whose minor child is at least 12 weeks of age, the State shall not provide such individual with assistance under the program (or, at the option of the State, shall provide a reduced level of such assistance) if the individual does not participate in—

"(1) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(2) an alternative educational or training program that has been approved by the State."

On page 51, strike "(e)" and insert "(f)".

AMENDMENT NO. 2531

On page 31, line 23, strike "and".

On page 32, line 10, strike "divided by" and insert "and".

On page 32, between lines 10 and 11, insert the following:

"(V) the number of all families that became ineligible to receive assistance under the State program during the previous 6-month period as a result of section 405(b) that include an adult who is engaged in work (in accordance with subsection (c)) for the month; divided by".

On page 32, strike lines 11 through 15, and insert the following:

"(ii) the sum of—

"(I) the total number of all families receiving assistance under the State program funded under this part during the month that include an adult; and

"(II) the number of all families that became ineligible to receive assistance under the State program during the previous 6-month period as a result of section 405(b) that do not include an adult who is engaged in work (in accordance with subsection (c)) for the month.

AMENDMENT NO. 2532

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2533 TO AMENDMENT NO. 2280

(Purpose: To improve the provisions relating to incentive grants)

Mr. MOYNIHAN. Mr. President, I offer an amendment for Mr. LEVIN to the underlying amendment 2280.

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

The pending amendments are set aside.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. LEVIN, proposes an amendment numbered 2533 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

AMENDMENT NO. 2533

On page 417, line 15, strike "or" and insert "and".

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be set aside.

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

AMENDMENTS NOS. 2491 AND 2492, AS MODIFIED

Mr. MOYNIHAN. Mr. President, on behalf of Senator ROCKEFELLER, I send to the desk the following modifications to amendments Nos. 2491 and 2492.

The PRESIDING OFFICER. Without objection, the amendments will be so modified.

The amendments (No. 2491 and No. 2492), as modified, are as follows:

AMENDMENT NO. 2491

On page 40, between lines 16 and 17, insert the following:

"(4) AREAS OF HIGH UNEMPLOYMENT.—

"(A) IN GENERAL.—At the State's option, the State may, on a uniform basis, exempt a family from the application of paragraph (1) if—

"(i) such family resides in an area of high unemployment designated by the State under subparagraph (B); and

"(ii) the State makes available, and requires an individual in the family to participate in, work activities described in subparagraphs (B), (D), or (F) of section 404(c)(3).

"(B) AREAS OF HIGH UNEMPLOYMENT.—The State may designate a sub-State area as an area of high unemployment if such area—

"(i) is a major political subdivision (or is comprised of 2 or more geographically contiguous political subdivisions);

"(ii) has an average annual unemployment rate (as determined by the Bureau of Labor Statistics) of at least 10 percent; and

"(iii) has at least 25,000 residents. The State may waive the requirement of clause (iii) in the case of a sub-State area that is an Indian reservation.

AMENDMENT NO. 2492

On page 35, between lines 2 and 3, insert the following:

"(6) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may opt to not require an individual described in subclause (I) or (II) of section 405(a)(3)(B)(ii) to engage in work activities and may exclude such an individual from the determination of the minimum participation rate specified for such fiscal year in subsection (a).

On page 40, strike lines 10 through 16, and insert the following:

"(B) LIMITATION.—

"(i) 15 Percent.—In addition to any families provided with exemptions by the State under clause (ii), the number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(ii) CERTAIN FAMILIES.—At the State's option, the State may provide an exemption under subparagraph (A) to a family—

"(I) of an individual who is ill, incapacitated, or of advanced age; and

"(II) of an individual who is providing full-time care for a disabled dependent of the individual.

AMENDMENT NO. 2475 TO AMENDMENT NO. 2280

(Purpose: To clarify that each State must carry out activities through at least one Job Corps center)

Mr. MOYNIHAN. Mr. President, on behalf of Senator PELL, I call up amendment No. 2475.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. PELL, proposes an amendment numbered 2475 to amendment No. 2280.

Mr. MOYNIHAN. I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 439, strike lines 10 through 15.

On page 439, line 16, strike "(C)" and insert "(B)".

On page 440, between lines 14 and 15, insert the following new subsection:

(d) COVERAGE OF STATES.—Notwithstanding any other provision of this subtitle, prior to July 1, 1998, the Secretary shall ensure that all States have at least 1 Job Corps center in the State.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be laid aside.

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

AMENDMENTS NOS. 2534 AND 2535 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, on behalf of Senator DODD and Senator PELL, I send forth an amendment, and an amendment by Senator DORGAN to the underlying Dole amendment. I will just send those up at this time.

The PRESIDING OFFICER. Without objection, the clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], proposes amendments numbered 2534 and 2535 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2534

(Purpose: To award national rapid response grants to address major economic dislocations, and for other purposes)

On page 397, strike lines 5 and 6 and insert the following:

"(1) 90 percent shall be reserved for making allotments under section 712;".

On page 397, line 15, strike "and" at the end thereof.

On page 397, line 17, strike the period and insert "; and".

On page 397, between lines 17 and 18, insert the following:

"(7) 2 percent shall be reserved for carrying out sections 775 and 776.".

On page 461, between lines 18 and 19, insert the following new sections, and redesignate the remaining sections and cross references thereto, accordingly:

SEC. 775. NATIONAL RAPID RESPONSE GRANTS FOR DISLOCATED WORKERS.

(a) IN GENERAL.—From amounts reserved under section 734(b), the Secretary of Labor may award national rapid response grants to eligible entities to enable the entities to provide adjustment assistance to workers affected by major economic dislocations that result from plant closures, base closures, or mass layoffs.

(b) PROJECTS AND SERVICES.—

(1) IN GENERAL.—Amounts provided under grants awarded under this section shall be used to provide employment, training and related services through projects that relate to—

(A) industry-wide dislocations:

(B) multistate dislocations;

(C) dislocations resulting from reductions in defense expenditures;

(D) dislocations resulting from international trade actions;

(E) dislocations resulting from environmental laws and regulations, including the Clean Air Act (42 U.S.C. 7401 et seq.), and the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(F) dislocations affecting Indian Tribes and tribal organizations; and

(G) other dislocations that result from special circumstances or that State and local resources are insufficient to address.

(2) COMMUNITY PROJECTS.—The Secretary of Labor may award grants under this section for projects that provide comprehensive planning services to assist communities in addressing and reducing the impact of an economic dislocation.

(c) ADMINISTRATION.—

(1) APPLICATION.—To be eligible to receive a grant under this section, an eligible entity shall submit an application to the Secretary of Labor at such time, in such manner, and accompanied by such information as the Secretary of Labor determines to be appropriate.

(2) ELIGIBLE ENTITIES.—The Secretary of Labor may award a grant under this section to—

(A) a State;

(B) a local entity administering assistance provided under title I;

(C) an employer or employer association;

(D) a worker-management transition assistance committee or other employer-employee entities;

(E) a representative of employees;

(F) a community development corporation or community-based organization; or

(G) an industry consortium.

(d) USE OF FUNDS IN EMERGENCIES.—

(1) IN GENERAL.—Where the Secretary of Labor and the chief executive officer of a State determine that an emergency exists with respect to any particular distressed industry or any particularly distressed area within a State, the Secretary may use amounts made available under this section to provide emergency financial assistance to dislocated workers in the form of employment, training, and related services.

(2) ARRANGEMENTS.—The Secretary of Labor may enter into arrangements with eligible entities in a State described in paragraph (1) for the immediate provision of emergency financial assistance under paragraph (1) for the purposes of this section with any necessary supportive documentation to be submitted at a date agreed to by the chief executive officer and the Secretary.

SEC. 776. DISASTER RELIEF EMPLOYMENT ASSISTANCE.

(a) QUALIFICATION FOR FUNDS.—From amounts reserved under section 734(b), the Secretary of Labor may provide assistance to the chief executive officer of a State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(1) and (2)) (hereafter referred to in this section as the "disaster area").

(b) USE OF FUNDS.—

(1) PROJECTS RESTRICTED TO DISASTER AREAS.—Funds provided to a State under subsection (a)—

(A) shall be used solely to provide eligible individuals with employment in projects to provide clothing, shelter, and other humanitarian assistance for disaster victims and in projects regarding the demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(B) may be expended through public and private agencies and organizations administering such projects.

(2) ELIGIBILITY REQUIREMENTS.—An individual shall be eligible for employment in a project under this section if such individual is a dislocated worker or is temporarily or permanently laid off as a result of an emergency or disaster referred to in subsection (a).

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual may be employed using assistance provided under this section for a period of more than 6 months if such employment is related to recovery from a single emergency or disaster.

Mr. DODD. Mr. President, I am pleased to offer this amendment to the Workforce Development Act, which is contained in this larger welfare reform measure, for myself and Mr. PELL.

This amendment is very similar to one I offered in the Labor Committee when we considered the Workforce Development bill. While I certainly believe there is much that can be improved upon in the Workforce Development bill, this amendment is quite modest and accepts the basic premise of the bill of moving Federal job training programs to the States.

However, even in a block grant environment, I believe that we should preserve a small amount of money for the Federal Government to respond quickly to concentrated economic dislocations—the kind no one State can predict or pay for.

Highly concentrated economic dislocations can be caused by plant closings, base realignments, or natural disasters. These major economic dislocations often cross State lines and effect thousands of workers. Moreover, many mass dislocations, such as base closures, are in fact precipitated by Federal actions and therefore clearly merit a Federal response.

The House Workforce Development bill includes a provision on mass layoffs and natural disasters, and my amendment draws heavily from that language. I actually cut down on the scope of national activities found in the House bill.

NEED WILL NOT GO AWAY

Mr. President, we need to understand that the need for such assistance will not diminish in the coming years. Indeed, in some areas of the country it could increase.

Defense-related layoffs in the private sector alone are continuing, with up to an additional 25 to 30 percent reduction expected within the next 2 to 3 years.

Mr. President, this amendment is not about the ups and downs of the normal business cycle. This amendment is about the out-of-the-ordinary event involving hundreds or thousands of workers in a dramatic and sudden way.

It is vitally important that we be prepared for such hopefully rare occurrences. Natural disasters, like the recent flooding in the Midwest, cannot be predicted, and yet have grown more and more devastating over the years. When these catastrophes occur, we cannot just turn our backs on Americans in need. We need to have the resources available to provide emergency funds

in order to get these people back on their feet.

EXAMPLES

So that my colleagues know what I am talking about, here are a few examples of the kinds of activities that have been funded through such a program in the past:

Recently, the State of Connecticut was awarded a $4.3 million grant to provide work force development services for more than 1,400 workers laid off by Allied Signal as a result of Defense downsizing.

The State of Washington received $14.6 million to assist workers laid off by Boeing.

More than $4 million in retraining dollars have been made available for 9,500 GTE employees expected to be dislocated from their jobs in 22 States, including Missouri, Washington, and Illinois.

More than $100 million have been spent over the last 4 years in response to natural disasters. For example, for the 1993 Mid-west floods, funding was provided to Missouri, Illinois, Iowa, Minnesota, and Kansas.

MODEST AMENDMENT

My amendment would create a modest, 2 percent set-aside for these activities: rapid response grants for mass dislocations and employment services for those affected by natural disasters. This 2 percent set-aside of the Workforce Development Program's $6.1 billion total authorization would come to roughly $120 million. That would represent a sizeable cut to what is currently spent on these activities. And even after my set-aside, over 90 percent of this bill's funds would still go directly to the States.

AMENDMENT NO. 2535

(Purpose: To express the sense of the Senate on legislative accountability for the unfunded mandates imposed by welfare reform legislation)

At the appropriate place, add the following new section:

SEC. . SENSE OF THE SENATE ON LEGISLATIVE ACCOUNTABILITY FOR UNFUNDED MANDATES IN WELFARE REFORM LEGISLATION.

(a) FINDINGS.—The Senate finds that the purposes of the Unfunded Mandates Reform Act of 1995 are:

(1) "to strengthen the partnership between the Federal Government and State, local and tribal governments";

(2) "to end the imposition, in the absence of full consideration by Congress, of Federal mandates on State, local and tribal governments without adequate Federal funding, in a manner that may displace other essential State, local and tribal governmental priorities";

(3) "to assist Congress in its consideration of proposed legislation establishing or revising Federal programs containing Federal mandates affecting State, local and tribal governments, and the private sector by—

(A) providing for the development of information about the nature and size of mandates in proposed legislation; and

(B) establishing a mechanism to bring such information to the attention of the Senate and the House of Representatives before the Senate and the House of Representatives vote on proposed legislation";

(4) "to promote informed and deliberate decisions by Congress on the appropriateness of Federal mandates in any particular instance"; and

(5) "to require that Congress consider whether to provide funding to assist State, local and tribal governments in complying with Federal mandates".

(b) SENSE OF THE SENATE.—It is the sense of the Senate that prior to the Senate acting on the conference report on either H.R. 4 or any other legislation including welfare reform provisions, the Congressional Budget Office shall prepare an analysis of the conference report to include:

(1) estimates, over each of the next seven fiscal years, by state and in total, of—

(A) the costs to states of meeting all work requirements in the conference report, including those for single-parent families, two-parent families, and those who have received cash assistance for 2 years;

(B) the resources available to the states to meet these work requirements, defined as federal appropriations authorized in the conference report for this purpose in addition to what states are projected to spend under current welfare law;

(C) the amount of any additional revenue needed by the states to meet the work requirements in the conference report, beyond resources available as defined under subparagraph (b)(1)(B);

(2) an estimate, based on the analysis in paragraph (b)(1), of how many states would opt to pay any penalty provided for by the conference report rather than raise the additional revenue needed to meet the work requirements in the conference report; and

(3) estimates, over each of the next 7 fiscal years, of the costs to States of any other requirements imposed on them by such legislation.

AMENDMENTS NOS. 2536 AND 2537 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, a final sequence. On behalf of Mr. LIEBERMAN, I send to the desk an amendment concerning the reduction of illegitimacy and control of welfare spending and an amendment to create a national clearing house on teenage pregnancy.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. LIEBERMAN, proposes amendments numbered 2536 and 2537 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2536

(Purpose: To establish bonus payments for States that achieve reductions in out-of-wedlock pregnancies, establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, require States to establish a set-aside for teenage pregnancy prevention activities, and for other purposes)

On page 17, line 8, insert "and for each of fiscal years 1998, 1999, and 2000, the amount of the State's share of the out-of-wedlock pregnancy reduction bonus determined under subsection (f) for the fiscal year" after "year".

On page 17, line 22, insert "and the applicable percent specified under subsection (f)(3)(B)(ii) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) OUT-OF-WEDLOCK PREGNANCY REDUCTION BONUS.—

"(1) IN GENERAL.—Any State that meets the applicable percentage reduction with respect to the out-of-wedlock pregnancies in the State for a fiscal year shall be entitled to receive a share of the out-of-wedlock pregnancy reduction bonus for the fiscal year in accordance with the formula developed under paragraph (3).

"(2) APPLICABLE PERCENTAGE REDUCTION; PERCENTAGE OF OUT-OF-WEDLOCK PREGNANCIES.—

"(A) APPLICABLE PERCENTAGE REDUCTION.—The term 'applicable percentage reduction' means with respect to any fiscal year, a reduction of 2 or more whole percentage points of the percentage of out-of-wedlock pregnancies in the State for the preceding fiscal year over the percentage of out-of-wedlock pregnancies in the State for fiscal year 1995.

"(B) PERCENTAGE OF OUT-OF-WEDLOCK PREGNANCIES.—For purposes of this subsection, the term 'percentage of out-of-wedlock pregnancies' means—

"(i) the total number of abortions, live births, and spontaneous abortions among single teenagers in a State in a fiscal year, divided by—

"(ii) the total number of single teenagers in the State in the fiscal year.

"(3) ALLOCATION FORMULA; BONUS FUND.—

"(A) ALLOCATION FORMULA.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the out-of-wedlock pregnancy reduction bonus fund to States that achieve the applicable percentage reduction described in paragraph (2)(A)

"(B) OUT-OF-WEDLOCK PREGNANCY REDUCTION BONUS FUND.—

"(i) IN GENERAL.—The amount in the out-of-wedlock pregnancy reduction bonus fund for a fiscal year shall be an amount equal to—

"(I) the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

"For fiscal year:	*The applicable percentage is:*
1998	3
1999	4
2000 and each fiscal year thereafter	5

On page 29, line 16, strike "(f)" and insert "(g)".

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearninghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) APPOINTMENT OF FEDERAL COORDINATOR AND SPOKESPERSON.—The Secretary of Health and Human Services, after consultation with the President, shall appoint an employee of the Department of Health and Human Services to coordinate all the activities of the Federal Government relating to the reduction of teenage pregnancies and to serve as the spokesperson for the Federal Government on issues related to teenage pregnancies.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than Jan 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdiction should aggressively enforce statutory rape laws.

AMENDMENT NO. 2537

(Purpose: To establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, require States to establish a set-aside for teenage pregnancy prevention activities, and for other purposes)

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) APPOINTMENT OF FEDERAL COORDINATOR AND SPOKESPERSON.—The Secretary of Health and Human Services, after consultation with the President, shall appoint an employee of the Department of Health and Human Services to coordinate all the activities of the Federal Government relating to the reduction of teenage pregnancies and to serve as the spokesperson for the Federal Government on issues related to teenage pregnancies.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(c) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendments be laid aside.

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

AMENDMENT NO. 2538 TO AMENDMENT NO. 2280

(Purpose: To strike the provisions repealing trade adjustment assistance, and for other purposes)

Mr. MOYNIHAN. Mr. President, finally, in this seemingly endless sequence, I send an amendment of my own to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 2538 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

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In section 781(b), strike paragraph (1) (relating to the Trade Act of 1974).

In section 781(b)(2), strike "(2)" and insert "(1)".

In section 781(b)(3), strike "(3)" and insert "(2)".

In section 781(b)(4), strike "(4)" and insert "(3)".

In section 781(b)(5), strike "(5)" and insert "(4)".

In section 781(b)(6), strike "(6)" and insert "(5)".

In section 781(b)(7), strike "(7)" and insert "(6)".

In section 781(b)(8), strike "(8)" and insert "(7)".

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be set aside.

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

AMENDMENT NO. 2539 TO AMENDMENT NO. 2280

(Purpose: To provide a tax credit for charitable contributions to organizations providing poverty assistance, and for other purposes)

Mr. HATCH. Mr. President, I send an amendment to the desk for and on behalf of Senators COATS and ASHCROFT.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. COATS, for himself and Mr. ASHCROFT, proposes an amendment numbered 2539 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the amendment, add the following new title:

TITLE XIII—MISCELLANEOUS PROVISIONS

SEC. 1301. CREDIT FOR CHARITABLE CONTRIBUTIONS TO CERTAIN PRIVATE CHARITIES PROVIDING ASSISTANCE TO THE POOR.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

"SEC. 23. CREDIT FOR CERTAIN CHARITABLE CONTRIBUTIONS.

"(a) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions which are paid by the taxpayer during the taxable year.

"(b) LIMITATION.—The credit allowed by subsection (a) for the taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013).

"(c) ELIGIBLE INDIVIDUAL; QUALIFIED CHARITABLE CONTRIBUTION.—for purposes of this section—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means, with respect to any charitable contribution, an individual who is certified by the qualified charity to whom the contribution was made by the individual as having performed at least 50 hours of volunteer service for the charity during the calendar year in which the taxable year begins.

"(2) QUALIFIED CHARITABLE CONTRIBUTION.—The term 'qualified charitable contribution' means any charitable contribution (as defined in section 170(c)) made in cash to a qualified charity but only if the amount of each such contribution, and the recipient thereof, are identified on the return for the taxable year during which such contribution is made.

"(d) QUALIFIED CHARITY.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified charity' means, with respect to the taxpayer, any organization—

"(A) which is described in section 501(c)(3) and exempt from tax under section 501(a), and

"(B) which, upon request by the organization, is certified by the Secretary as meeting the requirements of paragraphs (2) and (3).

"(2) CHARITY MUST PRIMARILY ASSIST THE POOR.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the predominant activity of such organization will be the provision of services to individuals and families which are designed to prevent or alleviate poverty among individuals and families whose incomes fall below 150 percent of the official poverty line (as defined by the Office of Management and Budget).

"(3) MINIMUM EXPENSE REQUIREMENT.—

"(A) IN GENERAL.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the annual poverty program expenses of such organization will not be less than 70 percent of the annual aggregate expenses of such organization.

"(B) POVERTY PROGRAM EXPENSE.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'poverty program expense' means any expense in providing program services referred to in paragraph (2).

"(ii) EXCEPTIONS.—Such term shall not include—

"(I) any management or general expense,

"(II) any expense for the purpose of influencing legislation (as defined in section 4911(d)),

"(III) any expense primarily for the purpose of fundraising, and

"(IV) any expense for a legal service provided on behalf of any individual referred to in paragraph (2).

"(4) ELECTION TO TREAT POVERTY PROGRAMS AS SEPARATE ORGANIZATION.—

"(A) IN GENERAL.—An organization may elect to treat one or more programs operated by it as a separate organization for purposes of this section.

"(B) EFFECT OF ELECTION.—If an organization elects the application of this paragraph, the organization, in accordance with regulations, shall—

"(i) maintain separate accounting for revenues and expenses of programs with respect to which the election was made,

"(ii) ensure that contributions to which this section applies be used only for such programs, and

"(iii) provide for the proportional allocation of management, general, and fund-raising expenses to such programs to the extent not allocable to a specific program.

"(C) REPORTING REQUIREMENTS.—

"(i) ORGANIZATION NOT OTHERWISE REQUIRED TO FILE.—An organization not otherwise required to file any return under section 6033 shall be required to file such a return with respect to any poverty program treated as a separate organization under this paragraph.

"(ii) ORGANIZATIONS REQUIRED TO FILE.—An organization otherwise required to file a return under section 6033—

"(I) shall file a separate return with respect to any poverty program treated as a separate organization under this section, and

"(II) shall include on its own return the percentages equivalent to those required of qualified charities under the last sentence of section 6033(b) and determined with respect to such organization (without regard to the expenses of any poverty program under subclause (I)).

"(e) COORDINATION WITH DEDUCTION FOR CHARITABLE CONTRIBUTIONS.—

"(1) CREDIT IN LIEU OF DEDUCTION.—The credit provided by subsection (a) for any qualified charitable contribution shall be in lieu of any deduction otherwise allowable under this chapter for such contribution.

"(2) ELECTION TO HAVE SECTION NOT APPLY.—A taxpayer may elect for any taxable year to have this section not apply."

(b) RETURNS.—

(1) QUALIFIED CHARITIES REQUIRED TO PROVIDE COPIES OF ANNUAL RETURN.—Subsection (e) of section 6104 of such Code (relating to public inspection of certain annual returns and applications for exemption) is amended by adding at the end the following new paragraph:

"(3) QUALIFIED CHARITIES REQUIRED TO PROVIDE COPIES OF ANNUAL RETURN.—

"(A) IN GENERAL.—Every qualified charity (as defined in section 23(d)) shall, upon request of an individual made at an office where such organization's annual return filed under section 6033 is required under paragraph (1) to be available for inspection, provide a copy of such return to such individual without charge other than a reasonable fee for any reproduction and mailing costs. If the request is made in person, such copies shall be provided immediately and, if made other than in person, shall be provided within 30 days.

"(B) PERIOD OF AVAILABILITY.—Subparagraph (A) shall apply only during the 3-year period beginning on the filing date (as defined in paragraph (1)(D) of the return requested)."

(2) ADDITIONAL INFORMATION.—Section 6033(b) of such Code is amended by adding at the end the following new flush sentence:

"Each qualified charity (as defined in section 23(d)) to which this subsection otherwise applies shall also furnish each of the percentage determined by dividing each of the following categories of the organization's expenses for the year by its total expenses for the year: program services; management and general; fundraising; and payments to affiliates."

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 22 the following new item:

"Sec. 23. Credit for certain charitable contributions."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the 90th day after the date of the enactment of this Act in taxable years ending after such date.

Mr. COATS. Mr. President, I rise to offer on behalf of myself and Senator ASHCROFT, the charity tax credit amendment. This amendment is designed to expand the ability of private and faith based charities to serve the poor by making it easier for taxpayers to make donations to these organizations. It is an important, urgently needed reform, but it also symbolizes a broader point.

The Congress is currently focused on the essential task of clearing away the ruins of the Great Society. Centralized, bureaucratic anti-poverty programs have failed—and that failure has had a human cost. It is measured in broken homes and violent streets. Our current system has undermined families and fostered dependence.

This is undeniable. But while our Great Society illusions have ended, the suffering of many of our people has not. Indifference to that fact is not an option. We cannot retreat into the cocoon of our affluence. We cannot accept the survival of the fittest. No society can live without hope—hope that its suffering and anguish are not endless.

I think we have seen the shape of that hope it is not found in the ivory towers of academia. It is not found in the marble temples of official Washington. I found it five blocks from here, in a place so distant from Congress it is almost another world.

The Reverend John Woods came to a desolate Washington neighborhood in 1990 to take over the Gospel Mission, a shelter and drug treatment center for homeless men. The day he arrived, he found crack cocaine being processed in the back yard. A few days later, the local gang fired shots into his office to scare him away. Instead of leaving, he hung a sign on the door extending this invitation: "If you haven't got a friend in the world you can find one here. Come in."

The Gospel Mission is a place that offers unconditional love, but accepts no excuses. Men in rehabilitation are given random drug tests. If they violate the rules, they are told to leave the program. But the success of the mission comes down to something simple: It does more than provide a meal and treat an addiction, it offers spiritual challenge and renewal.

Listen to one addict who came to Reverend Woods after failing in several governmental rehabilitation programs:

> Those programs generally take addictions from you, but don't place anything within you. I needed a spiritual lifting. People like Reverend Woods are like God walking into your life. Not only am I drug-free, but more than that, I can be a person again.

Reverend Woods's success is particularly clear compared to government approaches. The Gospel Mission has a 12-month rehabilitation rate of 66 percent, while a once heralded government program just 3 blocks away rehabilitates less than 10 percent of those it serves—while spending 20 times as much as Reverend Woods.

This is just one example. It is important, not because it is rare, but because it is common. It takes place in every community, in places distant from the center of government. But it is the only compassion that consistently works—a war on poverty that marches from victory to victory. It makes every new deal, new frontier and new covenant look small in comparison.

Several months ago, I asked a question: How can we get resources into the hands of these private and religious institutions where individuals are actually being helped? And, How can we do this without either undermining their work with restrictions, or offending the first amendment? I introduced S. 1120, the Comprehensive Charity Reform Act, a major portion of which we have incorporated in today's amendment. Our amendment has two central features.

First, it provides a $500 charity tax credit ($1,000 for married taxpayers filing jointly) which will provide more generous tax benefits to taxpayers who decide to donate a portion of their tax liability to charities that focus on fighting or preventing poverty.

Second, it requires that individuals volunteer their time, as well as donate their money, to qualify for the credit.

The purpose of this legislation is twofold: First, we want to take a small portion of welfare spending in America and give it through the Tax Code to private and religious institutions that effectively provide individuals with hope, dignity, help and independence. Without eliminating a public safety net, we want to focus some attention and resources where it can make all the difference.

Second, we want to promote an ethic of giving in America. When individuals make these contributions to effective charities, it is a form of involvement beyond writing a check to the Federal Government. It encourages a new definition of citizenship, one in which men and women examine and support the programs in their own communities that serve the poor. This amendment adopts Senator ASHCROFT's proposal that requires individuals to volunteer their time, as well as donate their money, to local poverty relief programs.

I hope that my colleagues take a careful look at this new approach to compassion. It is important for us not only to spread authority and resources within the levels of Government, but to spread them beyond Government altogether—to institutions that can not only feed the body but touch the soul. It is an issue I look forward to debating more fully next week.

Mr. HATCH. Mr. President, I ask unanimous consent that the amendment be set aside.

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

AMENDMENTS NOS. 2540 THROUGH 2544, EN BLOC, TO AMENDMENT NO. 2280

Mr. HATCH. Mr. President, I send five amendments to the desk for and on behalf of the honorable JOHN MCCAIN of Arizona, and I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. MCCAIN, proposes amendments numbered 2540 through 2544, en bloc, to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2540

(Purpose: To remove barriers to interracial and interethnic adoptions, and for other purposes)

At the appropriate place, insert the following:

SEC. . REMOVAL OF BARRIERS TO INTERRACIAL AND INTERETHNIC ADOPTIONS.

(a) FINDINGS.—Congress finds that—

(1) nearly 500,000 children are in foster care in the United States;

(2) tens of thousands of children in foster care are waiting for adoption;

(3) 2 years and 8 months is the median length of time that children wait to be adopted, and minority children often wait twice as long as other children to be adopted; and

(4) child welfare agencies should work to eliminate racial, ethnic, and national origin discrimination and bias in adoption and foster care recruitment, selection, and placement procedures.

(b) PURPOSE.—The purpose of this section is to promote the best interests of children by—

(1) decreasing the length of time that children wait to be adopted; and

(2) preventing discrimination in the placement of children on the basis of race, color, or national origin.

(c) REMOVAL OF BARRIERS TO INTERRACIAL AND INTERETHNIC ADOPTIONS.—

(1) PROHIBITION.—A State or other entity that receives funds from the Federal Government and is involved in adoption or foster care placements may not—

(A) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or

(B) delay or deny the placement of a child for adoption or into foster care, or otherwise discriminate in making a placement decision, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

(2) PENALTIES.—

(A) STATE VIOLATORS.—A State that violates paragraph (1) shall remit to the Secretary of Health and Human Services all funds that were paid to the State under part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.) (relating to foster care and adoption assistance) during the period of the violation.

(B) PRIVATE VIOLATORS.—Any other entity that violates paragraph (1) shall remit to the Secretary of Health and Human Services all funds that were paid to the entity during the period under part E of title IV of the Social Security Act.

(3) PRIVATE CAUSE OF ACTION.—

(A) IN GENERAL.—Any individual or class of individuals aggrieved by a violation of paragraph (1) by a State or other entity may bring an action seeking relief in any United States district court or State court of appropriate jurisdiction.

(B) STATUTE OF LIMITATIONS.—An action under this subsection may not be brought

more than 2 years after the date the alleged violation occurred.

(4) ATTORNEY'S FEES.—In any action or proceeding under this Act, the court, in the discretion of the court, may allow the prevailing party, other than the United States, a reasonable attorney's fee, including litigation expenses and costs, and the States and the United States shall be liable for the fee to the same extent as a private individual.

(5) STATE IMMUNITY.—A State not be immune under the 11th amendment to the Constitution from an action in Federal or State court of appropriate jurisdiction for a violation of this section.

(6) NO EFFECT ON INDIAN CHILD WELFARE ACT OF 1978.—Nothing in this Act shall be construed to affect the application of the Indian Child Welfare Act of 1978 (25 U.S.C. 1901 et seq.).

(d) REPEAL.—Subpart 1 of part E of title V of the Improving America's Schools Act of 1994 (42 U.S.C. 5115a) is amended—

(1) by repealing sections 551 through 553; and

(2) by redesignating section 554 and section 551.

(e) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect 90 days after the date of enactment of this Act.

AMENDMENT NO. 2541

(Purpose: To provide that States are not required to comply with excessive data collection and reporting requirements unless the Federal Government provides sufficient funding to allow States to meet such excessive requirements)

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. FEDERAL FUNDING FOR EXCESSIVE DATA REPORTING REQUIREMENTS.

Notwithstanding any other provision of law, a State shall not be required to comply with any data collection or data reporting requirement added by this Act that the General Accounting Office determines is in excess of normal Federal management needs (including systems development costs) unless the Federal Government provides the State with funding sufficient to allow States to comply with such requirements.

AMENDMENT NO. 2542

(Purpose: To remove the maximum length of participation in the work supplementation or support program)

On page 215, line 24, add closing quotation marks and a period at the end.

On page 216, strike lines 1 through 5.

AMENDMENT NO. 2543

(Purpose: To make job readiness workshops as work activity)

On page 36, line 10, strike "and".

On page 36, line 13, strike the end period.

On page 36, between lines 13 and 14, insert the following:

"(G) job readiness workshops in which an individual attends pre-employment classes to obtain business or industry specific training required to meet employer-specific needs (not to exceed 4 weeks with respect to any individual)."

AMENDMENT NO. 2544

(Purpose: To permit States to enter into a corrective action plan prior to the deduction of penalties from the block grant)

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. CORRECTIVE ACTION PLAN.

(a) IN GENERAL.—

(1) NOTIFICATION OF VIOLATION.—Notwithstanding any other provision of law, the Federal Government shall, prior to assessing a penalty against a State under any program established or modified under this Act, notify the State of the violation of law for which such penalty would be assessed and allow the State the opportunity to enter into a corrective action plan in accordance with this section.

(2) 60-DAY PERIOD TO PROPOSE A CORRECTIVE ACTION PLAN.—Any State notified under paragraph (1) shall have 60 days in which to submit to the Federal Government a corrective action plan to correct any violations described in such paragraph.

(3) ACCEPTANCE OF PLAN.—The Federal Government shall have 60 days to accept or reject the State's corrective action plan and may consult with the State during this period to modify the plan. If the Federal Government does not accept or reject the corrective action plan during the period, the corrective action plan shall be deemed to be accepted.

(b) 90-DAY GRACE PERIOD.—If a corrective action plan is accepted by the Federal Government, no penalty shall be imposed with respect to a violation described in subsection (a) if the State corrects the violation pursuant to the plan within 90 days after the date on which the plan is accepted (or within such other period specified in the plan).

Mr. HATCH. Mr. President, I yield the floor.

AMENDMENT NO. 2545 TO AMENDMENT NO. 2280

(Purpose: To require each family receiving assistance under the State program funded under part A of title IV of the Social Security Act to enter into a personal responsibility contract or a limited benefit plan)

Mr. HARKIN. Mr. President, I have an amendment which I send to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2545 to amendment No. 2280.

Mr. HARKIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 39, strike lines 4 through 10, and insert the following:

"(a) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY CONTRACT WITH EACH FAMILY RECEIVING ASSISTANCE.—

"(1) IN GENERAL.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to enter into—

"(A) a personal responsibility contract (as developed by the State) with the State; or

"(B) a limited benefit plan.

"(2) PERSONAL RESPONSIBILITY CONTRACT.—For purposes of this subsection, the term 'personal responsibility contract' means a binding contract between the State and each family receiving assistance under the State program funded under this part that—

"(A) outlines the steps each family and the State will take to get the family off of welfare and to become self-sufficient;

"(B) specifies a negotiated time-limited period of eligibility for receipt of assistance that is consistent with unique family circumstances and is based on a reasonable plan to facilitate the transition of the family to self-sufficiency;

"(C) provides that the family will automatically enter into a limited benefit plan if the family is out of compliance with the personal responsibility contract; and

"(D) provides that the contract shall be invalid if the State agency fails to comply with the contract.

"(3) LIMITED BENEFIT PLAN.—For purposes of this subsection, the term 'limited benefit plan' means a plan which provides for a reduced level of assistance and later termination of assistance to a family that has entered into the plan in accordance with a schedule to be determined by the State.

"(4) ASSESSMENT.—The State agency shall provide, through a case manager, an initial and thorough assessment of the skills, prior work experience, and employability of each parent for use in developing and negotiating a personal responsibility contract.

"(5) DISPUTE RESOLUTION.—The State agency described in section 402(a)(6) shall establish a dispute resolution procedure for disputes related to participation in the personal responsibility contract that provides the opportunity for a hearing."

Mr. HARKIN. Mr. President, when an individual is hired for a job, they are handed a job description. A job description outlines their responsibilities. On day one, they know what is expected of them in order to earn a paycheck.

However, when an individual goes into the welfare office to sign up for benefits, they fill out an application and then the Government sends them a check. There is no job description. Nothing is expected on day one. The individual simply goes home and collects a paycheck.

I believe that is wrong, and I believe it saps an individual's self-esteem and makes the family dependent.

Mr. President, we must fundamentally change the way we think about welfare, not just to reform welfare, but we have to change the way we think about it. We should be guided by common sense and build a system based on a foundation of responsibility. If you want a check, you must work for it. You must follow a job description. We must stop looking at welfare as a Government giveaway program. Instead, it should be a contract demanding mutual responsibility between the Government and the individual receiving benefits. The contract should outline the steps a recipient will take to become self-sufficient and also a date certain by which they will be off welfare.

Responsibility should start on day one with benefits conditioned on compliance with the terms of the contract. Essentially, the contract should outline the responsibilities for an individual in the same manner that a job description describes a worker's duties. It would build greater accountability in the welfare system and it would send the clear message that welfare, as usual, is history. Mr. President, a binding contract of this nature not only makes common sense, it works.

As I have noted previously, the State of Iowa has a relatively new welfare reform program. The centerpiece of the

Iowa Family Investment Program is just such a contract which charts an individual's course off welfare and a date when welfare benefits will end. Failure to follow the contract means the elimination of welfare benefits.

Over the past 18 months, I have held numerous meetings with welfare recipients, case managers and others to discuss welfare. I often hear that the Iowa contract really does make a difference. Dennette Kellogg of Dubuque can receive benefits for several years before the new program began. She served honorably in the U.S. Marines and then married and started a family. But she was an unfortunate victim of domestic abuse and left California for her hometown with one child and pregnant with a second child. She ended up on welfare and wanted out but felt she had few options and felt she was trapped.

She recently told me:

"The family investment contract gave me a sense of self-worth, something the old system lacks . . . and now I had a reason to look forward to the future instead of feeling being trapped."

She has escaped. She is now working as a housing specialist and is no longer on welfare. But for her, she had a contract which outlined what she was expected to do. The contract also outlined what the State of Iowa was going to do. So both sides knew what was expected.

In addition to making it clear what is expected of individuals on welfare, a contract of mutual responsibility also makes it possible not only for families to simply move off welfare but to stay off permanently.

Self-sufficiency is the only way to end the cycle of dependency and poverty that is claiming more and more victims each year. A well-designed and enforced contract is a way to make families self-sufficient, not Government dependent. It is the way to stop treating the symptoms of the disease and to go after the cause.

The proposal that we have before us, the amendment offered by Senator DOLE, at least recognizes the important principle of a contract. However, it does not define the personal responsibility contract in any way. It could be anything or it could be nothing.

My amendment, which I just sent to the desk, would add clarity to make sure that it works as envisioned and does not become just another failed promise for welfare recipients and the taxpayers.

Without further definition, I am concerned that the provision in the Dole-Packwood bill will not provide us with the desired result in terms of a contract.

My amendment is simple. It just says that a State would provide an assessment to determine the strengths and the barriers to employment. That information then would be used to draw up a binding contract that outlines the steps a family would take to move off welfare and a date certain when welfare benefits would end.

Failure to follow the terms of the contract would result in serious consequences—the elimination of cash welfare benefits. The experience we have had in Iowa has shown us that individuality is critical. Families have different needs, and a cookie cutter that stamps out one plan for everyone will fail. You cannot force families into a preshaped mold. But instead, we need to form the mold around the family. The last thing we need is a one size fits all contract. My amendment would clarify that individual family characteristics must be paramount in negotiating the terms of the contract.

Accountability, responsibility, and common sense must guide us as we reform the welfare system. Strengthening the personal responsibility contract will send a clear message that the rules have changed and that responsibility is required from day one on welfare—just as a worker knows the rules on the first day of a new job.

We have a responsibility for the taxpayers' money. The taxpayers of Iowa want to make sure that their money is well spent, whether it is in Oklahoma, Nevada, California, or Pennsylvania. A contract such as I have outlined here will ensure greater accountability in the welfare system.

Mr. President, I have an editorial from the Omaha World Herald entitled "Welfare Contract a Worthwhile Idea." I ask unanimous consent that it be printed in the RECORD at the end of my statement.

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

(See exhibit 1.)

Mr. HARKIN. I thought I might take a few minutes to buttress my remarks for the need for a well-defined contract by once again bringing to my colleagues an illustration of what has happened in Iowa since we changed our welfare system.

I always point with pride to the fact that in Iowa, we now have the distinction of having a higher percentage of people on welfare who work than any State in the Nation.

Mr. President, before we started our welfare reform program, about 18 percent of the people on welfare worked. It is now up to about 35 percent, which is just about double. So what we have is more people on welfare who are also working. Again, that is one of the objectives of welfare reform.

What has happened to our caseload? We knew at the beginning that, in changing the rules, the initial thing that would happen is that we would have more people on welfare. Everyone knew that. Sure enough, after we enacted the bill, we went from 36,000 to almost 40,000 in the space of just about a year. But look at what has happened since then. Our caseload has come down, and we now have fewer people by about 2,000 caseload 2 years after we started our program. The first year it went up, and then it came down dramatically. So in 2 years we have done two things. We have more people on welfare working—we doubled it—and we have cut the total caseload of people on welfare in Iowa.

With all the talk about what all of the States are doing, I point out that Iowa, to this date, as far as I know, is the only State that has actually cut people off of welfare. We did it with the contract. People have a contract. They sign it and they have to live up to it. If they do not, they are cut off. The chart shows that we have less of a caseload than we did when we started.

How much are we spending on welfare in Iowa? Has the cost gone up or down? Here is total what we spend in Iowa. The yellow, blue, and green lines are 1992, 1993 and 1994. The amount we totally spent on welfare basically stayed about the same in the State of Iowa. We enacted a welfare reform program in October 1993, and almost 2 years later you can see what happened. Our total spending on welfare has dropped, and dropped dramatically, since we have had our welfare reform program.

So, again, people say, No. 1, we want more people to work. Well, in Iowa we have doubled it. Second, we want fewer people on welfare. Well, we have fewer people on welfare, as I have shown. Third, we want to spend less money. Well, here it is, we are spending less money on welfare.

The average grant—now, we had the total, and this is the total amount of money the State of Iowa is spending on welfare. It has come down dramatically. What happened to the average person on welfare? It was about $373 average per family, and we are now down to $336. That is about a 10, 11, 12 percent drop in what we are spending per caseload in the State of Iowa. So, by any yardstick of measuring, the Iowa experiment has worked and has worked well.

Some people might say that in Iowa you do not have high unemployment and all that kind of stuff. Mr. President, when we enacted welfare reform, the Department of Health and Human Services insisted—and I admit I fought this for some time—that we have a control group, a certain group of individuals in Iowa who would not come under the new reform program. They would stay under the old system. So, 2 years later, we were able to compare the control group to the new group. What we have found is that under the old group, they are still down to about 18 percent of those who are working, not 36 percent. The average caseload cost is still high. And so we have that control group to show that it is not just because of the Iowa circumstance,

it is because of how we reformed the system.

That brings me back to my amendment. The central feature of the Iowa welfare reform program is a contract. When the person comes in to get welfare, an assessment is done. Who are you? What are you? What is your background? Do you have disabilities? How many children do you have? Tests are given; assessments are made by a case manager. Based upon that, an individual contract is drawn up. That person signs that contract. It is a binding contract. That contract spells out, from day one, what that individual must do to continue to receive benefits. It also spells out what the State will do in terms of child care and that type of thing. As I stated, if the welfare recipient does not live up to the terms of the contract, after 3 months benefits are ended. And that has happened in the State of Iowa. That is why I feel so strongly about having a contract as a part of whatever welfare reform program passes here.

As I stated, the Dole proposal does mention a contract, but it does not say what it is. All my amendment seeks to do is to further define and outline what the personal responsibility contract is, and to make sure that it is a contract that is molded around the family. Under the proposal that we have before us, the Dole-Packwood proposal, it just states a contract. Well, the State can set up one contract for everybody. Again, that just will not work.

We need a contract for each individual family that is on welfare. It needs to be molded around that family. So that is why I feel that the provision for a personal responsibility contract needs to be strengthened. It is in the bill and that is what my amendment seeks to do.

With that, Mr. President, I will inquire of the managers of the bill. I would like to ask for the yeas and nays on my amendment. I do not know if they are in the mode of accepting amendments or not. I have not checked.

I yield the floor.

EXHIBIT 1

[From the Omaha World Herald]

WELFARE CONTRACT A WORTHWHILE IDEA

The idea that welfare should involve a form of social contract continues to deserve attention.

Sen. Tom Harkin, D-Iowa, has introduced a bill in the Senate that reflects ideas from a welfare reform plan enacted by Governor Branstad and the Iowa Legislature. One idea is that welfare isn't an automatic entitlement. A recipient must sign a contract with state government. The contract spells out the services the government will provide, and it contains specific steps to be taken by the recipient to become self-reliant.

A similar provision has been included in the welfare reform program under consideration in Nebraska. Jerry Oligmueller of the State Department of Social Services said that recipients would sign a "self-sufficiency contract" charting a two-year course to self-sufficiency.

Emphasis on personal responsibility, he said, is part of the state's effort to recognize and encourage a change in attitudes about welfare.

The idea of changing society's thinking about welfare is all to the good. In the case of people who have no physical or mental ailments, welfare should not be an open-ended arrangement. It's not fair for the government to take money from tax-paying citizens to provide for the permanent support of an able-bodied person. State and federal officials who are trying to re-establish welfare as a temporary, rehabilitative program are doing the right thing.

Mr. MOYNIHAN. Mr. President, if the Senator from Iowa would be good enough, it would seem to me that we could put the amendment over until Monday. We will begin voting Monday at 5 o'clock. We can arrange for him to have a vote after 5 o'clock if that is possible. I see the majority leader on the floor.

Mr. HARKIN. If I might inquire, Mr. President, if the Senator would yield, would now be the appropriate time to ask for the yeas and nays?

Mr. MOYNIHAN. Yes.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. The Republican manager would have to agree to any sequence on the Senator's vote. If he could be patient, that will be done.

Mr. DOLE. I think under the agreement they did want to vote on the Dodd amendment first.

Mr. MOYNIHAN. I said the sequence depends on the Republican manager.

Mr. DOLE. I say to my colleagues, hopefully in the next minute or so we will be able to get a consent agreement that is now being cleared by the Democratic leader. If it is clear, there will be no further votes.

AMENDMENT NO. 2546 TO AMENDMENT NO. 2280

(Purpose: To maintain the welfare partnership between the States and the Federal Government)

Mr. CHAFEE. Mr. President, I send to the desk an amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The pending amendment is set aside.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE] proposes an amendment numbered 2546 to amendment No. 2280.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 75 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

Mr. CHAFEE. Mr. President, just a brief explanation.

Under the rules that we are operating, as I understand it, we are required to file any amendments that we have reserved spots for by 5 o'clock this evening. As such, this is that type of amendment.

I do not seek its immediate consideration now. I will call it up in some sequence next week, whenever is a proper time. Basically, this amendment is the maintenance-of-effort amendment that requires 75 percent maintenance of effort based on 1964 State expenditures, and the maintenance of effort shall continue for 5 years. The State expenditures shall only be for those existing categories that State expenditures are now made for, to qualify for matching funds under the AFDC and the other payments. In other words, the Federal contribution.

The point I am making here is that the State maintenance-of-efforts funds cannot be used, for example, for Medicaid, which they are not currently committed to be used for.

Mr. President, I ask that the amendment be set aside and we take it up in whatever sequence is deemed proper next week.

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

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I understand this consent agreement has been cleared by my colleagues on the other side. I will propound it. I ask unanimous consent when the Senate completes its business today, it stand in recess until 10 a.m. Monday, September 11, 1995, and immediately resume consideration of the welfare bill, H.R. 4.

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

Mr. DOLE. I further ask at 10 o'clock a.m. Senator KASSEBAUM be recognized to offer an amendment concerning block grants, and following the conclusion of debate the amendment be laid aside and the vote occur on or in relation to the amendment second in the voting sequence to be outlined before for Monday, September 11.

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

Mr. DOLE. I further ask that following the debate on the above-mentioned amendment, Senator HELMS be recognized to offer an amendment regarding work for food stamps, and following conclusion of the debate the amendment be laid aside and the vote occur on or in relation to the amendment third in the voting sequence on Monday.

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

Mr. DOLE. I further ask following debate, Senator DODD be recognized to offer an amendment regarding child care, and that debate be limited to 4 hours to be equally divided in the usual form and the vote occur on or in relation to that amendment at 5 p.m. on September 11.

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

Mr. DOLE. That would be the first vote.

We need to work out additional time, I think, on the Feinstein amendments. We can do that on Monday.

I also ask there be 4 minutes for debate to be equally divided in the usual form between the second and third rollcall votes ordered on Monday.

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

Mr. DOLE. And that the first vote be for 15 minutes and the other two or any other subsequent votes be limited to 10 minutes.

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

Mr. DOLE. I say to my colleagues I think we are making progress. We have had five votes today. We have been able to dispose of other amendments. Members are offering their amendments to be considered and they still have until 5:00 p.m. to do so.

In light of this agreement, in lining up the three rollcall votes beginning at 5 p.m. on Monday, there will be no further votes today.

Members are reminded if you intend to offer an amendment to this bill, those amendments must be offered by 5 p.m. this evening.

AMENDMENT NO. 2280, AS FURTHER MODIFIED

Mr. DOLE. At this time, I have consent to modify my amendment. I send that modification to the desk.

The PRESIDING OFFICER. Under the previous order, the amendment is so modified.

The amendment (No. 2280), as further modified, is as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) MAINTENANCE OF EFFORT.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, or 1999 shall be reduced by the amount by which State expenditures under the State programs described in subparagraph (B) for the preceding fiscal year is less than 75 percent of historic State expenditures.

"(B) PROGRAMS DESCRIBED.—The programs described in this subparagraph are—

"(i) the State program funded under this part; and

"(ii) any other program for low-income individuals (other than the medicaid program under title XIX of this Act) established or modified under the Work Opportunity Act of 1995.

"(C) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph, the term 'historic State expenditures' means amounts expended by the State under parts A and F of this title for fiscal year 1994, as in effect during such fiscal year.

"(D) DETERMINING STATE EXPENDITURES.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.".

On page 36, strike lines 14 through 25, and insert the following:

"(d) PENALTIES AGAINST INDIVIDUALS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required under subsection (c)(1) or (c)(2), a State to which a grant is made under section 403 shall—

"(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

"(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(2) EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program based on a refusal of an adult to work if such adult is a single custodial parent caring for a child age 5 or under and has a demonstrated inability (as determined by the State) to obtain needed child care, for one or more of the following reasons:

"(A) Unavailability of appropriate child care within a reasonable distance of the individual's home or work site.

"(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

"(C) Unavailability of appropriate and affordable formal child care arrangements.".

On page 49, beginning with line 20, strike all through page 50, line 5, and insert the following:

"(c) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash assistance for a minor child who is born to—

"(A) a recipient of assistance under the program operated under this part; or

"(B) a person who received such assistance at any time during the 10-month period ending with the birth of the child.

"(2) EXCEPTION FOR VOUCHERS.—Paragraph (1) shall not apply to vouchers which are provided in lieu of cash assistance and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(3) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape or incest.".

On page 51, between lines 11 and 12, insert the following:

"(e) GRANT INCREASED TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

"(1) IN GENERAL.—The amount of the grant payable to a State under section 403(a)(1)(A) for fiscal years 1998, 1999, and 2000 shall be increased by—

"(A) 5 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations for the fiscal year in the State is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

"(B) 10 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations in the State for the same fiscal year is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(2) DETERMINATION OF THE SECRETARY.—The Secretary shall not increase the grant amount under paragraph (1) if the Secretary determines that the relevant difference between the illegitimacy ratio of a State for an applicable fiscal year and the illegitimacy ratio of such State for fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the illegitimacy ratio or if the Secretary determines that the relevant non-increase in the rate of induced pregnancy terminations for an applicable fiscal year as compared to fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the rate of induced pregnancy terminations.

"(3) ILLEGITIMACY RATIO.—For purposes of this subsection, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(A) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

"(B) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(4) AVAILABILITY OF AMOUNTS.—There are authorized to be appropriated and there are appropriated such sums as may be necessary for fiscal years 1998, 1999, and 2000 for the purpose of increasing the amount of the grant payable to a State under section 403(a)(1) in accordance with this subsection.

On page 51, line 12, strike "(e)" and insert "(f)".

On page 77, strike line 22 and all that follows through page 83, line 15, and insert the following:

SEC. 102. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) GENERAL.—

(1) STATE OPTIONS.—Notwithstanding any other provision of law, a State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) PROGRAMS DESCRIBED.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 101).

(B) Any other program that is established or modified under titles, I, II, or X that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to, beneficiaries, as a means of providing assistance.

(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow religious organizations to contract, or to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—Religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2). Neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) RELIGIOUS CHARACTER AND FREEDOM.—

(1) RELIGIOUS ORGANIZATIONS.—Notwithstanding any other provision of law, any religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance;

(B) form a separate, nonprofit corporation to receive and administer the assistance funded under a program described in subsection (a)(2) solely on the basis that it is a religious organization; or

(C) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

(1) IN GENERAL.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) with assistance from an alternative provider the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

(f) NONDISCRIMINATION IN EMPLOYMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall be construed to modify or affect the provisions of any other Federal or State law or regulation that relates to discrimination in employment on the basis of religion.

(2) EXCEPTION.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), may require that an employee rendering service pursuant to such contract, or pursuant to the organization's acceptance of certificates, vouchers, or other forms of disbursement adhere to—

(A) the religious tenets and teachings of such organization; and

(B) any rules of the organization regarding the use of drugs or alcohol.

(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under section programs.

(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) COMPLIANCE.—A religious organization which has its rights under this section violated may enforce its claim exclusively by asserting a civil action for such relief as may be appropriate, including injunctive relief or damages, in an appropriate State court against the entity or agency that allegedly commits such violation.

SEC. 103. LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.

No funds provided directly to institutions or organizations to provide services and administer programs described in section 102(a)(2) and programs established or modified under this Act shall be expended for sectarian worship or instruction. This section shall not apply to financial assistance provided to or on behalf of beneficiaries of assistance in the form of certificates, vouchers, or other forms of disbursement, if such beneficiary may choose where such assistance shall be redeemed.

On page 20, beginning on line 8, strike all through line 17 and insert in lieu thereof the following:

"(ii) CERTAIN STATES DEEMED QUALIFYING STATES—For purposes of this paragraph, a State shall be deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if—

"(I) the level of State welfare spending per poor person in fiscal year 1996 was less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996; or

"(II) a State has extremely high population growth (which for purposes of this clause shall be defined as a greater than ten percent increase in population from April 1, 1990 to July 1, 1994, as determined by the Bureau of the Census).".

On page 17, line 8, insert "and for fiscal year 2000, the amount of the State's share of the performance bonus and high performance bonus determined under section 418 for such fiscal year" after "year".

On page 17, line 22, insert "and for fiscal year 2000, reduced by the percent specified in section 418(a)(3)" after "(B)".

On page 59, between lines 22 and 23, insert the following:

"(14) Any other data necessary to measure the progress the State is making in achieving performance with respect to the measurement categories described in section 418(c)(1).".

On page 77, line 21, strike the end quotes and the end period.

On page 77, between lines 21 and 22, insert the following:

"SEC. 418. PERFORMANCE BONUS AND HIGH PERFORMANCE BONUS.

"(a) IN GENERAL.—

"(1) PERFORMANCE BONUS.—In addition to the State family assistance grant, for fiscal year 2000, the Secretary shall pay to each qualified State an amount equal to the State's share of the performance bonus fund described in paragraph (3).

"(2) QUALIFIED STATE.—For purposes of this subsection, the term 'qualified State' means a State that during the measurement period—

"(A) exceeds the overall average performance achieved by all States with respect to a measurement category, or

"(B) improves the State's performance in a measurement category by at least 15 percent over the State's baseline period.

"(3) BONUS FUND.—The amount of the bonus fund for fiscal year 2000 shall be an amount equal to 5 percent of the amount appropriated under section 403(a)(2)(A) for such fiscal year.

"(b) HIGH PERFORMANCE BONUS.—

"(1) IN GENERAL.—In addition to the amount provided under subsection (a), each of the 10 high performance States in each measurement category shall be entitled to receive a share of the high performance bonus fund described in paragraph (3).

"(2) HIGH PERFORMANCE STATES.—For purposes of this subsection, the term 'high performance States' means with respect to each measurement category during the measurement period—

"(A) the 5 States that have the highest percentage of improvement with respect to the State's performance in the measurement category over the State's baseline period; and

"(B) the 5 States that have the highest overall average performance with respect to the measurement category.

"(3) HIGH PERFORMANCE BONUS FUND.—There are authorized to be appropriated and there are appropriated the amount of the high performance bonus fund for fiscal year 2000 equal to—

"(A) the amount of the reduction in State family assistance grants for all States for fiscal years 1996, 1997, 1998, and 1999 resulting from the application of section 407; plus

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section:

"(1) MEASUREMENT CATEGORY.—A measurement category means any of the following categories:

"(A) A reduction in the average length of time families in the State receive assistance during a fiscal year under the State program funded under this part.

"(B) An increase in the percentage of families receiving such assistance under this part that receive child support payments under part D.

"(C) An increase in the percentage of families receiving assistance under this part that earn an income.

"(D) An increase in the amount earned by families that receive assistance under this part.

"(E) A reduction in the percentage of families that become eligible for assistance under this part within 18 months after becoming ineligible for such assistance.

"(2) MEASUREMENT PERIOD; BASELINE PERIOD.—

"(A) MEASUREMENT PERIOD.—The term 'measurement period' means the period beginning not later than 6 months after the date of the enactment of the Work Opportunity Act of 1995 and ending on September 30, 1999.

"(B) BASELINE PERIOD.—The term 'base-line period' means fiscal year 1994.

"(3) ALLOCATION FORMULA.—For purposes of determining a State's share of the performance bonus fund under subsection (a)(1), and the State's share of the high performance bonus fund under subsection (b)(1), the Secretary shall, not later than June 30, 1999, develop and publish in the Federal Register a formula for allocating amounts in the performance bonus fund to qualified States and a formula for allocating amounts in the high performance bonus fund to high performance States. Such formulas shall be based on each State's proportional share of the total amount appropriated under section 403(a)(2)(A) for fiscal year 2000.".

Mr. DOLE. I will briefly explain the first modification which provides no additional cash assistance for children born of families receiving assistance. States may provide vouchers in lieu of cash assistance, and they may be used to pay for particular goods and services suitable for the care of the child involved.

The second one provides a bonus to States reducing out-of-wedlock births.

Third is a maintenance of effort. We are still trying to reconcile that with the distinguished Senator from Rhode Island. He just offered an amendment. We have a little different amendment. We are very close to an agreement. Maybe we can agree on something by Monday.

The fourth would be a work family provision relating to child care. States cannot sanction a single custodial parent for failure to work if the parent shows a demonstrated need for child care and the States define what constitutes demonstrated need.

No. 5, services provided by charitable, religious, or private organizations, limitation on the use of funds for certain purposes—just a modification of the current provision, and a modification of the supplemental growth fund.

And finally, a performance bonus fund that provides additional money for States that exceed performance goals.

These are modifications to the amendment. There will still be other amendments.

I ask unanimous consent to have this printed in the RECORD.

There being no objection, the modifications ordered to be printed in the RECORD, are as follows:

MODIFICATIONS TO LEADERSHIP WELFARE BILL

TITLE I—TEMPORARY ASSISTANCE TO NEEDY FAMILIES BLOCK GRANT

1. Provides No Additional Cash Assistance for Children Born to Families Receiving Assistance ("Family Cap"). States may not provide additional cash assistance for children born to families receiving assistance. States may provide vouchers in lieu of cash assistance. Vouchers may be used only to pay for particular goods and services that are suitable for the care of the child involved.

2. Out-of-Wedlock Birth Ratio. Provides a bonus to States that reduce out-of wedlock births.

3. Maintenance of Effort. For the first three years, States must spend 75 percent of what the State spent on AFDC benefits including JOBS and child care, for the preceding fiscal year. This is a modification to current provisions.

4. Work Penalty Provisions Relating to Child Care. States can not sanction a single custodial parent for failure to work if the parent shows a demonstrated need for child care. The States define what constitutes demonstrated need.

5. Services Provided by Charitable, Religious or Private Organizations and Limitations on Use of Funds for Certain Purposes. Modifications to current provisions.

6. Modification to Supplemental Growth Fund. Qualifies States with extraordinary population increases for the supplemental growth fund.

7. Performance Bonus Fund. Provides additional money for States that exceed performance goals.

Mr. DOLE. There may be other amendments. Senator HATCH is here, Senator CHAFEE is here, both members of the Finance Committee, the distinguished Senator from New York, ranking member on the committee is here. If there are some amendments that can be taken, I assume we would be open for business for a while. Otherwise, as I indicated, there are no further votes today. There may be additional debate, and Members are reminded of the 5 o'clock deadline.

In my view, I do not see why we cannot complete action on this bill by Wednesday or perhaps early Thursday because we would like to do the State, Justice Department appropriations bill on Thursday and Friday.

We have done seven appropriations bills. That gives us No. 8. That would leave five to do before the end of this month. The only one available to us next week will be State, Justice, Commerce appropriations bill. The others come out the following week.

I do not think it will be necessary because I think we have had good cooperation—we would rather not file cloture. We like to have a good debate and let everybody have a chance to debate their amendments up or down and then have a vote on final passage.

Of course, if there should be some effort to frustrate the process, then it would be my suggestion we wrap all this up and put it in reconciliation. Welfare reform is very important, and if we are frustrated here, we will try to do it in another way.

So far, we have had good cooperation on both sides. Members have been offering amendments. We have had good debates. I think we are making progress.

Mr. KENNEDY. Would the Senator yield for a brief question?

Mr. DOLE. I yield.

Mr. KENNEDY. The changes included in the amendment are those child care provisions which will give the State, even, an option, open to the States, that will exclude the parent from the sanctions if the child is less than 1 year old? As I understand it, that was going to be the intention of the Senator. I am just asking now whether that was—if the Senator will just be kind enough to repeat the provisions dealing with day care?

We had inquired of the majority leader a week or so ago, or just before the break, about the child care provisions and the Senator had indicated that there would be some modifications. I had understood, in the modification that was sent to the desk, it did provide for the State's flexibility to exclude from the punitive provisions of the legislation if the child was less than 1 year old.

But that was one provision. I am just inquiring of the leader if that is the only change that was made with regard to child care? I think later on in the afternoon, Senator DODD and myself, and I think others, are going to be introducing an amendment on the child care which the majority leader referenced, which we will dispose of early next week. I just want to try to understand exactly what modification has been included by the leader relating to the child care, which I consider to be, perhaps, the most important provisions, along with the work requirements, in the bill.

Mr. DOLE. I might say in response, this is an amendment suggested by the Senator from Maine, Senator SNOWE. The State would not sanction if they are of preschool age, which I think is a step in the direction the Senator would want us to go.

Mr. KENNEDY. I see. So, as I understand it, then——

Mr. DOLE. I will be happy to furnish the Senator with a copy of the legislative language, too.

Mr. KENNEDY. Fine. I will not, then, take up the time. As I understand the amendment of the Senator from Maine, it will, therefore, increase the age of the child? I think it is up to 5 years of age, which effectively will—5 years of age——

Mr. DOLE. Five?

Mr. KENNEDY. Exclude 60 percent of those who are currently on welfare today, since 60 percent of those who are on welfare have children under that age.

The purpose of the legislation, as I understood it, was to try to get people to work and also to provide for their children with day care. We will have a chance later to debate this, but as I understand the changes in the child care provision, they effectively will say those welfare mothers can stay home and continue to take care of the children. Then, after that child gets to 6, they will be subject to the other provisions of the legislation.

I hope we will have a chance to debate that because it seems to me to be both undermining the thrust of the legislation, in terms of moving people from welfare to work, because they will be excluded and we do not have additional kinds of child care provisions that will permit them to move to work, which I know is the objective of the majority leader.

So I thank the Senator for his explanation, but this is the kind of issue I hope we will have an opportunity to debate before we get to closure.

Mr. DOLE. I thank the Senator from Massachusetts for his statement, as I understood his statement on the participation rates. But we do not sanction a single custodial parent for failure to work if the parent shows a demonstrated need for child care. And that would be determined by the States, what constitutes a demonstrated need.

We will have that debate on Monday. Senator SNOWE will be here, and I am certain she will be happy to go into it in more detail.

Mr. CHAFEE. Mr. President, I have just a procedural question. We are open for business for filing the amendments until 5, and to have an amendment count you have to send it to the desk. That is what offering an amendment is.

So, as I understand it—so, therefore, presumably, the establishment has to stay in business until 5?

Mr. DOLE. Oh, yes. We will be around until 5. The Senator from Utah suggests maybe we can go into recess until a quarter of 5. But we are not going to try to shut off anybody because there may be Members now in the process of drafting amendments. So I hope we could continue to maybe accept amendments, maybe have some debate. There may be other amendments to be offered.

In fact, if some have been offered where we could do the debate this afternoon and take up the votes on Monday, we will be happy to do that, too.

Mr. CHAFEE. Mr. President, if this is complete, I have an amendment on behalf of Mr. COHEN. I will send it to the desk.

Mr. MOYNIHAN. There is a Moynihan-Dole amendment we can accept right now.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 2502, AS MODIFIED

Mr. CHAFEE. Mr. President, on behalf of Senator COHEN, I send to the desk a modification to a prior amendment.

The PRESIDING OFFICER. The amendment will be modified.

The amendment (No. 2502), as modified, is as follows:

On page 79, line 18, insert after "subsection (a)(2)" the following: "so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution".

On page 80, line 13, after "governance" replace "." with ";" and delete lines 14–16.

AMENDMENT NO. 2547 TO AMENDMENT NO. 2280

(Purpose: To deny supplemental security income cash benefits by reason of disability to drug addicts and alcoholics, to require beneficiaries with accompanying addiction to comply with appropriate treatment requirements as determined by the Commissioner, and for other purposes)

Mr. CHAFEE. Now, Mr. President, on behalf of Senator COHEN I send an amendment to the desk dealing with supplemental security income benefits, so-called SSI, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for Mr. COHEN, proposes an amendment numbered 2547 to amendment No. 2280.

The PRESIDING OFFICER. Without objection, further reading will be dispensed with.

The amendment is as follows:

Beginning on page 112, line 13, strike all through page 114, line 23, and insert the following:

SEC. 201. DRUG ADDICTS AND ALCOHOLICS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

(a) TERMINATION OF SSI CASH BENEFITS FOR DRUG ADDICTS AND ALCOHOLICS.—Section 1611(e)(3) (42 U.S.C. 1382(e)(3)) is amended—

(1) by striking "(B)" and inserting "(C)";

(2) by striking "(3)(A) and inserting "(B)"; and

(3) by inserting before subparagraph (B) as redesignated by paragraph (2) the following new subparagraph:

"(3)(A) No cash benefits shall be payable under this title to any individual who is otherwise eligible for benefits under this title by reason of disability, if such individual's alcoholism or drug addiction is a contributing factor material to the Commissioner's determination that such individual is disabled.".

(b) TREATMENT REQUIREMENTS.—

(1) Section 1611(e)(3)(B)(i)(I) (42 U.S.C. 1382(e)(3)(B)(i)(I)), as redesignated by subsection (a), is amended to read as follows:

"(B)(i)(I)(aa) Any individual who would be eligible for cash benefits under this title but for the application of subparagraph (A) may elect to comply with the provisions of this subparagraph."

"(bb) Any individual who is eligible for cash benefits under this title by reason of disability (or whose eligibility for such benefits is suspended) or is eligible for benefits pursuant to section 1619(b), and who was eligible for such benefits by reason of disability, for which such individual's alcoholism or drug addiction was a contributing factor material to the Commissioner's determination that such individual was disabled, for the month preceding the month in which section 201 of the Work Opportunity Act of 1995 takes effect, shall be required to comply with the provisions of this subparagraph."

(2) Section 1611(e)(3)(B)(i)(II) (42 U.S.C. 1382(e)(3)(B)(i)(II)), as so redesignated, is amended by striking "who is required under subclause (I)" and inserting "described in division (bb) of subclause (I) who is required".

(3) Subclauses (I) and (II) of section 1611(e)(3)(B)(ii) (42 U.S.C. 1382(e)(3)(B)(ii)), as so redesignated, are each amended by striking "clause (i)" and inserting "clause (i)(I)".

(4) Section 1611(e)(3)(B) (42 U.S.C. 1382(e)(3)(B)), as so redesignated, is amended by striking clause (v) and by redesignating clause (vi) as clause (v).

(5) Section 1611(e)(3)(B)(v) (42 U.S.C. 1382(e)(3)(B)(v)), as redesignated by paragraph (4), is amended—

(A) in subclause (I), by striking "who is eligible" and all that follows through "is disabled" and inserting "described in clause (i)(I)"; and

(B) in subclause (V), by striking "or v".

(6) Section 1611(e)(3)(C)(i) (42 U.S.C. 1382(e)(3)(C)(i)), as redesignated by subsection (a), is amended by striking "who are receiving benefits under this title and who as a condition of such benefits" and inserting "described in subparagraph (B)(i)(I)(aa) who elect to undergo treatment; and the monitoring and testing of all individuals described in subparagraph (B)(i)(I)(bb) who".

(7) Section 1611(e)(3)(C)(iii)(II)(aa) (42 U.S.C. 1382(e)(3)(C)(iii)(II)(aa)), as so redesignated, is amended by striking "residing in the State" and all that follows through "they are disabled" and inserting "described in subparagraph (B)(i)(I) residing in the State".

(8) Section 1611(e)(3)(C)(iii) (42 U.S.C. 1382(e)(3)(C)(iii)), as so redesignated, is amended by adding at the end the following:

"(III) The monitoring requirements of subclause (II) shall not apply in the case of any individual described in subparagraph (B)(i)(I)(aa) who fails to comply with the requirements of subparagraph (B).".

(9) Section 1611(e)(3) (42 U.S.C. 1382(e)(3)), as amended by subsection (a), is amended by adding at the end the following new subparagraphs:

"(D) The Commissioner shall provide appropriate notification to each individual subject to the limitation on cash benefits contained in subparagraph (A) and the treatment provisions contained in subparagraph (B).

"(E) The requirements of subparagraph (B) shall cease to apply to any individual—

"(i) after three years of treatment, or

"(ii) if the Commissioner determines that such individual no longer needs treatment.".

(c) REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) Section 1631(a)(2)(A)(ii)(II) (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amended to read as follows:

"(II) In the case of an individual eligible for benefits under this title by reason of disability, if such individual also has an alcoholism or drug addiction condition (as determined by the Commissioner of Social Security), the payment of such benefits to a representative payee shall be deemed to serve the interest of the individual. In any case in which such payment is so deemed under this subclause to serve the interest of an individual, the Commissioner shall include, in the individual's notification of such eligibility, a notice that such alcoholism or drug addiction condition accompanies the disability upon which such eligibility is based and that the Commissioner is therefore required to pay the individual's benefits to a representative payee.".

(2) Section 1631(a)(2)(B)(vii) (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(3) Section 1631(a)(2)(B)(ix)(II) (42 U.S.C. 1383(a)(2)(B)(ix)(II)) is amended by striking all that follows "15 years, or" and inserting "described in subparagraph (A)(ii)(II)".

(4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(d) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634(e) (42 U.S.C. 1382(e)) is amended—

(1) by striking "clause (i) or (v) of section 1611(e)(3)(A)" and inserting "subparagraph (A) or subparagraph (B)(i)(II) of section 1611(e)(3)"; and

(2) by adding at the end the following: "This subsection shall not apply to any such person—

"(i) after three years of treatment, or

"(ii) if earlier, if the Commissioner determines that such individual no longer needs treatment, or

"(iii) if such person has previously received such treatment.".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by this section, such amendments shall apply with respect to the benefits of such individual for months beginning after the cessation of the individual's treatment provided pursuant to such title as in effect on the day before the date of such enactment, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 2548 TO AMENDMENT NO. 2280

(Purpose: To direct the Commissioner of Social Security to develop a prototype of a counterfeit-resistant social security card, and to provide for a study and report on the development of such card)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk for myself and Senator DOLE. It is an amendment for the development of a prototype counterfeit resistant Social Security card. I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, we will set aside the pending amendment.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself and Mr. DOLE, proposes an amendment numbered 2548 to Amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 87, between lines 5 and 6, insert the following:

SEC. 105A. DEVELOPING OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (hereafter in this section referred to as the "Commissioner") shall in accordance with the provisions of this section develop a prototype of a counterfeit-resistant social security card. Such prototype card shall—

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.—The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to achieve the purposes of this section.

(b) STUDY AND REPORT.—

(1) IN GENERAL.—The Commissioner shall conduct a study and issue a report to Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.—The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3, 5, and 10 year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3, 5, and 10 year phase-in options.

(3) DISTRIBUTION OF REPORT.—Copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) shall be submitted to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year of the date of the enactment of this Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated and are appropriated from the Federal Old-Age and Survivors Insurance Trust Fund such sums as may be necessary to carry out the purposes of this section.

Mr. MOYNIHAN. Mr. President, it was 18 years ago that I first proposed we produce a new tamper-resistant Social Security card to reduce fraud and enhance public confidence in our Social Security system. This has been an ongoing battle, and I think there should be a new sense of urgency about this issue in light of the current welfare debate.

The amendment I offer today is very simple. It would require two things. First, it would require the Commissioner of the Social Security Administration to develop a prototype of a counter-proof Social Security card. The prototype card would be designed with the security features necessary so that it could be used reliably to confirm U.S. citizenship or legal resident alien status.

Second, it would require the Commissioner to study and report to Congress on ways to improve the Social Security card application process so as to reduce the process' vulnerability to fraud. An evaluation of cost and workload implications of issuing a counterfeit-resistant Social Security card is also required.

The Congressional Budget Office has informed me that this amendment would result in an insignificant increase—less than $500,000—in administrative expenses for the Social Security Administration.

When the Social Security amendments were before us in 1983, we approved a provision to require the production of a new tamper-resistant Social Security card. The law, section 345 of Public Law 98–21, stated:

The social security card shall be made of banknote paper, and (to the maximum extent practicable) shall be a card which cannot be counterfeited.

What a disappointment when late in 1983, the Social Security Administration began to issue the new card, and it became clear that the agency simply had not understood what Congress intended. The new card looks much like the old, a pasteboard card really much like the first ones produced by Social Security in 1936. It has the same design framing the name and nearly the same colors. It feels the same. An expert examining a card with a magnifying glass can certainly detect whether or not one of the new ones is genuine, but therein lies the problem. We should have a distinguished, durable card that can hold vital information and can be authenticated easily.

There is a history here. The Social Security Administration, from its earlier years, has resisted any use of the Social Security card for identification purposes. In fact, the card actually said it could not be so used.

In 1977, when I first proposed that we produce a new card, the Social Security Administration objected and the

proposal was not adopted. I tried again and again, and succeeded only on the fifth try.

Or so I thought. Until the card was introduced.

A new Social Security card—one very difficult to counterfeit and easily verified as genuine—could be manufactured at a low cost. The major expense, if we were to approve new cards, would be the cost of the interview process and that is why the amendment requires a study to include the cost and workload implications of a new card. Let us explore our options—we must try to improve the system.

A Social Security card could be designed along the lines of today's high technology credit cards. The card could be highly tamper-resistant, and its authenticity could be readily discerned by the untrained eye. It must be seen as a special document; one which would be visually and tactilely more difficult to counterfeit than the current paper card.

The magnetic stripe would contain the Social Security number, encoded with an algorithm known only to the Social Security Administration. A so-called watermark stripe could be placed over it, making it nearly impossible to counterfeit without technology that currently costs $10 million. The decoding algorithm could be integrated with the Social Security Administration computers.

The new cards will not eliminate all fraudulent use of Social Security cards. But it will close down the shopfront operations that flood America with false Social Security cards.

That is what the Congress intended in the 1983 legislation.

Let us try again. We have seen that it can be done. It is what the Clinton administration intended last year when they introduced the health security card. As many of you remember, it has a magnetic stripe to hold whatever information may be necessary.

A key reform in our ongoing welfare debate is the restriction of benefits to U.S. citizens. I think it is safe to say that when this restriction is enforced there will be a revitalized black market for documentation of U.S. citizenship. It would be wise to head off this foreseeable problem. A high technology Social Security card would also facilitate the disbursement of benefits to our citizens. A simpler, more effective way of providing citizenship would strengthen public confidence in our immigration system and improve the efficiency of our welfare system.

I offer the present amendment, which as I said earlier, would require only the development of a prototype counterfeit-resistant card and a study on ways to reduce the vulnerability of the card application process to fraud. The Attorney General would assist the Commissioner of Social Security with determining what is needed here.

I ask for the support of my colleagues on this important matter once again—this time for a simple prototype card and a study.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2548) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I have just a short list of amendments to be called up and set aside, on behalf of other Senators.

AMENDMENT NO. 2549 TO AMENDMENT NO. 2280

(Purpose: To allow a State to revoke an election to participate in the optional State food assistance block grant)

Mr. MOYNIHAN. Mr. President, Senator KERREY has an amendment on the Food Stamp Program which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] for Mr. KERREY, proposes an amendment numbered 2549 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 229, strike lines 4 through 8 and insert the following:

"(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently elect to participate in the food stamp program in accordance with the other sections of this Act.

Mr. MOYNIHAN. Mr. President, I ask that amendment be laid aside.

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

AMENDMENTS NOS. 2550 AND 2551 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, I have two amendments I send forward on behalf of Senator KOHL. Each concerns the Food Stamp Program.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. KOHL, proposes amendments numbered 2550 and 2551 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2550

(Purpose: To exempt the elderly, disabled, and children from an optional State food assistance block grant)

On page 244, strike lines 3 through 13 and insert the following:

"(B) REDUCTIONS IN ALLOTMENTS.—

"(i) REDUCTION FOR EXEMPTED INDIVIDUALS.—

"(I) DETERMINATION.—The Secretary shall determine the Federal costs of providing benefits to and administering the food stamp program for exempted individuals in each State participating in the program established under this section.

"(II) REDUCTION.—The Secretary shall reduce the allotment to each State participating in the program established under this section by the amount determined under subclause (I).

"(ii) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a pro rata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.

"(m) EXEMPTED INDIVIDUALS.—

"(1) DEFINITION.—Subject to paragraph (2), in this subsection, the term 'exempted individual' means an individual who is—

"(A) elderly;

"(B) a child; or

"(C) disabled.

"(2) EXEMPTION.—Notwithstanding any other provision of this section, an exempted individual shall not be subject to this section and shall be subject to the other sections of this Act.".

AMENDMENT NO. 2551

(Purpose: To expand the food stamp employment and training program)

On page 158, between lines 14 and 15, insert the following:

SEC. 301. DECLARATION OF POLICY.

Section 2 of the Food Stamp Act of 1977 (7 U.S.C. 2011) is amended by adding at the end the following: "Congress intends that the food stamp program support the employment focus and family strengthening mission of public welfare and welfare replacement programs by—

"(1) facilitating the transition of low-income families and households from economic dependency to economic self-sufficiency through work;

"(2) promoting employment as the primary means of income support for economically dependent families and households and reducing the barriers to employment of economically dependent families and households; and

"(3) maintaining and strengthening healthy family functioning and family life.".

On page 185, line 7, strike "and".

On page 185, between lines 13 and 14, insert the following:

(D) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(E) by inserting after clause (v) the following:

"(vi) Case management, casework, and other services necessary to support healthy family functioning, enable participation in an employment and training program, or otherwise facilitate the transition from economic dependency to self-sufficiency through work.";

Mr. MOYNIHAN. Mr. President, I ask unanimous consent the amendments be laid aside.

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

AMENDMENTS NOS. 2552 THROUGH 2555 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Finally, Mr. President, I have four amendments concerning the legislation before us on the American family, restoring the American family, which I send to the desk on behalf of Mr. BRYAN. I ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. BRYAN, proposes amendments numbered 2552 through 2555 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2552

(Purpose: To provide that a recipient of welfare benefits under a means-tested program for which Federal funds are appropriated is not unjustly enriched as a result of defrauding another means-tested welfare or public assistance program)

At the appropriate place in the title X, insert the following new section:

SEC. . FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

(a) IN GENERAL.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributable to such reduction.

(b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes of subsection (a), the term "means-tested welfare or public assistance program for which Federal funds are appropriated" shall include the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and State programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

AMENDMENT NO. 2553

(Purpose: To require a recipient of assistance based on need, funded in whole or in part by Federal funds, and the noncustodial parent to cooperate with paternity establishment and child support enforcement in order to maintain eligibility for such assistance)

On page 87, between lines 5 and 6, insert the following:

SEC. . COOPERATION REQUIRED WITH RESPECT TO PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT FOR ELIGIBILITY FOR ASSISTANCE.

Subject to the provisions of titles IV and XIX of the Social Security Act and the Food Stamp Act of 1977, and notwithstanding any other provision of law, no Federal funds may be used to provide assistance based on need to, or on behalf of, a child in a family that includes an individual (including the noncustodial parent, if any) whom the agency responsible for administering such assistance determines is not cooperating in establishing the paternity of such child, or in establishing, modifying, or enforcing a support order with respect to such child, without good cause as determined by such agency in accordance with standards prescribed by such agency which shall take into consideration the best interests of the child.

AMENDMENT NO. 2554

(Purpose: To provide that State welfare and public assistance agencies can notify the Internal Revenue Service to intercept Federal income tax refunds to recapture overpayments of welfare or public assistance benefits)

At the appropriate place in the amendment, insert the following new section:

SEC. . COLLECTION OF WELFARE OR PUBLIC ASSISTANCE BENEFIT OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

(a) IN GENERAL.—Paragraph (1) of section 6402(d) of the Internal Revenue Code of 1986 (relating to collection of debts owed to Federal agencies) is amended by inserting "or upon receiving notice from any State agency that a named person owes a past-due legally enforceable debt arising out of an overpayment under an applicable welfare program," before "the Secretary shall".

(b) APPLICABLE WELFARE PROGRAMS.—Section 6402(d) of such Code is amended by adding at the end the following new paragraph:

"(4) APPLICABLE WELFARE PROGRAM.—For purposes of this subsection, the term 'applicable welfare program' means any program established or significantly modified by the Work Opportunity Act of 1995."

(c) CONFORMING AMENDMENTS.—

(1) Section 6402(d)(2) of such Code is amended by inserting "or State" after "Federal".

(2) The heading for section 6402(d) of such Code is amended by inserting "or certain State" after "Federal".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to refunds payable after December 31, 1995.

AMENDMENT NO. 2555

(Purpose: To provide state welfare or public assistance agencies an option to determine eligibility of a household containing an ineligible individual under the Food Stamp program)

At the appropriate place in the amendment, insert the following new section:

SEC. . Section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by striking the third sentence and inserting the following:

The state agency shall, at its option, consider either all income and financial resources of the individual rendered ineligible to participate in the food stamp program under this subsection, or such income, less a pro rata share, and the financial resources of the ineligible individual, to determine the eligibility and the value of the allotment of the household of which such individual is a member.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I ask unanimous consent the pending amendment be set aside.

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

AMENDMENT NO. 2467 TO AMENDMENT NO. 2280

(Purpose: To increase the participation of teachers, parents, and students in developing and improving workforce education activities)

Mr. HATCH. Mr. President, I ask unanimous consent amendment No. 2467 be called up and sent to the desk for immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. HATFIELD, for himself, Mr. DODD and Mr. GLENN, proposes an amendment numbered 2467 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In section 714(d)(1)(K), strike "and".

In section 714(d)(1)(L), strike the semicolon and insert "; and".

In section 714(d)(1), insert after subparagraph (L) the following:

"(M) representatives of secondary school students involved in workforce education activities carried out under this title and parents of such students;".

In section 716(b)(6) strike "and".

In section 716(b)(7) strike the period and insert "; and".

In section 716(b), add at the end the following:

(8) with respect to secondary education activities—

(A) establishing effective procedures, including an expedited appeals procedure, by which secondary school teachers, secondary school students involved in workforce education activities carried out under this title, parents of such students, and residents of substate areas will be able to directly participate in State and local decisions that influence the character of secondary education activities carried out under this title that affect their interests;

(B) providing technical assistance, and designing the procedures described in subparagraph (A), to ensure that the individuals described in subparagraph (A) obtain access to the information needed to use such procedures; and

(C) subject to subsection (h), carrying out the secondary education activities, and implementing the procedures described in subparagraph (A), so as to implement the programs, activities, and procedures for the involvement of parents described in section 1118 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319) in accordance with the requirements of such section.

In section 716, add at the end the following:

(h) PARENTAL INVOLVEMENT.—

(1) COMPARABLE REQUIREMENTS.—For purposes of implementing the requirements of section 1118 of the Elementary and Secondary Education Act (20 U.S.C. 6319) with respect to secondary education activities as required in subsection (b)(8)(C), a reference in such section 1118—

(A) to a local educational agency shall refer to an eligible entity, as defined in subsection (a)(2) of section 727;

(B) to part A of title I of such Act (20 U.S.C. 6311 et seq.) shall refer to this subtitle;

(C) to a plan developed under section 1112 of such Act (20 U.S.C. 6312) shall refer to a local application developed under such section 727;

(D) to the process of school review and improvement under section 1116 of such Act (20 U.S.C. 6317) shall refer to the performance improvement process described in subsection (b)(4) of such section 727;

(E) to an allocation under part A of title I of such Act shall refer to the funds received by an eligible entity under this subtitle;

(F) to the profiles, results, and interpretation described in section 118(c)(4)(B) of such Act (20 U.S.C. 6319(c)(4)(B)) shall refer to information on the progress of secondary school students participating in workforce education activities carried out under this subtitle, and interpretation of the information; and

(G) to State content or student performance standards shall refer to the State benchmarks of the State.

(2) NONCOMPARABLE REQUIREMENTS.—For purposes of carrying out the requirements of such section 1118 as described in paragraph (1), the requirements of such section relating to a schoolwide program plan developed under section 1114(b) of such Act (20 U.S.C. 6314(b)) or to section 1111(b)(8) of such Act (20 U.S.C. 6311(b)(8)), and the provisions of section 1118(e)(4) of such Act (20 U.S.C. 6319(e)(4)), shall not apply.

In section 728(a)(2)(A), strike "and veterans" and insert "veterans, secondary school students (including such students who are at-risk youth) involved in workforce education activities carried out under this title, and parents of such students".

In section 728(b)(2)(B)(iv), strike "and".

In section 728(b)(2)(B)(v), strike the period and insert "; and".

In section 728(b)(2)(B), add at the end the following:

"(vi) representatives of secondary school students involved in workforce education activities carried out under this title and parents of such students.".

In section 728(b)(4)(A)(iii), strike "participation" and all that follows and insert "participation, in the development and continuous improvement of the workforce development activities carried out in the substate area—

"(I) of business, industry, and labor; and

"(II) with regard to workforce education activities, of secondary school teachers, secondary school students involved in workforce education activities carried out under this title, and parents of such students;".

Mr. HATCH. Mr. President, I ask unanimous consent the amendment be laid aside.

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

AMENDMENT NO. 2556 TO AMENDMENT NO. 2280

(Purpose: Transmission of quarterly wage reports in order to relay information to the State Directory of New Hires to assist in locating absent parents)

Mr. HATCH. Mr. President, I send an amendment to the desk and in behalf of Senator NICKLES of Oklahoma and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. NICKLES, proposes an amendment numbered 2556.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Sec. 913 page 601 of the amendment, strike line 8 thru line 21 and insert in lieu thereof the following:

"(2) TIMING OF REPORT.—Each report required by paragraph (1) shall be made in accordance with the requirements of Section 1320b-7 (3), Title 42 of U.S.C."

"(c) REPORTING FORMAT.—Each report required under Section 1320b-7(3), Title 42 of U.S.C. shall include an indication of those employees newly hired during such quarter."

Mr. HATCH. Mr. President, I see the distinguished Senator from Alabama.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HEFLIN. I thank the Chair.

(The remarks of Mr. HEFLIN pertaining to the introduction of S. 1227 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. HATCH. Mr. President, I ask unanimous consent that the pending amendment be set aside.

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

AMENDMENTS NOS. 2557 AND 2558, EN BLOC, TO AMENDMENT NO. 2280.

Mr. HATCH. I send two amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. JEFFORDS, proposes amendments, en bloc, numbered 2557 and 2558 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2557

(Purpose: To amend the definition of work activities to include vocational education training that does not exceed 24 months)

On page 36, line 12, strike "12" and insert "24".

AMENDMENT NO. 2558

(Purpose: To provide for the State distribution of funds for secondary school vocational education, postsecondary and adult vocational education, and adult education)

On page 381, strike lines 18 through 21, and insert the following:

(3) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a fiscal year, such agency shall distribute such funds for workforce education activities in such State as follows:

(A) 75 percent of such amount shall be distributed for secondary school vocational education in accordance with section 722, or for postsecondary and adult vocational education in accordance with section 723, or for both; and

(B) 25 percent of such amount shall be distributed for adult education in accordance with section 724.

Mr. HATCH. I also ask unanimous consent that those amendments be set aside for later consideration.

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

AMENDMENT NO. 2559 TO AMENDMENT NO. 2280

(Purpose: To require the establishment of local work force development boards)

Mr. HATCH. Mr. President, I send another amendment to the desk for and on behalf of Senator KYL and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from Utah [Mr. HATCH], for Mr. KYL, proposes an amendment numbered 2559.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In section 728, strike subsections (a) and (b) and insert the following:

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local workforce development boards described in subsection (b).

(2) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local workforce development board;

collaborated in reaching the agreement.

(3) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local workforce development board, the Governor shall notify the board, and provide the board with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(4) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—There shall be a local workforce development board for every substate area in a State that receives assistance under this title.

(2) DUTIES.—Such a local workforce development board shall—

(A) have principal responsibility for implementing local workforce development activities (other than economic development activities), including one-stop centers or systems, school-to-work activities, and workfare activities; and

(B) shall have authority over economic development activities if no comparable oversight or policy group exists within the substate area.

(3) APPOINTMENT.—

(A) IN GENERAL.—A local workforce development board shall be appointed by the chief elected official of a unit of general purpose local government within the substate area involved, based on guidelines established by the Governor, in consultation with local elected officials in the substate area.

(B) CHIEF ELECTED OFFICIAL.—Such chief elected official shall be selected by the elected officials of 1 or more units of general purpose local government within the substate area.

(C) MEMBERSHIP.—A majority of the members of the board shall be representatives of business. The remainder of the board shall consist of such other members as the Governor may determine to be appropriate.

(4) REFERENCES.—Notwithstanding any other provision of this title, any reference in this title to a local partnership shall be deemed to be a reference to a local workforce development board established under this subsection.

Mr. HATCH. I ask unanimous consent that the amendment be set aside.

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

Mr. KENNEDY. Mr. President, at long last, the Senate turns its attention to an issue at the heart of the availability of any real welfare proposal and close to the heart of all working families, and that is access to safe, affordable child care in the next period of time. I see in the Chamber my friend and colleague, the Senator from Connecticut, who will offer the amendment for himself and for myself.

Mr. President, somehow amidst all the tough talk and political posturing about welfare reform, talk of block grants and State flexibility, funding formulas and family caps, this debate seems to have lost sight of the clear and simple fact that a single parent with a preschool-aged child cannot hold down a job if there is no one to care for that child.

I think over the long course of the hearings that have been held on the question of welfare reform in the time that I have been in the Senate, it is very clear what the elements of a successful welfare reform bill must be. There has to be, obviously, a job at the end of the line for an individual, hopefully in the private sector, public sector if necessary. There has to be some training for that individual. There also has to be some care for the child of that parent. And when we realize that two-thirds of those recipients today on welfare have small children, we understand the importance of providing the child care. And there also has to be an element of health care for that child and for that family.

Those are essentially the elements. And what is an intolerable situation is to present welfare reform legislation and pretend that it is really, truly a reform program without addressing the enormously important issue of who is going to care for the children that will be affected by this debate.

Of those that are on welfare, about 10 million of them are children, 4 to 5 million are adults. So when we talk about the welfare issue and welfare reform, we are really talking about children and families in this country. Many of those children are the sons and daughters of working families. Children are always the most vulnerable individuals. They are not here to speak for themselves. As responsible policymakers, we must consider the impact of any legislative effort on the most vulnerable in our society.

So throughout this debate we intend to ask over and over again the key questions that should guide this entire debate: Who will care for the children? As families enter the job search, who will care for the children? As families enter workfare programs, who will care for the children? As a single parent is mandated to take a job, who will care for the children?

I would like to just take a few moments before my friend and colleague from Connecticut introduces legislation that will address this issue, and I think in an important way remedy this glaring defect in the majority leader's proposal, to consider where we are with the proposal that is before the Senate this afternoon.

First of all, if we look at the current situation under the existing legislation, legislation that passed in 1988 with virtually unanimous support in the Senate, which recognized the importance of child care programs, there is $1 billion to take care of 643,000 children.

Under the bill that is before the Senate at the present time, that particular funding, the $1.1 billion, which is the total of three different child care programs, is effectively eliminated, crossed out as separately designated child care funding.

There is an additional child care program in current law that is provided under discretionary spending for the child care programs which also amounts to $1 billion—some $935 million spent in the year 1995 to take care of 750,000 children. This is $935 million for 750,000 versus $1.1 billion for 643,000 children. These are the sons and daughters of low-income working families and need care for a short period of time, and that is why there is some disparity.

The majority leader's proposal not only eliminates the $1 billion which will currently provide for the 643,000 children—eliminates that—but also takes a third of the $1 billion which was appropriated for child care and allows 30 percent of it to be transferred for other purposes.

We have to ask ourselves, who is going to care for all of these children? Who is going to care for the children who are being taken care of under the existing discretionary program if these funds are diverted away? Who will care for the children who would have been cared for through the mandatory programs that would otherwise be expended in 1996 but have been effectively?

We have to ask ourselves, what is going to be the response?

When this issue was raised just before the break, the leader indicated what his response was going to be.

In the exchange on the floor of the Senate, the majority leader said:

Let me just respond this way to the Senator from Massachusetts. I said just a few moments ago—I do not think the Senator was on the floor—that was an area of concern raised by the White House, the same general area. As I said, it is a concern raised by a number of my colleagues on this side of the aisle.

We had our first meeting on Friday. And Senator KASSEBAUM, the chairman of the committee, who did a lot of work in this area, was present.

It is certainly true that Senator KASSEBAUM has been very dedicated to child care. It was Senator DODD who was the leader of the development of the discretionary program, with strong support of the Senator from Utah, Mr. HATCH, and it was Senator KASSEBAUM who ensured that this valuable program was reauthorized.

It continues on:

So I can say to the Senator in all candor, it is something we are looking at. We know there is a problem, and we are looking at it because under the present provision of S. 1120 it would be block granted to the States. But there is a great deal of concern expressed. I can only say that we are going to sit down, I think, again either tonight or tomorrow morning to try to address that on this side.

Now, what happened? First of all, we have what I call under the existing Dole proposal effectively the home alone program. We are telling parents that they are going to have to leave their children home alone. We are saying if the parent of this family does not go out and take a job, they are going to lose any kind of support benefits and we are going to leave the child alone at home.

That was the issue brought before the majority leader just before the August recess and he responded that he was going to address that particular proposal. So what happened? In the proposal sent to the Senate just before the break, he included a provision providing the discretion to the States the option to exempt a parent with a child less than 1 year old—but completely at the discretion of the States. If the State did not choose to do it, infants could find themselves home alone again.

The new bill did not provide additional child care for families with

young children. The bill did not provide additional funding to help and assist those families in achieving self sufficiency, allowing them to go to work with good quality day care. All it did was say that those families would be exempt. You will not be denied the benefits of the program if you do not participate in the work program. And effectively what you are saying is happy birthday to the child when they turn 1, because that parent is going to be required to go on out and leave that child at home alone when they are 13 months old.

I call that "Home Alone II." You left the children home alone in the initial proposal. And now we are saying we are leaving it up to the States to exempt 10 percent of families from having to leave their children home alone. But what about getting those parents into the work force, which is part of the desire of this particular legislation? We are not providing child care. All we are saying is that if you have young children, you can stay home and do not have to work.

Mr. President, this chart gives a real reflection of what the needs are and what the realities are under the day care proposal. We are taking the $1 billion that was spent on child care for welfare families and under the Dole proposal it is eliminated. But we will have to spend $4.8 billion in the year 2000 alone to provide for day care for welfare recipients mandated to work under the Home Alone bill. That means that if the Dole bill is implemented and all the people required to work actually go to work, you will need $4.8 billion to provide the day care for them in that one single year—one single year.

This assumes that only half of the parents that are going to work will need help finding and affording child care. It says that the others will be able to get child care on their own, which is an extraordinary assumption. I mean, it defies what is happening in all of our States. I am interested in listening to Senators who have had a different experience in their State, finding scores of people receiving welfare that are able to get child care and pay for it. But that is one of the assumptions.

Even with that assumption, HHS says that the Dole bill will cost $4.8 billion for child care in the year 2000. Cumulatively, under the Dole proposal, it will be $11.2 billion from 1996 to the year 2000. And States will only be provided $16.8 billion flat funding over that period of time. If you are going to need all of this for day care, where is the money going to be on job search? Where is the money going to be in providing for the health care needs of the children? Where is the money going to be for job training and education? Where is it going to be? It is just not going to be there. That is why this is so fraudulent. That is why this legislation is so basically and fundamentally flawed when you think about the needs of the poor children of this country.

Mr. President, I will join with my colleague and friend from Connecticut in an amendment to address this particular problem by restoring the existing $1 billion and making up the rest to make sure this legislation addresses the issue of child care for the children of this country, as well as the requirements in terms of job needs.

So, Mr. President, I welcome the opportunity, as we come into the weekend, to join with our leader here in the Senate, Senator DODD, who has provided leadership in this child care area. It has been a bipartisan effort, in our committee and on the floor, with Senator HATCH and Senator KASSEBAUM and others, very much involved in this effort.

Let me just say, finally, we heard just a few moments ago, additional changes proposed by the majority leader. As I understand, this includes an amendment to raise the age of children whose families are exempt from 1 to 5 years of age. This effectively will mean that sixty percent of those who are on welfare will be excluded from welfare reform because that many have children under 5.

So that raises some serious issues and questions about what we are doing here if we go about excluding people from the requirements rather than assisting them. As a way of trying to respond to this particular need, I think this raises some serious questions about what this legislation is all about.

Mr. SANTORUM. Will the Senator yield?

Mr. KENNEDY. I will in a second. I prefer that we provide the kind of support that is included in the Dodd amendment because if we do that, what we are going to do to get people to work—by providing the training for them, the day care, and help them to find a job. That is the objective, to care for children and to promote work. That is the desirable end.

But certainly, if we are not going to have the kind of support and help and the funding for the day care, as a matter of policy, it is a lot better to have the parent at home taking care of very small children than requiring them to make a choice between leaving a child who is 2, 3, 4, or 5 home alone and complying with the requirements of this legislation.

So this is a very important discussion and debate. I hope that we will have the chance on Monday, to get into greater detail both on the changes that have been made. But just at the opening of this, because I see my friend and colleague from Connecticut on the floor who wants to make a presentation, I think it is important that we understand exactly where we are with regard to the child care proposals.

I will be glad to yield briefly for a question from the Senator, and then I want to yield the floor so that the Senator from Connecticut can——

Mr. SANTORUM. I just wanted to respond to the comments of the Senator from Massachusetts about the Snowe amendment. I think there is a mischaracterization. Maybe it is not a mischaracterization. I know the amendment has not been presented. You received a summary. But what the Snowe amendment does is say that the parents with children under 5 who can demonstrate to the State—the States will determine what the demonstration requirements would be—that their child care is either unaffordable to them or unavailable to them, whatever, would not be sanctioned for not working.

That does not mean that anyone who has a child under 5 would be exempt from the work requirement. That is not the case. In fact, they would be required to work unless they can prove that there is no child care available. So what happens, since the Snowe amendment does not change the participation standard, which is that 50 percent have to be in the work program, what the Snowe amendment really attempts to do by keeping the denominator the same is to encourage States to provide more child care so they can increase work participation by families with children under 5. So it is, in a sense, a roundabout way of getting States to come up with more child care dollars so we can, in fact, give opportunities for women, in most cases women, who have children under 5.

Mr. KENNEDY. Mr. President, I appreciate that, and I will make a brief comment. That is the very basis of the difference among the Dole, Senator Santorum, and other proposals. You are not providing child care for that mother that wants to be able to go out and work. What you are saying is that mothers will have to work unless they are able to demonstrate that for some means they cannot quite get that child care, that they do not have the resources to do it.

I say to the Senator from Pennsylvania, travel around your own State or my State or any of the other States and talk to those mothers and ask them. We already know what is happening out there. We already have that kind of information, and we just know of the availability of child care.

I hope it is not quite as punitive as described by the Senator to say because we know what the shortage is and what the cost is in terms of quality child care. I do not know how many working families that are trying to go out and work and provide for their families, let alone those that are caught in the misfortunes of life and have a life of dependency, are able to go on out there and get the child care and afford to pay it, have someone tell

them, "Well, maybe your situation is not desperate enough and you are able to stay home. You are able to stay home. We are not going to do anything for you to get child care so you can get off welfare, we are just going to say you can still get your check."

I do not think that is really what this bill should be about.

I look forward to the opportunity later this afternoon and Monday to get into greater detail on this.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

AMENDMENT NO. 2560 TO AMENDMENT NO. 2280

(Purpose: To provide for the establishment of a supplemental child care grant program)

Mr. DODD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Mr. KENNEDY, Mr. KOHL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Mrs. BOXER, Mr. LEAHY, and Mr. KERREY, proposes an amendment numbered 2560 to amendment No. 2280.

Mr. DODD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 17, line 22, strike "subparagraph (B)" and insert "subparagraphs (B) and (C)".

On page 18, between lines 15 and 16, insert the following new subparagraph:

"(C) AMOUNT ATTRIBUTABLE TO CERTAIN CHILD CARE PAYMENTS.—For purposes of subparagraph (A), the amount determined under this subparagraph is an amount equal to the Federal payments to the State under subsections (g)(1)(A)(i), (g)(1)(A)(ii), and (i) of section 402 for fiscal year 1994 (as in effect during such fiscal year).".

On page 18, line 16, strike "(C)" and insert "(D)".

On page 22, line 12, strike "$16,795,323,000" and insert "$15,795,323,000".

At the end of title VI, add the following new section:

SEC. . WORK PROGRAM RELATED CHILD CARE.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services shall, upon the application of a State under subsection (c), provide a grant to such State for the provision of child care services to individuals.

(b) FUNDING.—For the purpose of providing child care services for eligible children through the awarding of grants to States under this section for a fiscal year, the Secretary of Health and Human Services shall pay, from funds in the Treasury not otherwise appropriated, an amount equal to the sum of—

(1) the outlays for child care services under sections 402(g)(1)(A)(i), 402(g)(1)(A)(ii), and 402(i) of the Social Security Act (as such sections existed on the day before the date of enactment of this Act) for fiscal year 1994; and

(2)(A) for fiscal year 1996, $246,000,000;

(B) for fiscal year 1997, $311,000,000;

(C) for fiscal year 1998, $570,000,000;

(D) for fiscal year 1999, $1,122,000,000; and

(E) for fiscal year 2000, $3,776,000,000.

(c) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary of Health and Human Services an application at such time, in such manner, and containing such information as the Secretary may require.

(d) AMOUNT OF GRANT.—From the amounts available under subsection (b) for a fiscal year, the Secretary of Health and Human Services shall allot to each State (with an application approved under subsection (c)) an amount which bears the same relationship to such amounts as the total number of eligible children in the State bears to the total number of eligible children in all States (with applications approved under subsection (c)).

(e) USE OF FUNDS.—

(1) IN GENERAL.—Amounts received by a State under a grant awarded under this section shall be used to carry out programs and activities to provide child care services to eligible children residing within such State.

(2) ELIGIBLE CHILDREN.—For purposes of this section, the term "eligible child" means an individual—

(A) who is less than 13 years of age; and

(B) who resides with a parent or parents who are working pursuant to a work requirement contained in section 404 of the Social Security Act (as amended by section 101), are attending a job training or educational program, or are at risk of falling into welfare.

(3) GUARANTEE.—Notwithstanding any other provision of this Act, or of part A of title IV of the Social Security Act—

(A) no parent of a preschool age child shall be penalized or sanctioned for failure to participate in a job training, educational, or work program if child care assistance in an appropriate child care program is not provided for the child of such parent; and

(B) no parent of an elementary school age child shall be penalized or sanctioned for failure to participate in a job training, educational, or work program before or after normal school hours if assistance in an appropriate before or after school program is not provided for the child of such parent.

(f) GENERL PROVISIONS.—

(1) OTHER REQUIREMENTS.—The requirements, standards, and criteria under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) except for the provisions of section 658G of such Act, shall apply to the funds appropriated under this section to the extent that such requirements, standards, and criteria do not directly conflict with the provisions of this section.

(2) MAINTENANCE OF EFFORT.—A State, in utilizing the proceeds of a grant received under this section, shall maintain the expenditures of the State for child care activities at a level that is equal to not less than the level of such expenditures maintained by the State under the provisions of law referred to in subsection (b) for fiscal year 1994.

(g) SENSE OF THE SENATE REGARDING FINANCING.—

(1) FINDINGS.—The Senate finds that—

(A) child care is essential to the success of real welfare reform and this Act dramatically reduces the funds designated for child care while at the same time increasing the need for such care; and

(B) obsolete corporate subsidies and tax expenditures consume a larger and growing portion of the funds in the Treasury.

(2) SENSE OF THE SENATE.—It is the sense of the Senate that the new investment in child care, above the amounts appropriated under the provisions of law referred to in subsection (b)(1) for fiscal year 1994, provided under this section should be offset by corresponding reductions in corporate welfare.

Mr. DODD. Mr. President, this is the child care amendment. As I understand it, we will take some time this afternoon, and on Monday we will resume the debate and have a vote on this amendment, I think, at 5 p.m. I stand corrected if that is not correct. My colleague from Pennsylvania is indicating that that is the situation procedurally. We will have people over the weekend take a look at the amendment, decide either to support it or offer ideas to change it. But I think it is a critically important amendment. It is one of the two or three, I think, most significant amendments we will have during the consideration of this bill, because it is such an important linchpin to the whole debate on welfare. It determines whether or not the so-called welfare reform proposal can actually work.

Let me, first of all, thank my colleague from Massachusetts for his support in putting this amendment together, and for his support not just today and recently, but over the years.

As he has pointed out, Mr. President, going back some 5, 6, 7 years ago, we were able to fashion a child care proposal, the very first, I might add, ever adopted by a Congress with the exception of the period in about 1942 or 1943 when, in the middle of World War II, the Congress appropriated $50 million for a national child care program for the obvious reasons.

We had young men in uniform who were fighting in the European and Pacific theaters. War production was critical. Women went to work in war production facilities and, obviously, taking care of their children was something that needed to be done.

In fact, I invite my colleagues to look at a fascinating exhibit at the Library of Congress. There are marvelous photographs and stories about these child care facilities and how sophisticated they were with doctors and nurses, wonderful feeding programs and the like. In fact, one of them still is in operation in Santa Monica, CA, the only one I know of that is still operating from that period of time.

Obviously, that was a time of national emergency. Once World War II was over, young men came back from the war, women left war production, men went to work in our companies and factories across the country, and these child care facilities, many of them, closed their doors.

It is intriguing to note, because it was, obviously, a recognized need that we could not very well ask people to go to work in war production without a parent being home and to leave children home alone.

I have gone back and examined that legislation. There was no criteria established in that bill based on the age of the children or exemptions from work and war production. It was designed to take care of kids, and it was a wonderful educational process as

well, where those children actually had a good education experience while being in that child care setting.

At any rate, we are again engaged in a debate. This time another emergency, not of the magnitude of World War II, but an emergency. We have far too many people who are living on public assistance of one kind or another. We are trying to break that cycle. We are trying to make it possible for people to go back to work or to go to work for the first time ever, and we are faced not with a dissimilar fact situation.

In World War II, the men in those families were fighting a war. Today, in many cases, there are not any men at all in these households, just women raising children alone. And yet we want them to go to work, not in war production today, but we want them to get into the work force, because we think it is not only good for them, it is good for the country. But the issue regarding the children is the same, it is the common denominator. In 1942 and 1943, we reached the collective conclusion those kids should not be left home alone. We needed women in war production; take care of the kids.

Today we are saying collectively, I think, we ought to get people to work in this country. We are tired of watching two and three generations and four generations live on public assistance. We want to get them to work, and yet we know we have a staggering number of children who need care.

What this amendment is designed to do is to come up with a means by which we make the work requirements in this particular bill be effective. So that is what we have crafted with this amendment. We take $5 billion as part of the block grant—it is already in the bill—and dedicate that to child care. We then recognize, as a result of HHS's numbers, that you cannot possibly meet the criteria outlined in the Dole legislation that requires that a certain percentage of people on welfare get to work, if you do not have a child care component. So 44 States would not be in compliance according to CBO. We come up with $6 billion to come out of a corporate welfare approach that is designated by a sense-of-the-Senate resolution.

Some will argue you do not need $6 billion, you can do with a sum less than that. I, frankly, will be listening and more than happy to entertain some discussion of that. Health and Human Services says roughly $6 billion. CBO says less than that, depending on what numbers you use as the base.

The point is, what presently exists in the bill does not meet the criteria at all. You need to have more resources. I will get into why that is the case in a moment.

As I pointed out yesterday during our debate, and when the distinguished majority leader, Senator DOLE, pulled his welfare reform bill 3 weeks ago, that, in my view, the bill pretended to be serious about work but ignored how children would fit into that equation.

At that point, I described the legislation as "child care—less." There has been a lot of talk, obviously, in the past several weeks about a modified proposal. But as far as I can tell, not much has changed in the legislation.

The Republican proposal is still, as Senator KENNEDY has pointed out, a home alone bill. The Republican proposal amounts, in my view, to nothing more than a bitter taste for thousands of families across the country. You cannot throw a dab of budgetary so-called gravy on it and call it tasty or a success. It is just window dressing, Mr. President, and Americans simply, I think, will not take it.

The Republican proposal still imposes significant new work requirements without acknowledging that child care is essential if people are going to go to work. Funds previously designated for child care and child care only disappear.

I point out, on one of the charts that we have here, that in 1994, we designated $1 billion for child care assistance in our welfare reform programs. That was only done a year or so ago. The Dole bill, as presently crafted, as Senator KENNEDY pointed out a moment ago, takes that money previously earmarked for child care, lumps it into general welfare, a pool. One can argue that the States may decide to use those resources.

Let us assume, if you want to, that they may. But there is no requirement. They may decide to do something else with it. If you say we are going to insist that that $1 billion be left in the bill for child care, the fact is, that with the changes in the Dole bill we are going to increase the need for child care slots by 165 percent. So the $1 billion is going to be totally inadequate in order to meet this increased demand that we have. So it is not even going to come close to the demands that we will have on us. The bottom line here is that no money is guaranteed at all. Not a single penny is guaranteed here at all.

In fact, even under previous legislation, you had a requirement that States had to dedicate some of their own resources for child care. We even stripped that out of the bill. So there was no requirement there at all either. So we have taken out the Federal money, and the State requirement too. We have said that you have to go to work quickly, and we do not provide the resources to allow that to happen.

Let me quickly add that we are seeing add-ons or modifications now. We had the provision that was added that said if you had children under the age of 1, you would be exempted from the work requirement. Now, that has been raised to the age of 5. I appreciate the point of our colleague from Pennsylvania that that exemption only exists if child care is not available. The fact of the matter is, if you are on welfare and you do not have any dedicated resources, child care is de facto not going to be available.

A point I think that needs to be made here is that we need to remind ourselves what the essence of this bill is. That is, to try and get people to work. If we start exempting people because they have children under the age of 1 or 5—while I appreciate the motivations behind it—it is going to run counter to what we should be trying to do. Does that mean if you have three children above the age of 5 and one under, that you are exempt? Is that going to be an inducement to some families—at a time of trying to discourage more children, is it in fact going to be an inducement in some ways for people to have a child in order to avoid the work requirements? I would much rather see us stick with the criteria that you try and get people to work and then provide the child care for them. That, it seems to me, makes more sense and goes to the essence and heart of what we are trying to achieve, instead of trying to come up with an exemption for each age group here. I think we ought to be trying to assist these families to become self sufficient, independent, and to give them the resources to achieve those goals.

As we know right now, we have been told that as a result of no additional funds, we will have to find an $4.8 billion in the year 2000 just to meet the child care requirements. States would be required to spend totally, we are reminded, some $11 billion over the next 5 years.

Let me emphasize again that I think there is general consensus here that if there is one common theme in all of the various proposals that are being discussed regarding welfare reform it is that we want to get people to work. We are trying to figure out the best way to do that, the most efficient way to do it.

What those who agree with that proposition are suggesting is that if we are going to get people on public assistance to work, there are several things we have to do.

First, we have to see if they have the training and the education in order to meet the criteria of the job market, which is critically important. Second, we have to recognize the reality that almost everyone in the country understands; that is, it is difficult to get to work if you have young children and you have no place to leave them where they will be cared for and adequately protected.

That is an issue that everyone understands. You certainly do not have to be on welfare to understand that. As I said yesterday and the day before, every single family in this country whether two parents who work, or a single parent works, knows of the anxiety of child care.

Even if you have a good child care system today in place for your children, every week you wonder whether it will be there next week, and how much more it may cost. Will there be a problem for one reason or another?

Child care for working families with young children is an issue that everyone understands, regardless of their economic situation.

What I am suggesting here and what we successfully passed a few years ago, with the tremendous help of my colleague from Utah, Senator HATCH, in a very strong, bipartisan way, with the ultimate support of President Bush and the Bush administration, was the recognition that we need to have some support for child care, for families, as we try to move them into the workplace, and for the working poor.

What we are doing with this amendment is trying to come up with adequate resources that make it possible for the work requirements of this bill to become effective. If we are really going to get people from welfare to work, where two-thirds of these families have children that are very young, then you will have to deal with the child care issue.

That does not require any great leap of faith. It does not require a great understanding of the complexity of law. It merely states what everyone ought to be able to appreciate and understand. That is what we are trying to do with this amendment.

Now we are being told, as it stands right now, the Governors would have to come up with $4.8 billion in the year 2000. If we are going to just provide for the welfare recipients mandated under the home alone bill, if you are going to get to the year 2000, you will need a total amount of roughly $11 billion between now and then.

You can take out of the block grant $5 billion, but you have to come up with $6 billion more, roughly, to meet the criteria. Am I absolutely certain of the $6 billion? No, I am not. I am listening to a lot of people who spend a lot of time on these issues, and they tell me that is roughly the number. It could be somewhat less. But the point is, it is roughly in that ballpark if you are going to meet the work criteria.

Now, it is being suggested by the majority leader and others, rather than do that, why not just exempt these families that have very young children?

First, the proposal was under age 1. Now the proposal is up to 5 years.

My suggestion here is, rather than start exempting people with young children right and left, why not try to come up with the resources so we get back to the heart of the welfare proposals, and that is to make it possible for people to get to work? That seems to me to be a more logical step to take, rather than retreating from those obligations of work requirements.

So that is what we do with this amendment. We try to make it possible for that to happen. Otherwise, I do not know what these Governors are going to do. They do not have the resources, Mr. President. We are shifting the problem to them. We are saying, you come up with the resources or you face the penalties, because we have penalties in the bill. And if you do not get a certain percentage of your welfare recipients into the work force in the first year or two and then at a higher percentage a year or two after that, then there are penalties that we at the Federal Government levy on these States.

So what are the options? Either you do not get the child care, you do not get people to work, and then you have a penalty, which means you have to raise taxes to pay it; or you have to come up with $4.8 billion in 2000, or more over the next 5 years in one form of taxation or another.

Why not try to come up here with a means by which we make it possible for people to make that transition, so we get from the dependency on welfare to work by providing adequate child care for these children?

I have recommended here corporate welfare as an offset—I cannot identify choices specifically because then you end up with bills being transferred immediately to various committees. We have in the amendment—because the obvious question is how do you pay for it—a section. We asked people to look at corporate welfare. There is a lot in there. We talk about deductions and availability of certain things. There is a lot that exists. We have a tax proposal that is going to be submitted to us that calls for $250 billion in tax cuts, the bulk of which will go to upper-income families. If we would just modify that by $6 billion, I might add, or take a look at the literally billions of dollars that exist in corporate welfare and find $6 billion in order to achieve this desirable goal of getting people to work, it seems to me to be a modest request. I am confident that people who are committed to this will be able to find the resources over the next 5 years to do so.

This ought to be, in my view, an issue which people can gather around. We may disagree on other aspects of this bill, but I do not believe there ought to be the kind of partisan debate over child care, over coming up with the resources to make it possible for people to go to work and have their kids well taken care of. That is an issue everybody understands. As I said a moment ago, anybody who is at work today and has young children understands the problem, the worry, the concern, the anxiety that people have.

Frankly, with all due respect to those who have made the proposal of 1 year or 5 years, you have a child that is 5 years and 6 months, or 6 years old, 7 years old, you are not going to leave that child home alone and go to work. That is just unrealistic.

In fact, even when those children are in school, the great anxiety that parents have at 2 or 3 o'clock in the afternoon is hoping the child gets home safely. Look at the number of phone calls that get made at 3:30 and 4 o'clock when people are at work to find out whether or not that young child has made it home, and then worrying when they are home what happens to them. Who is watching them? What are they doing?

Again, I have to believe most of my colleagues understand these issues because they have certainly heard the general worry and concern outside of the welfare debate when it comes to the issue of care for children. It's obviously compared to the other things we do—my God, we come up with criteria for parking places. We take care of people's cars better. We have criteria for pets in this country to make sure they are not going to get harmed. All I am saying is what about our kids? In this day and age, we just increased the defense budget by $7 billion for next year, $7 billion more than the Pentagon wanted. That is $1 billion more than would take care of all the child care needs under the Dole bill for 5 years—for 5 years. One year of increased spending that was not asked for by the Pentagon.

In a just and fair society, with the tremendous and legitimate demand of the constituencies of this country that said we ought to get people off of welfare and to work, understanding the element of child care, we ought to be able to do that. And this ought to be a unanimous vote. There ought to be no great split here on that issue, and that is what I am offering with this amendment.

We can have, over the weekend, a talk about it. Staffs may meet. Maybe somebody will have some other ideas how we can fashion this to the satisfaction of everyone. I am not rigidly holding onto every dotted "i" and crossed "t." If there are some other numbers people want to use, I am open to them. I am not looking for an acrimonious debate on this issue. I am just telling you flatout that a welfare reform bill that demands that people go to work and does not have a child care factor to it, an element to it to allow for that transition to occur, is just unworkable.

I promise that you can threaten families all you want, they are not going to abandon their children. They just will not do it. I do not care what income category, what part of the country you are talking about. These families are not going to walk out of the house and leave that child alone. We would condemn them if they did. You get arrested in parts of this country if you do it. We have had cases in Connecticut in recent times where people have gone to casinos and left children in parked cars. We arrest them. It is a headline story when it happens.

Does anyone think that we are going to have a law that requires that people go to work and leave their kids locked up in their houses, and that we are not going to have a sense of outrage about it? And we are then going to penalize those States because they have not met the criteria because people have refused to obey the law and leave their children alone? That is insanity. That does not make any sense at all.

So I do not know why people have so much difficulty with this concept. This ought to be a 20-minute debate, not a great source of controversy. If you do not understand the linkage between child care and welfare reform, then you do not have the vaguest notion about welfare and what needs to be done to make it work better.

So, Mr. President, I hope over the coming 2 or 3 days before we come back on Monday afternoon, that people will take a good look at this, come together, and see if we cannot either support this amendment or some modifications to it so it roughly will allow the Dole bill provisions to actually take effect and make it possible for these States to meet the criteria without raising taxes.

In the absence of doing it, you have the biggest unfunded mandate I have seen so far. It was S. 1, I think, the unfunded mandate bill, where we said you cannot put mandates on States without coming up with the resources so they do not have to raise their own taxes. Here we are going to have a mandate that you take your welfare recipients and put them to work or face penalties. That is an unfunded mandate if we do not help them provide the resources to meet those criteria that we are laying out in this legislation.

So, Mr. President, again, I thank my colleagues for listening here this afternoon. I know I have probably bored them over the years on this subject matter, going back 7 and 8 years ago when we started the child care debates. But I think most people recognize today—certainly the corporate community does. The business community has had tremendous sophistication in understanding its employees' needs. They understanding the value of productive workers and having good, adequate child care alleviates worries so those employees can pay full attention to their jobs. Every sector of our society seems to appreciate the relationship between people's worries about their children, the priorities that people place on their children and their children's needs and the simultaneous need to be a productive and successful worker.

As we now talk about getting people off public assistance and moving them into the work force for the benefit of everyone, most importantly that individual, the element of dealing with their young children is something that we have to take into consideration.

I think exempting the families, as appealing as that may be to some, confuses the issue rather than sticking to the point of trying to make it possible for people to get to work and help them stay there through an adequate and appropriate child care system or structure.

So with that, Mr. President I urge my colleagues to take a look at this. We will reengage the debate on Monday and hopefully come up with an adequate solution that will make it possible for all of us to begin to support the DOLE proposal on welfare reform.

I know, in speaking with others, that the administration is very interested in supporting a bill that will truly be a welfare reform bill. That is the strong desire of President Clinton. He wants to do it. He believes that can be done if an issue like this can be adequately addressed and several others. But this is certainly an important element in all of that.

With that, I thank my colleagues and I yield the floor.

SENATOR PACKWOOD'S RESIGNATION EFFECTIVE AS OF OCTOBER 1, 1995

Mr. DOLE. Mr. President, there have been a number of inquiries last night and today about when the resignation of Senator PACKWOOD would be effective. I think I can best answer that in the exchange of letters I have had with Senator PACKWOOD if my colleagues will permit me.

This is my letter to Senator PACKWOOD:

DEAR BOB: As I said on the Senate floor yesterday, it is my belief that you made the right and honorable decision to resign from the United States Senate.

I believe that it is in the best interests of the Senate and of the State of Oregon to reach closure on this matter as soon as possible.

Therefore, it is my recommendation that your resignation become effective no later than October 1, 1995. I would further recommend that you relinquish the Chairmanship of the Senate Committee on Finance effective today.

I know of your deep concern for your personal and committee staff, and I will work to provide them with an appropriate period of time to complete their own transition.

Sincerely,

BOB DOLE.

This is Senator PACKWOOD's reply:

DEAR BOB: I hereby tender my resignation as of October 1, 1995. I also am relinquishing today, Friday, September 8, my chairmanship of the Senate Committee on Finance.

I appreciate very much your concern and willingness to help the Personal and Committee staff in having an appropriate period of time to complete their own transition.

Thanks so much.

Sincerely,

BOB PACKWOOD.

Mr. President, I ask unanimous consent that those letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE REPUBLICAN LEADER,
Washington, DC, September 8, 1995.

Senator BOB PACKWOOD,
259 Russell, Washington, DC.

DEAR BOB: As I said on the Senate floor yesterday, it is my belief that you made the right and honorable decision to resign from the United States Senate.

I believe that it in the best interests of the Senate and of the State of Oregon to reach closure on this matter as soon as possible.

Therefore, it is my recommendation that your resignation become effective no later than October 1, 1995. I would further recommend that you relinquish the Chairmanship of the Senate Committee on Finance effective today.

I know of your deep concern for your personal and committee staff, and I will work to provide them with an appropriate period of time to complete their own transition.

Sincerely,

BOB DOLE.

U.S. SENATE,
Washington, DC, September 8, 1995.

Hon. BOB DOLE,
Senate, Washington, DC.

DEAR BOB: I hereby tender my resignation as of October 1, 1995. I also am relinquishing today, Friday, September 8, my chairmanship of the Senate Committee on Finance.

I appreciate very much your concern and willingness to help the Personal and Committee staff in having an appropriate period of time to complete their own transition.

Thanks so much.

Sincerely,

BOB PACKWOOD.

Mr. DOLE. Mr. President, I think that answers any questions anybody may have had.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. ASHCROFT. I thank the Senator from Connecticut. I am delighted to have this opportunity to make a few remarks and to offer two amendments to the Dole modified amendment for the welfare reform proposal.

Mr. President, the Dole modified amendment which is offered today is a substantial improvement, a very substantial and significant step toward the right kind of operation in terms of reforming welfare. I am pleased to see that the mechanism for delivering block grants—which was first recommended in the proposal I made on welfare reform called CIVIC, Senate bills 842, 843, 844 and 845, the proposal for delivering block grants directly from the Department of the Treasury to the States—is included and that will vastly reduce the Federal welfare bureaucracy, which I considered to be a bureaucratic tax upon the poor, and make resources available to the truly needy. It should limit Washington's interference in the States' welfare reform efforts.

As I have spoken many times on the floor, ending the micromanagement

and intermeddling involvement of HHS to the extent possible, and giving States the opportunity to craft and shape welfare reform so that it meets the needs of the people in the States, is very important. We do need to replace the failed system of welfare which has been a Washington-run system, and the modified amendment proposed by Senator DOLE would help achieve this, in part, by adopting the proposal which is for direct block grants to the States that bypass much of the redtape of Washington.

Also, it is important that the Dole amendment includes an independent audit provision which will eliminate much of the Washington micromanagement and prevent funds from being consumed needlessly on bureaucratic oversight. Under this provision, States would supply to the Department of the Treasury audits conducted by independent auditors demonstrating their compliance and that block grant funds have been used properly in serving the needy populations.

I want to also say how pleased I am to see that the modified amendment includes a provision adapted from my welfare reform bill, which recognizes that Government programs alone will never solve all of our welfare needs. We have to allow States to involve a number of nongovernmental charitable organizations, including faith-based organizations, in serving the poor. Organizations like the Salvation Army and Boys and Girls Clubs are often more successful in serving people in need than are governmental institutions. We need to be able to tap these resources effectively. There is a character in the programs like the Boys and Girls Clubs and the Salvation Army that is important in meeting needs. It is a character associated with charity, which provides for a kind of compassion and caring that instills hope and aspiration in the lives of people.

The modified amendment includes very important provisions in this respect, which will ensure that such organizations that are selected to participate in meeting the needs of the poor are not forced to compromise their character. Furthermore, any person eligible for assistance who would be offended by going to one of these organizations to receive assistance would have an opportunity to receive alternative services from the state. There have been clear guidelines set to protect individual rights and to protect the rights of the organization.

While these are important provisions included in the modified Dole amendment, Mr. President, the modified amendment still I think needs adjustment and falls shorts of being a comprehensive welfare reform bill.

That is why I intend to send a pair of amendments to the desk which would broaden the bill to include block grants for two major welfare programs: Food stamps and supplemental security income, or the SSI program.

Block grants are essential for these programs because if you leave welfare partially open ended as entitlement programs, and partially block granted, there is a tendency on the part of jurisdictions to shift the welfare caseload from the areas which are block granted to the areas that are open ended and entitlements.

As a result, rather than controlling and managing welfare effectively, you just push from one area of the welfare population to another, move people from AFDC over to SSI. In some cases, that move would be far more expensive.

A single child on SSI gets $448 a month. There are AFDC programs which provide $200 or $300 a month, and a shift in that population would not be a reform at all in terms of cost containment, but a way of just dramatically increasing our welfare costs. As a matter of fact, it would make it very difficult for us to control costs.

In addition, when you have a program which has no limit on it, totally entitlement and totally federally funded, the incentives on the part of State and local instrumentalities to combat fraud and abuse are low. If we give the items in block grants to the States, the incentive to contain fraud and abuse, to detect it, to root it out of the system, is elevated.

Mr. President, fraud and abuse are rampant in the Food Stamp Program and SSI today because as the rolls grow, the money flows. There is no incentive to the welfare industry to reduce the problem. The only way we will be able to combat fraud and abuse is to give States the ability to design and enforce these programs and the incentive for them to limit the expenditures in these programs. I intend to send two amendments to the desk regarding SSI and food stamps.

Finally, Mr. President, I join today Senator COATS in introducing an amendment which also recognizes we must look beyond Government to solve the welfare problems. Specifically, we need to encourage people to get involved personally in helping the needy. Our amendment combines proposals which we have offered in the past to accomplish this goal. It would provide a nonrefundable tax credit to individuals who volunteer time as well as money to give to charitable organizations so that individuals who contributed at least 50 hours per year at nonprofit private or religious charitable organizations which serve the needy would be eligible for not just the tax deduction regarding a $500 contribution, but if they also have a $500 contribution, they would be eligible for a tax credit of up to $500.

Mr. President, let me emphasize that simply rearranging the deck chairs on the "Welfare Titanic" would be turning our backs on the most pressing issues facing our future. We must fundamentally reform the entirety of our welfare system.

We simply cannot tinker around the margins. We cannot afford to repeat the mistakes we made in the past. We must all admit that Government alone has failed miserably and will continue to fail.

We must, I believe, have these expanded block grants so we do not have a partial system of block grants which invites cost-shifting and does not provide incentives for fraud and abuse containment.

I believe we must invite a far broader band of our society to participate in meeting the needs of the needy, and for that reason we need to encourage involvement by a far broader group of individuals in society.

AMENDMENTS NOS. 2561 AND 2562 TO AMENDMENT NO. 2280

Mr. ASHCROFT. Mr. President, I send two amendments to the desk and I ask unanimous consent they be considered as having been offered individually.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes amendments numbered 2561 and 2562 to amendment No. 2280.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

(The text of the amendments are printed in today's RECORD under "Amendments Submitted.")

Mr. ASHCROFT. I wish to thank the Senator from Connecticut for his courtesy.

Mr. DODD. I send my apologies to the Senator from Missouri and the people of Missouri for saying the State of Ohio.

Mr. ASHCROFT. Perhaps the Senator needs to apologize to the Senator from Ohio if he is offended.

I yield to my colleague from Florida.

AMENDMENTS NOS. 2563 AND 2564 TO AMENDMENT NO. 2280

Mr. GRAHAM. Mr. President, I thank the Senator from Connecticut. On behalf of Senator KENNEDY, I send two amendments to the desk to be offered, and I ask the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for Mr. KENNEDY, proposes amendments numbered 2563 and 2564 to amendment No. 2280.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2563

(Purpose: To terminate sponsor responsibilities upon the date of naturalization of the immigrant)

On page 289, line 5, strike the period and insert ", but in no event shall such period extend beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act."

On page 291, line 14, strike the period and insert ", but in no event shall such period extend beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act."

On page 293, line 16, insert "but in no event shall the sponsor be required to provide financial support beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act." after "quarters".

AMENDMENT NO. 2564

(Purpose: To grant the Attorney General flexibility in certain public assistance determinations for immigrants)

On page 292, line 5, strike "and".

On page 292, line 11, strike the period and insert "; and".

On page 292, between lines 11 and 12, insert the following new subparagraph:

(F) benefits or services which serve a compelling humanitarian or compelling public interest as specified by the Attorney General in consultation with appropriate Federal agencies and departments.

AMENDMENTS NOS. 2565 THROUGH 2569 TO AMENDMENT NO. 2280

Mr. GRAHAM. Mr. President, I ask the pending amendment be set aside, and on behalf of myself and cosponsors, I send to the desk five amendments.

The PRESIDING OFFICER. The amendment is set aside. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes amendments numbered 2565 through 2569 to amendment No. 2280.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2565

(Purpose: To provide a formula for allocating funds that more accurately reflects the needs of States with children below the poverty line, and for other purposes)

On page 17, line 2, strike "paragraphs (3) and (5), section 407 (relating to penalties)," and insert "section 407 (relating to penalties)".

On page 17, beginning on line 16, strike all through line 22, and insert the following: "equal to the amount determined under paragraph (3), reduced by the amount (if any) determined under subparagraph (B)."

On page 18, beginning on line 22, strike all through page 22, line 8, and insert the following:

"(3) STATE FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), for purposes of paragraph (2), the amount of the State family assistance grant to a State for a fiscal year is an amount which bears the same ratio to the amount appropriated for such fiscal year under paragraph (4)(A) as the average number of minor children in families within the State having incomes below the poverty line for the 3 preceding fiscal years bears to the average number of minor children in families within all States having incomes below the poverty line for such 3 preceding fiscal years.

"(B) SPECIAL RULES.—

"(i) CEILING.—Except as provided in clause (ii), the amount of the State family assistance grant for a fiscal year to a State shall not exceed—

"(I) for fiscal year 1996, an amount equal to 150 percent of the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995); and

"(II) for each fiscal year thereafter, an amount equal to 150 percent of the total amount of the State family assistance grant to the State for the preceding fiscal year.

"(ii) MINIMUM ALLOCATION.—

"(I) IN GENERAL.—Subject to subclause (II), if the amount of the State family assistance grant determined under subparagraph (A) for a fiscal year is less than 0.6 percent of the total amount appropriated for such fiscal year under paragraph (4)(A), the amount of such grant for such fiscal year shall be an amount equal to the lesser of—

"(aa) 0.6 percent of the amount appropriated under paragraph (4)(A) for such fiscal year, or

"(bb) an amount equal to two times the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995).

"(II) REDUCTION IF AMOUNTS NOT AVAILABLE.—If the aggregate amount by which State family assistance grants for States is increased for a fiscal year under subclause (I) exceeds the aggregate amount by which State family assistance grants for States is decreased for the fiscal year under clause (i), the amount of the State family assistance grant to a State to which this clause applies shall be reduced by an amount which bears the same ratio to the aggregate amount of such excess as the average number of minor children in families within the State having incomes below the poverty line for the 3 preceding fiscal years bears to the average number of minor children in families within all States to which this clause applies having incomes below the poverty line for such 3 preceding fiscal years.

"(C) ALLOCATION OF REMAINDER.—

"(i) IN GENERAL.—A State that is an eligible State for a fiscal year shall be entitled to an increase in the State family assistance grant equal to the additional allocation amount determined under clause (ii) (if any) for such State for the fiscal year.

"(ii) ADDITIONAL ALLOCATION AMOUNT.—The additional allocation amount for an eligible State for a fiscal year determined under this clause is the amount which bears the same ratio to the remainder allocation amount for the fiscal year determined under clause (iii) as the average number of minor children in families within the eligible State having incomes below the poverty line for the 3-preceding fiscal years bears to the average number of minor children in families within all eligible States having incomes below the poverty line for such 3-preceding fiscal years.

"(iii) REMAINDER ALLOCATION AMOUNT.—The remainder allocation amount determined under this clause is the amount (if any) that is equal to the difference between—

"(I) the amount appropriated for the fiscal year under paragraph (4)(A), and

"(II) an amount equal to the sum of the family assistance grants determined under this paragraph (without regard to this subparagraph) for all States for such fiscal year.

"(iv) ELIGIBLE STATE.—For purposes of this subparagraph, the term 'eligible State' means a State whose State family assistance grant for the fiscal year, as determined under this paragraph (without regard to this subparagraph), is less than the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995).

"(D) OPTION TO BASE ALLOCATIONS ON PRECEDING FISCAL YEAR DATA.—The Secretary may in lieu of using data for the 3 preceding fiscal years, allocate funds under this paragraph based on data for the most recent fiscal year for which accurate data are available.

"(E) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

"(i) POVERTY LINE.—The term poverty line has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(ii) 3 PRECEDING FISCAL YEARS.—The term '3 preceding fiscal years' means the 3 most recent fiscal years preceding the current fiscal year for which data are available.

"(iv) PUBLICATION OF ALLOCATIONS.—Not later than January 15th of each calendar year, the Secretary shall publish in the Federal Register the amount of the family assistance grant to which each State is entitled under this subsection for the fiscal year that begins in such calendar year.

On page 23, beginning on line 7, strike all through page 24, line 18.

AMENDMENT NO. 2566

(Purpose: To require each responsible Federal agency to determine whether there are sufficient appropriations to carry out the Federal intergovernmental mandates required by this Act, provide that the mandates will not be effective under certain conditions, and for other purposes)

At the appropriate place, insert the following new section:

SEC. . UNFUNDED FEDERAL INTERGOVERNMENTAL MANDATES.

(a) IN GENERAL.—Notwithstanding any other provision of law—

(1) no later than 15 days after the beginning of fiscal year 1996, and annually thereafter through fiscal year 2000, the Director of the Congressional Budget Office shall, in a manner similar to section 424(a) (1) and (2) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658c(a) (1) and (2)), estimate the direct costs for the fiscal year of each Federal intergovernmental mandate resulting from the enactment of this Act or any other legislation that includes welfare reform provisions and determine whether there are sufficient appropriations for the fiscal year to provide for the direct costs,

(2) each responsible Federal agency shall, for each fiscal year described in paragraph (1), identify any appropriations bill or other legislation that provides Federal funding of the direct costs described in paragraph (1) which relate to each Federal intergovernmental mandate within the agency's jurisdiction and shall determine whether there are insufficient appropriations for the fiscal year to provide such direct costs, and

(3) no later than 30 days after the beginning of each fiscal year described in paragraph (1), the responsible Federal agency shall notify the appropriate authorizing

committees of Congress of the agency's determination under paragraph (2) and submit either—

(A) a statement that the agency has determined based on a re-estimate of the direct costs of such mandate, after consultation with State, local, and tribal governments, that the amount appropriated is sufficient to pay for the direct costs of such Federal intergovernmental mandate for the fiscal year, or

(B) legislative recommendations for—

(i) implementing a less costly Federal intergovernmental mandate, or

(ii) making such mandate ineffective for the fiscal year.

(b) LEGISLATIVE ACTION.—

(1) IN GENERAL.—The Congress shall consider on an expedited basis, under procedures similar to the procedures set forth in section 425 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658d), the statement or legislative recommendations described in subsection (a)(3) no later than 30 days after the statement or recommendations are submitted to Congress.

(2) LEGISLATIVE ACTION REQUIRED.—The Federal intergovernmental mandate to which a statement described in subsection (a)(2) relates shall—

(i) cease to be effective on the date that is 60 days after the date the statement is submitted under subsection (a)(3)(A) unless Congress has approved the agency's determination under subsection (a)(3)(A) by joint resolution during the 60-day period;

(ii) cease to be effective on the date that is 60 days after the date the legislative recommendations described in subsection (a)(3)(B) are submitted to the Congress, unless Congress provides otherwise by law; or

(iii) in the case that such mandate has not yet taken effect, continue not to be effective unless Congress provides otherwise by law.

(c) DEFINITIONS.—For purposes of this section:

(1) RESPONSIBLE FEDERAL AGENCY.—The term "responsible Federal agency" means the agency that has jurisdiction with respect to a Federal intergovernmental mandate created by the provisions of this Act or any other legislation that is enacted that includes welfare reform provisions.

(2) FEDERAL INTERGOVERNMENTAL MANDATE; DIRECT COSTS.—The terms "Federal intergovernmental mandate" and "direct costs" have the meanings given such terms by section 421 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658).

(3) WELFARE REFORM PROVISIONS.—The term "welfare reform provisions" means provisions of Federal law relating to any Federal benefit for which eligibility is based on need.

AMENDMENT NO. 2567

(Purpose: To provide that the Secretary, in ranking States with respect to the success of their work programs, shall take into account the average number of minor children in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families)

On page 64, line 10, after the period, insert the following: "In ranking States under this subsection, the Secretary shall take into account the average number of minor children in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families."

AMENDMENT NO. 2568

(Purpose: To set national work participation rate goals and to provide that the Secretary shall adjust the goals for individual States based on the amount of Federal funding the State receives for minor children in families in the State that have incomes below the poverty line, and for other purposes)

On page 12, strike lines 10 and 11, and insert the following:

"(C) Satisfy the work participation rate goals established for the State pursuant to section 404(b)(6)."

On page 29, beginning with line 19, strike all through the table preceding line 3, on page 30, and insert the following:

"SEC. 404. NATIONAL WORK PARTICIPATION RATE GOALS.

"(a) NATIONAL GOALS FOR WORK PARTICIPATION RATES.—A State to which a grant is made under section 403 shall make every effort to achieve the national work participation rate goals specified in the following tables for the fiscal year with respect to—

"(1) all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	*"The national participation rate goal for all families is:*
1996	25
1997	30
1998	35
1999	40
2000 or thereafter	50;

and

"(2) with respect to 2-parent families receiving such assistance:

"If the fiscal year is:	*"The national participation rate goal is:*
1996	60
1997 or 1998	75
1999 or thereafter	90".

On page 35, between lines 2 and 3, insert the following:

"(6) MODIFICATIONS TO NATIONAL PARTICIPATION RATE GOALS TO REFLECT THE NUMBER OF FAMILIES RECEIVING ASSISTANCE IN EACH STATE.—The Secretary, after consultation with the States, shall establish specific work participation rate goals for each State by adjusting the national participation rate goals to reflect the level of Federal funds a State is receiving under this part for the fiscal year and the average number of minor children in families having incomes below the poverty line that are estimated for the State for the fiscal year. Not later January 15, 1996, and each year thereafter, the Secretary shall publish in the Federal Register the participation rate goals for each State for the current fiscal year.".

On page 52, beginning on line 24, strike all through "fiscal year," on page 53, line 4, and insert the following:

"(3) FAILURE TO SATISFY PARTICIPATION RATE.—

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the work participation rate goals specified for the State pursuant to section 404(b)(6) for a fiscal year,".

AMENDMENT NO. 2569

(Purpose: To provide for the perspective application of the provisions of title V)

On page 300, line 10, insert "other than section 506 of this Act," after "law,".

On page 302, between lines 5 and 6, insert the following:

SEC. 506. APPLICATION OF TITLE TO CERTAIN BENEFICIARIES.

The provisions of, and amendments made by, this title shall not apply to any noncitizen who is lawfully present in the U.S. and receiving benefits under a program on the date of the enactment of this Act.

Mr. GRAHAM. Mr. President, I offered several amendments which I will explain in brief.

My first amendment would change the formula for distributing Federal welfare funds to the States.

I am offering this amendment with Senator DALE BUMPERS. I would ask for unanimous consent to add Senators BRYAN, MOSELEY-BRAUN, PRYOR, JOHNSTON, and REID as cosponsors.

In sum, our formula amendment would distribute funds under this bill on the basis of a State's number of children in poverty.

In the interest of time, I ask unanimous consent to have printed in the RECORD at this point a description of the Graham-Bumpers formula amendment. Thank you.

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

GRAHAM-BUMPERS CHILDREN'S FAIR SHARE PROPOSAL

The Graham-Bumpers Children's Fair Share proposal allocates funding based on the number of poor children in each state.

The amendment would be needs based, adjusts for population and demographic changes, treats all poor children equitably does not permanently disadvantage States based on previous year's spending in a system that is being dismantled, and allows all States a more equitable chance at achieving the work requirements in S. 1120. The Graham-Bumpers children's fair share measure would establish a fair, equitable and level playing field for poor children in America, regardless of where they live.

Disparities in funding would be narrowed in the short run and eliminated over time—in sharp contrast to S. 1120.

Children's Fair Share Allocation Formula: The Children's fair share formula would allocate funding based on a 3-year average of the number of children in poverty. This information would come from the Bureau of the Census in its annual estimate through sampling data. With the latest data available, the Secretary would determine the state-by-state allocations and publish the data in the Federal Register on January 15 of every year.

Small State Minimum Allocation: For any State whose allocation was less than 0.6 percent, the minimum allocation would be set at the lesser of 0.6 percent of the total allocation or twice the actual fiscal year 1994 expenditure level.

Allocation Increase Ceiling: For all states except those covered by the small State minimum allocation, the amount of the allocation would be restricted to increase not more than 50

percent over Fiscal Year 1994 expenditure levels in the first year and to 50% increases for every subsequent year.

Final Adjustment to Minimize Adverse Impact: The savings from the "allocation increase ceiling" would exceed that for "small state minimum allocation." The net effect of these adjustments would be reallocated among the States who receive less than their fiscal year 1994 actual expenditures.

Mr. GRAHAM. My second amendment addresses the issue of unfunded mandates. In the spirit of S. 1, the first bill of this session that will seek to limit unfunded mandates in the future, a bill which was passed with bipartisan support and signed into law by the President, I am offering an amendment to apply the principles of S. 1—the unfunded mandates bill—to the welfare reform bill.

My third amendment deals with the section of the Dole bill the calls for a ranking of States' compliance with the provisions of this bill. My thesis is that this ranking system would be inherently unfair, because of the disparate amounts that would flow to States under this bill. Therefore, if we're going to give the States a grade, my amendment would require the Secretary to take into account the number of poor children in each State.

My fourth amendment deals with the work-participation goals in the Dole bill. My amendment would allow those work goals to be modified, based on the amount of funding a State receives. My final amendment would allow legal aliens currently receiving benefits to continue to be eligible under this legislation.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER (Mr. Smith). The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the pending amendment be set aside.

Mr. DODD. Will my colleague yield for a second?

AMENDMENT NO. 2570 TO AMENDMENT NO. 2280

(Purpose: To reduce fraud and trafficking in the Food Stamp program by providing incentives to States to implement electronic benefit transfer systems)

Mr. DODD. Mr. President, in behalf of my colleague from Vermont, I would like to send an amendment to the desk

The PRESIDING OFFICER. Without objection, the pending amendment is set aside and the clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for Mr. LEAHY, proposes an amendment numbered 2570.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2571 TO AMENDMENT 2280

(Purpose: To modify the maintenance of effort provision)

Mr. JEFFORDS. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS] proposes an amendment numbered 2571 to amendment number 2280.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In section 403(a)(5) of the amendment, strike B–D, and insert the following:

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph, the term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) job education, training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

Mr. JEFFORDS. Mr. President, there is a little confusion. Some time ago the Senator from Utah offered three amendments on my behalf. Only two were delivered in that package. This is the third amendment, so there is no confusion.

This amendment will clarify the definition of maintenance of effort.

I ask unanimous consent that my amendment be set aside.

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

AMENDMENTS NOS. 2572 THROUGH 2576 TO AMENDMENT NO. 2280

Mr. SANTORUM. Mr. President, I send the following five amendments to the desk on behalf of the Senator from New Mexico [Mr. DOMENICI] and ask for their consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. DOMENICI, proposes amendments numbered 2572 through 2576 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2572

(Purpose: To improve the child support enforcement system by giving States better incentives to improve collections)

On page 590, after line 23, strike (a) incentive Payments and all that follows through page 595, line 2 and insert the following:

Share collections 50/50 with all States.

Set national standards that all states must reach before incentives are made.

National standards will be set up for Paternity Establishment, Support Order establishment, Percentage of cases with collections, ratio of support due to support collected and cost effectiveness.

Set basic matching rate at 50 percent and allow incentive matching rates up to 90 percent of expenditures for the performance categories.

Change audit process to invoke audit sanctions if States do not meet 50 percent of the performance standard.

Require IRS COBRA notices to be sent to the State Child Support Agency.

AMENDMENT NO. 2573

(Purpose: To maintain the welfare partnership between the States and the Federal Government)

On page 21, after line 25, insert the following:

"(5) Welfare partnership.—

"(A) In general.—Beginning with fiscal year 1997, if a State does not maintain the expenditures of the State under the program for the preceding fiscal year at a level equal to or greater than 75% of the level of historic State expenditures, the amount of the grant otherwise determined under paragraph (1) shall be reduced in accordance with subparagraph (B).

"(B) Reduction.—The amount of the reduction determined under this subparagraph shall be equal to—

"(i)(I) the difference between the historic State expenditures and the expenditures of the State under the State program for the preceding fiscal year;

"(ii) the amount determined under clause (i)(I).

"(C) Historic state expenditures.—For purposes of this paragraph, the term historic State expenditures means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(D) Determining state expenditures.—

"(i) In general.—Subject to (ii) and (iii), for purposes of this paragraph the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be determined by adding the expenditures of that State under its State program for—

"(I) cash assistance;

"(II) child care assistance;

"(III) job education and training, and work; and

"(IV) administrative costs;

in that fiscal year.

"(ii) Exclusion of grant amounts.—The determination under (i) shall not include grant amounts paid under paragraph (1) (or, in the case of historic State expenditures, amounts paid in accordance with section 403, as in effect during fiscal year 1994).

"(iii) Reservation of federal amounts.—For any fiscal year, if a State has expended amounts reserved in accordance with subsection (b)(3), such expenditure shall not be

considered a State expenditure under the State program."

AMENDMENT NO. 2574

(Purpose: To express the Sense of the Senate regarding the inability of the non-custodial parent to pay child support)

At the appropriate place in the bill, insert the following new provision:

"SEC. . SENSE OF THE SENATE.

"It is the sense of the Senate that—

"(a) States should diligently continue their efforts to enforce child support payments by the non-custodial parent to the custodial parent, regardless of the employment status or location of the non-custodial parent; and

"(b) States are encouraged to pursue pilot programs in which the parents of a non-adult, non-custodial parent who refuses to or is unable to pay child support must

"(1) pay or contribute to the child support owned by the non-custodial parent; or

"(2) otherwise fulfill all financial obligations and meet all conditions imposed on the non-custodial parent, such as participation in a work program or other related activity."

AMENDMENT NO. 2575

(Purpose: To allow States maximum flexibility in designing their Temporary Assistance programs)

On page XX, after line XX, strike and all that follows through page XX, Line XX.

AMENDMENT NO. 2576

(Purpose: To create a national child custody database, and to clarify exclusive continuing jurisdiction provisions of the Parental Kidnapping Prevention Act)

On page 792, after line 22, add the following new title:

TITLE —CHILD CUSTODY REFORM

SEC. 01. SHORT TITLE.

This title may be cited as the "Child Custody Reform Act of 1995".

SEC. 02. REQUIREMENTS FOR EXCLUSIVE CONTINUING JURISDICTION MODIFICATION.

Section 1738A of title 28, United States Code, is amended—

(1) in subsection (d) to read as follows:

"(d)(1) Subject to paragraph (2) the jurisdiction of a court of a State that has made a child custody or visitation determination in accordance with this section continues exclusively as long as such State remains the residence of the child or of any contestant.

"(2) Continuing jurisdiction under paragraph (1) shall be subject to any applicable provision of law of the State that issued the initial child custody determination in accordance with this section, when such State law establishes limitations on continuing jurisdiction when a child is absent from such State.";

(2) in subsection (f)—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (1), respectively and transferring paragraph (2) (as so redesignated) so as to appear after paragraph (1) (as so redesignated); and

(B) in paragraph (1) (as so redesignated), by inserting "pursuant to subsection (d)," after "the court of the other State no longer has jurisdiction,"; and

(3) in subsection (g), by inserting "or continuing jurisdiction" after "exercising jurisdiction".

SEC. 03. ESTABLISHMENT OF NATIONAL CHILD CUSTODY REGISTRY.

Section 453 of the Social Security Act (42 U.S.C. 653) (as amended by section 916) is further amended by adding at the end the following new subsection:

"(p)(1) Not later than 1 year after the date of enactment of this subsection, the Secretary, in consultation with the Attorney General, shall conduct and conclude a study regarding the most practicable and efficient way to create a national child custody registry to carry out the purposes of paragraph (3). Pursuant to this study, and subject to the availability of appropriations, the Secretary shall create a national child custody registry and promulgate regulations necessary to implement such registry. The study and regulations shall include—

"(A) a determination concerning whether a new national database should be established or whether an existing network should be expanded in order to enable courts to identify child custody determinations made by, or proceedings filed before, any court of the United States, its territories or possessions;

"(B) measures to encourage and provide assistance to States to collect and organize the data necessary to carry out subparagraph (A);

"(C) if necessary, measures describing how the Secretary will work with the related and interested State agencies so that the database described in subparagraph (A) can be linked with appropriate State registries for the purpose of exchanging and comparing the child custody information contained therein;

"(D) the information that should be entered in the registry (such as the court of jurisdiction where a child custody proceeding has been filed or a child custody determination has been made, the name of the presiding officer of the court in which a child custody proceeding has been filed, the telephone number of such court, the names and social security numbers of the parties, the name, date of birth, and social security numbers of each child) to carry out the purposes of paragraph (3);

"(E) the standards necessary to ensure the standardization of data elements, updating of information, reimbursement, reports, safeguards for privacy and information security, and other such provisions as the Secretary determines appropriate;

"(F) measures to protect confidential information and privacy rights (including safeguards against the unauthorized use or disclosure of information) which ensure that—

"(i) no confidential information is entered into the registry;

"(ii) the information contained in the registry shall be available only to courts or law enforcement officers to carry out the purposes in paragraph (3); and

"(iii) no information is entered into the registry (or where information has previously been entered, that other necessary means will be taken) if there is a reason to believe that the information may result in physical harm to a person; and

"(G) an analysis of costs associated with the establishment of the child custody registry and the implementation of the proposed regulations.

"(2) As used in this subsection—

"(A) the term 'child custody determination' means a judgment, decree, or other order of a court providing for custody or visitation of a child, and includes permanent and temporary orders, and initial orders and modifications; and

"(B) the term 'custody proceeding'—

"(i) means a proceeding in which a custody determination is one of several issues, such as a proceeding for divorce or separation, as well as neglect, abuse, dependency, wardship, guardianship, termination of parental rights, adoption, protective action from domestic violence, and Hague Child Abduction Convention proceedings; and

"(ii) does not include a judgment, decree, or other order of a court made in a juvenile delinquency, or status offender proceeding.

"(3) The purposes of this subsection are to—

"(A) encourage and provide assistance to State and local jurisdictions to permit—

"(i) courts to identify child custody determinations made by, and proceedings in, other States, local jurisdictions, and countries;

"(ii) law enforcement officers to enforce child custody determinations and recover parentally abducted children consistent with State law and regulations;

"(B) avoid duplicative and or contradictory child custody or visitation determinations by assuring that courts have the information they need to—

"(i) give full faith and credit to the child custody or visitation determination made by a court of another State as required by section 1738A of title 28, United States Code; and

"(ii) refrain from exercising jurisdiction when another court is exercising jurisdiction consistent with section 1738A of title 28, United States Code.

"(4) There are authorized to be appropriated such sums as may be necessary to establish the child custody registry and implement the regulations pursuant to paragraph (1).".

SEC. 04. SENSE OF THE SENATE REGARDING SUPERVISED CHILD VISITATION CENTERS.

It is the sense of the Senate that local governments should take full advantage of the Local Crime Prevention Block Grant Program established under subtitle B of title III of the Violent Crime Control and Law Enforcement Act of 1994, to establish supervised visitation centers for children who have been removed from their parents and placed outside the home as a result of abuse or neglect or other risk of harm to such children, and for children whose parents are separated or divorced and the children are at risk because of physical or mental abuse or domestic violence.

Mr. SANTORUM. Mr. President, I ask unanimous consent that those amendments be set aside for later consideration.

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

AMENDMENT NO. 2577, 2578 AND 2579 TO AMENDMENT NO. 2280

Mr. SANTORUM. Mr. President, I send to the desk three amendments on behalf of the Senator from New York, Senator D'AMATO and ask for their consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. D'AMATO, proposes amendments numbered 2577, 2578, and 2579 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2577

(Purpose: Changing the date for the determination of fiscal year 1994 expenditures)

On page 17, line 20, strike "February 14" and insert "May 15".

AMENDMENT NO. 2578

(Purpose: Claims arising before effective date)

On page 124, between lines 9 and 10, insert:

(3) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS TITLE.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made under programs which are repealed or substantially amended in this title and which involve State expenditures in cases where assistance or services were provided during a prior fiscal year, shall be treated as expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. States shall complete the filing of all claims no later than September 30, 1997. Federal department heads shall—

(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs, and

(B) reimburse States for any payments made for assistance or services provided during a prior fiscal year from funds for fiscal year 1995, rather than the funds authorized by this title.

AMENDMENT NO. 2579

(Purpose: Terminating efforts to recover funds for prior fiscal years)

On page 124, between lines 9 and 10, insert:

Notwithstanding the preceding sentence, the Secretary of Health and Human Services shall cease efforts to recover previously granted funds, shall pay any amounts being deferred, and shall forgive any disallowance pending appeal before the Departmental Appeals Board or before any Federal court unless the Secretary determines that there was not substantial compliance with the program requirements underlying the claims or, upon probable cause, believes that there is evidence of fraud on the part of the State. The preceding sentence shall not be construed as diminishing the right of a State to administrative or judicial review of a disallowance of funds.

Mr. SANTORUM. Mr. President, I ask unanimous consent that those amendments be set aside for later consideration.

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

AMENDMENT NO. 2580 TO AMENDMENT NO. 2280

(Purpose: To limit vocational education activities counted as work)

Mr. SANTORUM. Mr. President, I send an amendment to the desk in behalf of Senator GRAMS of Minnesota and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. GRAMS, proposes an amendment numbered 2580 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 36, between lines 13 and 14, insert the following;

"(4) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i)(I) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

Mr. SANTORUM. Mr. President, I ask unanimous consent that that amendment be set aside for later consideration.

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

AMENDMENT NO. 2560

Mr. SANTORUM. Mr. President, seeing no other Senators present, I would like to respond to the comments of the Senator from Connecticut.

As I said, yesterday when I made comments on the issue of child care, I have sympathy for what he is talking about. I was a member of the Ways and Means Committee which last year worked on the Republican Task Force on Welfare and came up with a bill, H.R. 3,500, with the Senator from Massachusetts spoke to and came over and said we should adopt the Santorum bill over here from last session because indeed in the last session we introduced a bill that, as chairman of the task force, will provide more money for child care recognizing the need that if we are going to put people into work that we would in fact be required to come up with some more money for child care.

I say that under H.R. 3,500 we did not block grant the program. We did not give States the kind of flexibility that we do in this bill, and that Governors from across the country—as I said, yesterday, 80 percent of the people who are on welfare today are represented by Republican Governors. Those Governors have almost unanimously—I think there is one Governor so far that has not come out and endorsed this proposal—said that they are willing to take the allocation of resources provided in this bill and can in fact run programs that will put people to work and provide day care and the other support services that are necessary to get people into work.

So while we did provide money in that bill in the House, we did not provide the flexibility that the Governors wanted. They believe, as sort of the age-old tradeoff, as most Governors will tell you, if you are going to give us all these requirements give us the money to live with them. If you are going to give us responsibility, give us the flexibility and we will not need as much money.

That is pretty much the bottom line here. We believe we are actually able to provide more money overall if we give more flexibility to run the programs and not have the bureaucratic hoops to jump through here in Washington which cost a lot of money for the States to comply with. So that is one comment.

The other comment I would make is that in the programs that have in fact required work and in fact did put people into work. I cite the example of Riverside, CA, Grand Rapids, MI and Atlanta. In those programs where you had these work requirements you had substantial cost savings from the existing programs as a result of implementing this program.

You had I believe about a 15 percent reduction in food stamps, over 20 percent reduction in AFDC payments and over 25 percent reduction in AFDC caseload. So you got a lot of people off welfare who maybe should not have been on welfare in the first place and you had a reduction in the expenditures which that pool of resources could be used to provide the supplemental benefits that are necessary to put people to work. In fact, that is what was done in these experimental cities that I referenced.

So it is a matter of better targeting resources. It is not a matter that we have to keep putting up more and more money.

The final point I wanted to make on child care, and it is a sensitive one, is that I share the concern, and in fact I support the Snowe amendment which now is the modified Dole package which would provide for mothers who have children under 5 to be able to be exempted from the work requirement if they can demonstrate that they simply do not have child care available or the child care available is simply unaffordable under the circumstances that they are in.

I support that because I think we first have to make sure that before we create an entitlement for someone to get child care we have to make sure there are not any other sources of day care available. There are people on welfare who have parents and grandparents who can help provide day care for children, who have neighbors, who have other situations in which they can in fact find child care for their children without resorting to government entitlement. The government entitlement and the big concern I have with the Government entitlement is it becomes the first resort for day care, not the last, and that it becomes another program that just simply grows and grows and grows and we continue to break down the family, the need for parents and grandparents as we have done historically not just in this country, in every civilization known, to have parents and grandparents of the mother be able to be there and help provide for the extended family.

We can continue to say that is not as important, or the Government is going to take their place now, that the Government is going to be in there first to provide this day care. I think that is

harmful. I do not think that should be the first resort. I think we should say that families should continue to work together and not look to the Government to provide day care for children. If you are going to have children, there should be a responsibility of not only the parents but the grandparents involved to be a participant in helping. And in fact that is what happens today in most cases in America.

If we create this entitlement, which is what has been talked about, I think we really potentially damage. Unintended as it may be, I think we damage the nucleus of the relationships of families in America, and the dependency which I think is so necessary between generations to hold families together.

The other point I would want to make on that is that if we provided an entitlement for mothers—and it is predominantly mothers—for mothers on welfare, we say if you go on welfare and then go to work under a work program, we will provide you day care, but if you do not go on welfare and you just are trying to make ends meet as a single mom, you are on your own, wow. What are we saying here? What are we saying to single mothers who are out there, as they are, in the millions today just trying to get kids to day care and get to work and not be late and get home on time and the rest, and we say if you get on welfare, we will make it easy for you; the Government will pay for it? What are we saying?

Mr. DODD. Will my colleague yield?

Mr. SANTORUM. I will be happy to yield.

Mr. DODD. It is an interesting point because presently we provide about 640,000 children in a program with assistance. What we need to talk about is not just people on welfare but people going to work at 125 percent or so of poverty. And there is a transition where people should start to contribute to their own child care needs.

I did not mention this in my remarks, but one of the dangers I think of what is going to happen here is that you have people working right now that are out there, they are getting help with their child care. If we are now going to say to the welfare recipient that you have got to go to work, and we are going to say, take what exists out there today, we may be taking care from some of the very people working right now, managing to stay at work because they are getting help with child care. They are going to be put into a second-class status because the person on welfare is going to utilize that dollar.

My colleague is correct. We have provided, not to any great extent, for some families to try and keep them off of welfare because even if you get off welfare, you have to stay off and staying off requires a bit of time so you can get up to a point where you can afford the rent. Setting aside health care and looking just at food, rent and so forth, average day care costs, private costs are $80, $100 a week, for the least expensive programs in many cases, and if you are pulling down something a bit above minimum wage that gets almost impossible.

So it is a good point, but it seems to me it does not necessarily argue against trying to get people off welfare and providing that transitional assistance. I think the Senator was making that point.

Mr. SANTORUM. I am not making the point that we should not provide child care for women who are on welfare who want to work. I am not saying we should not do that. The point I was making is I do not think we should create a guaranteed entitlement for it. There is a difference. The Senator mentioned in fact for working mothers today there is no entitlement to day care. There simply is not. We do, as the Senator mentioned, have some 600,000 people who are in need of day care assistance, that assistance, but it is a very tough program. You have to walk through the hoops to be able to qualify. You have to prove that there is no family or other kind of support necessary.

It is not easy to qualify. And even at that, even if you qualify, you are not guaranteed a slot.

Mr. DODD. Will my colleague yield on that point?

Mr. SANTORUM. Sure.

Mr. DODD. Just to make the case. We have no entitlement. This amendment is not an entitlement. There is no provision here saying that you are entitled to it. We have been told this is the rough amount of money—with the 165 percent increase under the Dole work provisions, this is the amount of money we have been told would be adequate to provide for child care. There is no entitlement here at all. In the past, I have argued for entitlement.

Mr. SANTORUM. The Senator has.

Mr. DODD. But not on this one. This is no entitlement.

Mr. SANTORUM. If you provide the amount of money that will be necessary to fully fund the program, in a sense you have not created an entitlement but you have created a slot for everyone.

Mr. DODD. Hopefully. But you do not have a right to go to court, as you do under an entitlement program, and say I have met the criteria; therefore, you must provide me.

Mr. SANTORUM. I think that is a distinction without a difference.

Mr. DODD. That is an entitlement program.

Mr. SANTORUM. OK. Then if we are going to provide sufficient money for everyone to get child care as a first resort and a last resort, while it may not be an entitlement, it has in effect the same consequence which is everyone will have a day care slot, and that is a Federal day care slot which I think is a dangerous precedent and a counterproductive one.

Again, I want to emphasize that I think through the Snowe amendment we are going to without a doubt encourage States—and I think a lot of States would do this without our encouragement—encourage States to move forward and to provide day care support for working single parents. And I will go through that rationale again. I think it is important.

Under the Dole provision, we are going to require eventually 50 percent of all people who participate in this program, the welfare program, 50 percent will have to be in the work program. There will be a substantial number, roughly a third is usually the number, a third considered to be incapacitated, disabled, whatever the term you want to use, who will never be in a work program because of either their own incapacity or disability of a child that would make that parent really ineligible to have to leave that child and go to work.

So you are setting aside a third that you pretty well know are not ever going to be in that program. So you have 50 percent of the whole thing and again a third of that is gone, so you have a pretty good chunk of the remaining caseload that are going to be required to work.

If you say that single parents are going to be required to work irrespective of the age of the child, so they are going to be in the denominator of the equation, but they are not required to work if they can demonstrate that child care is not available to them—and again the State will set the criteria—that means they are not going to be in the enumerator, and if you have a pool here of roughly 67 percent of the whole group, and you have to get 50 percent to work, you have a pretty slim margin to work with to exclude people because they cannot get day care.

So what you are going to do is to meet your 50 percent number the State really is going to be forced to go out and provide day care opportunities for younger mothers, and I think that is what we want to do. We want to make sure that as efficiently as possible we can direct the States to in effect go out and provide those dollars.

So we think we have gotten around the problem without getting into the—I will not use the term "entitlement" because it is not entitlement—without getting used to, I would say, the guaranteed slot that is being provided for in the Dodd amendment, however well-intentioned I think—I know the Senator from Connecticut has been a champion in trying to expand the number of day care guarantees for parents. However well-intentioned that is, I do not think that is the right direction we should be taking at this time.

Mr. DODD. If my colleague will yield for just one more point, I appreciate

his concerns, and I was not aware of his efforts in the previous Congress in the other body with H.R. 3500, with the Senator's own welfare reform and child care proposals, but I will take a look at them. Maybe I will offer that as an amendment, the Santorum bill——

Mr. SANTORUM. Do not put me on the spot.

Mr. DODD. From the previous Congress. I just raise this because it is a good point. States under the Dole proposals I suspect—I am sure they are going to be wanting to do what they can in child care, but I suspect they are also going to weigh the cost of doing that, through whatever mechanism they have to do it, either by cutting spending in other areas or raising taxes, and the penalties imposed upon them if they do not meet the criteria of the legislation regarding a certain percentage of the welfare recipients going to work. They will decide which they would rather do, pay the penalty, which I presume would be lower—I do not know exactly, but I suspect it is lower than what it would be to come up with the resources to see to it that the welfare recipient makes the transition. That is one of my concerns here. So we will end up with States paying the penalties in some cases because it is cheaper to pay the penalties than it is to meet that criteria, or that race to the bottom approach where they will say: Look, we are going to lower this thing so that people will not stay around in this State and they will find some other State, Pennsylvania, New Hampshire, some other place to go to, so you will have a competition as to who will get this thing done and we have another national problem.

Mr. SANTORUM. I would say to the Senator again in the Dole bill as recently modified there is a provision that States have to do 75 percent maintenance of effort over 3 years. There really is no attempt to race to the bottom. I do not know how many States are going to be willing to sort of give back dollars as opposed to reallocating existing dollars.

We are not really asking to spend more money. We are telling them to reallocate dollars to child care, to implement the work program. And that is not costing them any Federal funds to do that. If they violate and suffer penalties, they will lose Federal dollars. And that is a pretty powerful incentive, I think. I will get those numbers as to what the penalties will be.

Mr. DODD. Yes.

Mr. SANTORUM. I think it is important to look. If, in fact, we see the penalties are not particularly stiff, I would look at dealing with that down the road.

I thank the Senator.

Mr. DODD. I thank the Senator.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

AMENDMENT NO. 2581 TO AMENDMENT NO. 2280

(Purpose: To strike the increase to the grant to reward States that reduce out-of-wedlock births)

Mr. JEFFORDS. I have an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS] proposes an amendment numbered 2581.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike the matter between lines 11 and 12 of page 51 (as inserted by the modification of September 8, 1995).

Mr. DODD. Will my colleague yield for one second?

Mr. JEFFORDS. I will be happy to.

AMENDMENTS NOS. 2582, 2583, AND 2584, EN BLOC, TO AMENDMENT NO. 2280

Mr. DODD. I send to the desk three amendments on behalf of Senator WELLSTONE.

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

The clerk will report the amendments.

To assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] for Mr. WELLSTONE proposes amendments numbered 2582, 2583, and 2584, en bloc.

Mr. DODD. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2582

(Purpose: To amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under such Act)

On page 576, between lines 12 and 13, insert the following:

Subtitle D—Minimum Wage Rate

SEC. 841. INCREASE IN THE MINIMUM WAGE RATE.

Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $4.25 an hour during the period ending December 31, 1995, not less than $4.70 an hour during the year beginning January 1, 1996, and not less than $5.15 an hour after December 31, 1996;".

AMENDMENT NO. 2583

(Purpose: To exempt women and children who have been battered or subject to extreme cruelty from certain requirements of the bill)

On page 14, between lines 12 and 13, insert the following:

"(8) CERTIFICATION REGARDING BATTERED INDIVIDUALS.—A certification from the chief executive officer of the State specifying that—

"(A) the State will exempt from the requirements of sections 404, 405 (a) and (b), and 406 (b), (c), and (d), or modify the application of such sections to, any woman, child, or relative applying for or receiving assistance under this part, if such woman, child, or relative was battered or subjected to extreme cruelty and the physical, mental, and emotional well-being of the woman, child, or relative will be endangered by application of such sections to such woman, child, or relative, and

"(B) the State will take into consideration the family circumstances and the counseling and other supportive service needs of the woman, child, or relative.

On page 14, line 13, strike "(8)" and insert "(9)".

On page 16, between lines 22 and 23, insert the following:

"(6) BATTERED OR SUBJECTED TO EXTREME CRUELTY.—The term 'battered or subjected to extreme cruelty' includes, but is not limited to—

"(A) physical acts resulting in, or threatening to result in physical injury;

"(B) sexual abuse, sexual activity involving a dependent child, forcing the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities, or threats of or attempts at physical or sexual abuse;

"(C) mental abuse; and

"(D) neglect or deprivation of medical care.

On page 35, between lines 2 and 3, insert the following:

"(6) CERTAIN INDIVIDUALS EXCLUDED IN CALCULATION OF PARTICIPATION RATES.—An individual who is battered or subjected to extreme cruelty and with respect to whom an exemption or modification is in effect at any time during a fiscal year by reason of section 402(a)(8) shall not be included for purposes of calculating the State's participation rate for the fiscal year under this subsection.

On page 36, after line 25, add the following: The penalties described in paragraphs (1) and (2) shall not apply with respect to an individual who is battered or subjected to extreme cruelty and with respect to whom an exemption or modification is in effect by reason of section 402(a)(8).

On page 74, between lines 2 and 3, insert: Such requirements, limits, and penalties shall contain exemptions described in section 402(a)(8) for individuals who have been battered or subject to extreme cruelty.

On page 175, line 16, strike "and".

On page 175, line 20, strike the period and insert "; and".

On page 175, between lines 20 and 21, insert the following:

(C) by adding at the end the following new subparagraph:

"(F) The provisions of this subsection shall not apply with respect to any alien who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6) of the Social Security Act (42 U.S.C. 602(d)(6)).".

On page 183, line 11, strike the end quotation marks and the end period.

On page 183, between lines 11 and 12, insert:

"(E) EXCEPTION FOR BATTERED INDIVIDUALS.—The requirements of this paragraph shall not apply to an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6) of the Social Security Act) if such application would endanger the physical, mental, or emotional well-being of the individual.".

On page 192, between line 16 insert at the end: "The standards shall provide a good cause exception to protect individuals who have been battered or subjected to extreme

cruelty (within the meaning of section 402(d)(6) of the Social Security Act)."

On page 197, line 13, after "section" insert "6(d)(1)(E) or".

On page 287, line 21, strike "or (V)" and insert "(V), or (VI)".

On page 291, lines 18 and 19, strike "or (V)" and insert "(V), or (VI)".

On page 299, line 11, strike "or".

On page 299, line 14, strike "title II" and insert "title II; or (VI) a noncitizen who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6))".

On page 612, line 24, strike "rights" and inserting "rights, and only if such resident parent or such resident parent's child is not an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6)) by such absent parent".

On page 715, line 8, strike "arrangements." and insert "arrangements. Such programs shall not provide for access or visitation if any individual involved is an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6)) by the absent parent.".

AMENDMENT NO. 2584

(Purpose: To exempt women and children who have been battered or subject to extreme cruelty from certain requirements of the bill)

At the end of the amendment, insert the following new title:

TITLE —PROTECTION OF BATTERED INDIVIDUALS

SEC. 01. EXEMPTION OF BATTERED INDIVIDUALS FROM CERTAIN REQUIREMENTS.

(a) IN GENERAL.—Notwithstanding any other provision of, or amendment made by, this Act, the applicable administering authority of any specified provision shall exempt from (or modify) the application of such provision to any individual who was battered or subjected to extreme cruelty if the physical, mental, or emotional well-being of the individual would be endangered by the application of such provision to such individual. The applicable administering authority shall take into consideration the family circumstances and the counseling and other supportive service needs of the individual.

(b) SPECIFIED PROVISIONS.—For purposes of this section, the term "specified provision" means any requirement, limitation, or penalty under any of the following:

(1) Sections 404, 405 (a) and (b), 406 (b), (c), and (d), 414(d), 453(c), 469A, and 1614(a)(1) of the Social Security Act.

(2) Sections 5(i) and 6 (d), (j), and (n) of the Food Stamp Act of 1977.

(3) Sections 501(a) and 502 of this Act.

(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) BATTERED OR SUBJECTED TO EXTREME CRUELTY.—The term "battered or subjected to extreme cruelty" includes, but is not limited to—

(A) physical acts resulting in, or threatening to result in, physical injury;

(B) sexual abuse, sexual activity involving a dependent child, forcing the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities, or threats of or attempts at physical or sexual abuse;

(C) mental abuse; and

(D) neglect or deprivation of medical care.

(2) CALCULATION OF PARTICIPATION RATES.—An individual exempted from the work requirements under section 404 of the Social Security Act by reason of subsection (a) shall not be included for purposes of calculating the State's participation rate under such section.

Mr. DODD. I thank my colleague.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. I ask unanimous consent that my amendment be set aside.

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

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 2585 TO AMENDMENT NO. 2280

Mr. STEVENS. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for himself and Mr. MURKOWSKI, proposes an amendment numbered 2585.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 16 of the pending amendment, beginning on line 13, strike all through line 17 and insert in lieu thereof the following:

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(B) IN ALASKA.—For purposes of grants under section 414 on behalf of Indians in Alaska, the term 'Indian tribe' shall mean only the following Alaska Native regional non-profit corporations—

"(i) Arctic Slope Native Association,

"(ii) Kawerak, Inc.,

"(iii) Maniilaq Association,

"(iv) Association of Village Council Presidents,

"(v) Tanana Chiefs Conference,

"(vi) Cook Inlet Tribal Council,

"(vii) Bristol Bay Native Association,

"(viii) Aleutian and Pribilof Island Association,

"(ix) Chugachmuit,

"(x) Tlingit Haida Central Council,

"(xi) Kodiak Area Native Association, and

"(xii) Copper River Native Association.

Mr. STEVENS. I want to make a brief explanation of this amendment. I hope it will be adopted as a technical amendment. I have provided a copy to each side.

I think this is a necessary change in the provision that is in the Dole amendment dealing with Indians, Indian tribes and tribal organizations. It will provide in Alaska there be a specific regional framework for block granting welfare funds. We think that is necessary to meet the circumstances of our State. After all, it is one-fifth the size of the United States.

The administrative costs of just having the welfare assistance programs administered from Juneau are almost the same as administering the whole east coast of the United States from Washington, DC. It is something we are trying to get away from through block granting.

This amendment would apply only to Alaska and specify that there are 12 Alaska Native regional nonprofit corporations that are the only native organizations in Alaska which would be eligible to receive family subsistence block grants directly under the concepts of this bill. I think that this will limit the eligible organizations. There are some 170 different organizations that would be entitled otherwise if we would block grant directly to those organizations.

We prefer to do it on a regional basis to keep administrative costs to a minimum and it is my hope that having decided to do this, if it is approved by Congress, that within each region the regional nonprofits themselves will work with the villages so that these moneys can be administered with the very least administrative costs and will not be spending money on people flying planes or going to visit these individual areas from far distant places. Let the people of the area determine what the basic family assistance money should be used for.

It is consistent with the law. We are not changing the law at all. It merely changes the concept of the tribal organization that is specified in the previous subsection (a) of subsection 4, which is the Indian tribe and tribal organization section. I am hopeful that it will be accepted as a technical amendment.

I ask that the amendment be set aside temporarily until there is a report from the two sides.

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

AMENDMENT NO. 2586 TO AMENDMENT NO. 2280

(Purpose: To modify the religious provider provision)

Mr. SANTORUM. Mr. President, I send the following amendment to the desk, and ask for its immediate consideration on behalf of the Senator from Maine, Senator COHEN.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. COHEN proposes an amendment numbered 2586.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

In section 102(c) of the amendment, insert "so long as the programs are implemented consistent with the Establishment Clause of

the United States Constitution" after "subsection (a)(2)".

In section 102(d)(2) of the amendment, strike subparagraph (B), and redesignate subparagraph (C) as subparagraph (B).

Mr. SANTORUM. I ask unanimous consent that that amendment be set aside for later consideration.

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

AMENDMENT NO. 2587 TO AMENDMENT NO. 2280

(Purpose: To maintain a national Job Corps program, carried out in partnership with States and communities)

Mr. SANTORUM. Mr. President, I send to the desk an amendment on behalf of the Senator from Pennsylvania, Senator SPECTER, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. SPECTER proposes an amendment numbered 2587.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. SANTORUM. I ask unanimous consent that the amendment be set aside for later consideration.

Mr. LAUTENBERG. Mr. President, I rise in strong opposition to the Dole-Packwood welfare reform bill.

Mr. President, we live in the greatest nation on Earth. We are the wealthiest country in the world. But it is clear that some in our society do not share in this wealth. They are poor. They are jobless and in some cases homeless. And they must rely on public assistance to survive. In America, this is unacceptable. And we should be committed to improving their lives.

Mr. President, there is no question that the current welfare system needs reform. But the central goal for any welfare reform bill should be to move welfare recipients into productive work.

This will only happen if we provide welfare recipients with education and job training to prepare them for employment. It will only happen if we provide families with affordable child care. It will only happen if we can place them into jobs, preferably in the private sector or—as a last resort—in community service.

But the Dole-Packwood bill is not designed to help welfare recipients get on their feet and go to work. It is only designed to cut programs—pure and simple.

It is designed to take money from the poor so that Republicans can provide huge tax cuts for the rich. That is what is really going on here.

Unfortunately, Mr. President, the radical experiment proposed in this legislation will inflict problems on our society while producing defenseless victims. Those victims are not represented in the Senate offices. They are not here lobbying against this bill. They do not even know they are at risk.

The victims will be America's children. And there will be millions of them.

Mr. President, the AFDC Program provides a safety net for 9 million children. These young people are innocent. They did not ask to be born into poverty. And they do not deserve to be punished.

These children are African-American, Hispanic, Asian, and white. They live in urban areas and rural areas. But, most importantly, they are American children. And we as a Nation have a responsibility to provide them with a safety net.

The children we are talking about are desperately poor, Mr. President. They are not living high off the hog. These kids live in poverty.

Consider the following:

The median AFDC grant for a family of three is $366 per month. This is the same amount a Member of Congress makes in one day; $366 per month does not buy much these days. As a matter of fact, it gets a family of three to 38 percent of the Federal poverty level.

Mr. President, this is the median. Consider the conditions some children live under in certain States.

In Mississippi, the maximum a family of three can receive is $120 per month. This will get a family to 13 percent of the poverty level.

In Texas, the maximum a family of three can receive is $184 per month. This will get a family to 19 percent of the poverty level.

Mr. President, it is hard for many of us to appreciate what life is like for the 9 million children who live in poverty and who benefit from AFDC.

I grew up in a working class family in Paterson, NJ, in the heart of the Depression. Times were tough. And I learned all too well what it meant to struggle economically.

But as bad as things were for my own family, they still were not as bad as for millions of today's children.

These are children who are not always sure whether they will get their next meal. Not always sure that they will have a roof over their heads. Not always sure they will get the health care they need.

Mr. President, these children are vulnerable. They are living on the edge of homelessness and hunger. And they did not do anything to deserve this fate.

Mr. President, if we are serious about reforming a program that keeps these children afloat, we will not adopt a radical proposal like the Dole-Packwood bill. We will not put millions of American children at risk. And we will not simply give a blank check to States and throw up our hands.

Mr. President, this Republican bill is not a serious policy document. It is a budget document. It's a down payment on a Republican tax cut that targets huge benefits for millionaires and other wealthy Americans. A tax cut that, as passed by the House, would provide $20,000 to those who make $350,000 per year.

Mr. President, if the Republicans were serious about improving opportunities for those on welfare, they would be talking about increasing our commitment to education and job training. In fact, only last year, the House Republican welfare reform bill, authored in part by Senator SANTORUM, would have increased spending on education and training by $10 billion.

This year, by contrast, the House Republican welfare bill actually cuts $65 billion, including huge reductions in education and training.

So what has changed? The answer is simple. This year, the Republicans need the money for their tax cuts for the rich.

Mr. President, shifting our welfare system to 50 State bureaucracies may give Congress more money to provide tax cuts. But it is not going to solve the serious problems facing our welfare system, or the people it serves.

To really reform welfare, Mr. President, we first must emphasize a very basic American value: the value of work.

We should expect recipients to work. In fact, we should demand that they work, if they can.

Of course, Mr. President, that kind of emphasis on work is important. But it is not enough. We also have to help people get the skills they need to get a job in the private sector. I am not talking about handouts.

I am talking about teaching people to read. Teaching people how to run a cash register or a computer. Teaching people what it takes to be self-sufficient in today's economy.

We also have to provide child care.

Mr. President, how is a woman with several young children supposed to find a job if she can not find someone to take care of her kids? It is simply impossible. There is just no point in pretending otherwise.

Unfortunately, the Dole-Packwood bill does not even begin to address these kind of needs. It does not even try to promote work. It does not even try to give people job training. It does not even try to provide child care.

All it does is throw up its hands and ship the program to the States. That is it.

Mr. President, that is not real welfare reform. It is simply passing the buck to save a buck. And who's going to get the buck that's saved? The people the Republicans really care about: the rich.

Mr. President, if we are serious about welfare reform, I would suggest that we start with adopting provisions that were contained in the "Work First" alternative developed by Senators DASCHLE, BREAUX, and MIKULSKI. Unlike the Dole-Packwood bill, this proposal addresses the real problems facing our welfare system.

It emphasizes moving people into productive work by providing education, training, child care, and health care for those who leave the welfare rolls. And after 2 years, recipients would have to work, either in the private sector or in community service.

It provides flexibility for States to run welfare experiments, while preserving the Federal commitment to poor children.

It encourages families to stay together and discourages teen pregnancy.

It contains tough new measures to better collect child support.

Finally, it makes savings in the Food Stamp and SSI Programs by cracking down on waste, fraud, and abuse.

This is a much preferable approach to welfare reform, Mr. President. It emphasizes work and protects the safety net for children. It is the type of balance we need to truly reform our welfare system.

Therefore, I will work with my colleagues to try to improve this Dole-Packwood bill through amendments.

Mr. President, we have an enormous opportunity to improve the welfare system. President Clinton has made welfare reform a priority, and the American people are demanding action.

But to do the job right, we are going to have to work on a bipartisan basis. That means that my Republican colleagues will have to sit down with Senate Democrats and the administration and produce a balanced reform bill. A bill that protects children. And a bill that promotes work.

Mr. President, there is a precedent for such a bipartisan effort, and it can happen again. In 1988, the Senate passed the Family Support Act which provided funds for States to train AFDC recipients so that they could move permanently into the work force.

We passed that legislation by a vote of 96 to 1 when the Democrats controlled both Houses of Congress. It was signed by President Reagan. And you know who attended the bill signing ceremony at the White House? Then-Gov. Bill Clinton.

I would hope that we could repeat this kind of bipartisanship. But to do so, we are going to have to move well beyond budget-driven proposals that simply shift the welfare problem to the States, and that threaten millions of children in the process.

So I would strongly urge my colleagues to reject the Dole-Packwood bill. Let us reform our welfare system. But let us do it right.

I yield the floor.

TRIBAL BLOCK GRANTS AND WELFARE REFORM

Mr. MCCAIN. Mr. President, I rise in strong support of the Indian provisions contained in the Dole substitute to H.R. 4, the Work Opportunity Act of 1995. I commend the distinguished majority leader, Senator DOLE, and the chairman of the Senate Finance Committee, Senator PACKWOOD, for their efforts to overhaul our Nation's welfare system and for including provisions which responsibly address the unique needs and requirements of Indian country. Senators DOLE and PACKWOOD have taken great care to draft a welfare plan that effects real change in a system that is greatly in need of repair while ensuring that all citizens, including our Nation's Indian population, receive equitable access to necessary welfare assistance. It is important to point out that the Dole substitute bill honors in many practical ways the special relationship that the United States has with Indian tribal governments.

Clearly, our welfare system has failed to meet its goals. Dependency is the off-spring of the current welfare system. In order to foster independence, we must completely replace the welfare system that breeds this dependency.

Let me put it plain and simple—the great social programs of the past have failed American Indians as much or even more than they have failed the rest of America's citizens. These programs have failed Indians because they have largely ignored the existence of Indian tribal governments and the unique needs and of the Indian population. Recent attempts to fix this problem have been like placing a bandaid on a gaping wound. Under existing programs, Indians remain the worst-off and yet benefit the least. If we are to truly reform welfare then we cannot ignore Indians, who year-after-year rank the highest in poverty and unemployment.

I believe that the Dole substitute bill promises greater hope for Indians because it allows their own tribal governments to serve Indians now living in poverty. It empowers tribes themselves to assist in ending the welfare dependency often created by existing programs by placing resources necessary to fight local welfare problems into the hands of local tribal governments. Mr. President, I believe this bill demonstrates a real commitment to ending welfare as Indians have known it. As I have said on many occasions, our successes as a nation should be measured by the impact that we have made in the lives of our most vulnerable citizens—American Indians.

Early in the 104th Congress, the Senate Committee on Indian Affairs held several hearings on the potential impact to Indians of various welfare reform proposals such as block grants. During these hearings, tribal leaders spoke out in strong favor of direct Federal funding which would allow tribal governments flexibility in administering local welfare assistance programs and stated their hopes of receiving no less authority than the Congress chooses to give to State governments in this regard. The committee also received testimony from the Inspector General of the U.S. Department of Health and Human Services who testified to how poorly Indians fare under block grants as currently administered by State governments. In response to the record adduced at these hearings, the Indian Affairs Committee developed provisions for direct, block grant funding to tribal governments which are now contained in the Dole substitute bill. These provisions reflect the efforts of many members on both the Indian Affairs and Finance Committees, and to them I express my gratitude.

Let me take several minutes to explain the Indian provisions related to temporary assistance for needy families contained in the leader's bill and the goals and purposes of those governments. In general terms, the bill authorizes Indian governments, like State governments, to receive direct Federal funding to design and administer local tribal welfare programs. Let me be clear—an Indian tribe retains the complete freedom to choose whether or not it will exercise this authority. If it does not, the State retains the authority and the funds it otherwise has under the Dole substitute bill.

Section 402(b) requires a State to certify, as it does with several other important Federal priorities, that it will provide equitable access to Indians not covered by a tribal plan. This provision expressly recognizes the Federal Government's trust responsibility to, and government-to-government relationship with Indian tribes.

Section 402(d) provides standard definitions of the terms "Indian", "Indian tribe", and "tribal organization" in order to clarify the respective limits of State and tribal government responsibilities under the bill.

Section 403(a) establishes the method by which tribal plans are funded, basing tribal grants on the amount attributable to Federal funds spent by a State in fiscal year 1994 on Indian families residing in the service area of an approved tribal plan. Under this Section, States are given advance notice before the tribal grant amounts are deducted from their quarterly payment. Once deducted, the State has no responsibility under the bill for those Indian families and service areas so identified in an approved tribal plan.

Section 403(e) provides that the secretary shall continue to provide direct funding, for fiscal years 1996 through 2000, to those Indian tribes or tribal organizations who conducted a job opportunities and basic skills training program in fiscal year 1995, in an amount equal to the amount received by such

tribal JOBS programs in fiscal year 1995.

Section 404(b)(4) provides that a state may, at its option, count those Indian families receiving assistance under a tribal family assistance plan as part of the calculation of a State's monthly participation rates in accordance with paragraphs (1)(B) and (2)(B) of section 404.

Section 414 is the main Indian provision setting forth the basic authority for tribal direct funding and the express requirements of tribal family assistance plans. It requires the Secretary to make direct funding available to Indian tribes exercising this option in order to strengthen and enhance the control and flexibility of local governments over local programs, consistent with well-settled principles of Indian self-determination. In particular, section 414(a) describes how the goals of welfare reform pursued under this bill and the goals of Indian self-determination and self-governance authorized under separate authority are consistent. Section 414(b) establishes the methodology for funding an approved tribal family assistance plan, including the use of data submitted by State and tribal governments. This provision anticipates that the data involved is already collected or the added burden of data collection required will be de minimus. Section 414(c) provides that in order to be eligible to receive direct funding, an Indian tribe must submit a 3-year family assistance plan. Each approved plan must outline the tribe's approach to providing welfare-related services consistent with the purposes of this section. Each plan must specify whether the services provided by the tribe will be provided through agreements, contracts, or compacts with intertribal consortia, States, or other entities. This allows small tribes to join with other tribes in order to economize on administrative costs and pool their talents to address their common problems. Each plan must identify with specificity the population and service area or areas which the tribe will serve. This requirement is designed to ensure that there is no overlap in service administration and to provide a clear outline to affected State administrations of the boundaries of their responsibilities under the Act. Each plan must also provide guarantees that tribal administration of the plan will not result in families receiving duplicative assistance from other State or tribal programs funded under this part. Each plan must identify employment opportunities in or near the service area of the tribe and the manner in which the tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards. And finally, each plan must apply fiscal accounting principles in accordance with chapter 75 of title 31, United States Code. This last requirement is consistent with other Federal authority governing the administration by tribes and tribal organizations of similar block grant programs under authority of the Indian Self-Determination and Education Assistance Act of 1975, as amended. Section 414(d) requires the establishment of minimum work participation requirements, time limits on receipt of welfare-related services, and individual penalties consistent with the purposes of this section and the economic conditions of a tribe's service area and the availability to a tribe of other employment-related resources. These restrictions must be developed with the full participation of the tribes and tribal organizations, and must be similar to comparable provisions in Section 404(d). The remaining provisions of Section 414 further ensure that funding accountability will be maintained by tribes and tribal organizations in administering funds under an approved tribal family assistance plan.

The funds provided to a tribe under section 414 are deducted from the State allocation, but only after advance notice to the State. Having lost the Federal support for temporary assistance to needy Indian families in a tribal plan's service area, the State no longer has any responsibility under the bill for those families. The Indian Affairs Committee has been informed by various State representatives that it is administratively more difficult and costly for States to provide services to Indians who reside in remote locations of their States. While these States acknowledge a responsibility to provide services, circumstances such as geographic isolation make it more difficult to do so. States are, therefore, well-served by these provisions, because if Indian families in a geographical area are identified in an approved and funded tribal plan, a State government no longer has the responsibility to serve those families unless the tribe and the State agree otherwise.

Some tribal representatives have pointed out that some tribes may choose not to exercise the option to administer a tribal plan, because the bill does not require a State to provide State funding to supplement the Federal funding provided to a tribe. As originally drafted, the Indian provisions expressly permitted States to agree to provide State funding or services to an Indian tribe with an approved plan in order to maintain equitable services. It is my understanding that this language was deleted because other provisions in the bill provide sufficient guarantees that States will ensure the delivery of equitable services. But under the bill's current provisions, a State is not prohibited from entering into an agreement with a tribe for the transfer of State funds or the provision of specific State services to a tribe for the benefit of Indians within that State. Indeed, a State government may choose to enter into an agreement with a tribal government to induce the tribe to take over administration of these programs, and one of the inducements could be a transfer of State funds to the tribe that would otherwise have been used by the State to serve those who would now be served under the tribal plan. If State administrators are sincere about making real progress on welfare reform, and I think they are, I expect they will act responsibly and sensitively with tribes that wish to join the State in administering programs that end welfare dependency.

Mr. President, it is important to point out that these Indian provisions are consistent with the purposes of the Dole substitute bill. They do not seek to circumvent these purposes nor give preferable treatment to Indian tribal governments. The tribal plans remain subject to minimum requirements and penalties similar to those applied to State governments. The Dole substitute also requires a tribe to comply with the fiscal accountability requirements of chapter 75 of title 31, United States Code and the Indian Self-Determination and Education Assistance Act of 1975, as amended. I would also submit that giving tribal governments the authority to administer a tribal welfare program is consistent with our goal of empowering local government control over local programs. It only stands to reason that, like States, Indian tribal governments are most familiar with the problems that plague their local communities.

Many of my colleagues in the Senate know that some Indian tribal governments may not have existing capacity or infrastructure to administer complex welfare programs. Consequently, the Dole substitute bill includes provisions authorizing tribes to enter into cooperative agreements with States or other tribal governments for the provision of welfare assistance. This will allow small tribes to join with other tribes in order to economize on administrative costs and pool their talents and resources to address their common problems. However, I believe it is very important to permit and encourage those Indian tribal governments that do possess such capacity to participate in these new welfare initiatives by addressing welfare issues at a local level.

It should go without saying that any State may enter into any agreement it chooses with a tribe for the transfer of State funds to that tribe for the purpose of administering a welfare program that benefits Indians within that State. In my view, it is in both a State and tribe's best interest to work out supplemental agreements for funding and services where necessary because to do otherwise could undermine the goals of the bill.

I know that many Members in this body are aware that Indian Country

has historically been plagued by high unemployment and therefore its residents suffer from extremely high poverty rates. Therefore, I was pleased to learn that the Finance Committee Chairman drafted provisions that enable Indian tribes that are currently administering tribal JOBS programs to continue to do so. Section 403 of the Dole substitute provides that the Secretary shall provide direct funding in an amount equal to the amount received by the existing tribal JOBS programs in fiscal year 1995. By keeping the JOBS programs in Indian country intact, we will acknowledge the positive impact it has made in the lives of thousands of Indians. Indians residing in communities where a tribal JOBS program is in operation have experienced a new sense of hope by developing basic job skills that have helped them to secure stable job opportunities both on and off the reservation. The Dole substitute bill also contains provisions in titles VI and VIII which provide continuing resources for programs that have proven successful in Indian country, such as the Child Care and Development Block Program as well as new programs that are critical to ending the high Indian unemployment rates such as the proposed workforce development and training activities. These provisions, along with the JOBS component will greatly assist in helping Indian country contribute to the goals of welfare reform and the purposes of the act.

Mr. President, I believe it is important to point out that with passage of these provisions in the Dole substitute bill the Senate will discharge some of its continuing responsibilities under the U.S. Constitution—the very foundation of our treaty, trust, and legal relationship with the Nation's Indian tribes, and which vests the Congress with plenary power over Indian affairs. I was deeply troubled to learn that H.R. 4, as passed by the House, did not address the unique status of Indian tribal governments or the trust responsibility of the Federal Government to the Indian tribes. There was no House debate on the status of the welfare state on many Indian reservations nor the impact that the proposed changes to welfare programs would have on access to services already in existence in Indian country. Nor was there any mention made in the House welfare debate of the significant legal and trust responsibility that the Federal Government has to the Indian tribes. Therefore, it is extremely important that the Senate do so. to do otherwise would be to abrogate our responsibilities. I was pleased to learn that the distinguished chairman of the House Ways and Means Committee has acknowledged with some regret the failure of the House to address the Indian issues and has given his assurance to address this oversight during conference on the bill.

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As the chairman of the Indian Affairs Committee, I feel it is my responsibility to take a moment to briefly expand my remarks to a discussion of the responsibilities of the Congress toward Indians under the U.S. Constitution. The Constitution provides that the Congress has plenary power to prescribe Federal Indian policy. These powers are provided for pursuant to the Commerce and the Treaty Power clauses. Sadly, over the last two centuries, the Congress has poorly exercised its power and responsibility—subjecting Indian tribal governments to inconsistent or contradictory policies—policies of termination and assimilation. These policies have served to weaken well established Indian systems of government and, in my view, have greatly contributed to the welfare state that exists today on most Indian reservations.

I know that time and time again, I have stood on this floor to recite grim statistics revealing that Indians are, and consistently remain—even in 1995—the poorest of the poor and always the last to benefit. Today, I will withhold from reciting that data because I believe that this bill begins to turn the tide in this Nation's treatment of Indians and their tribal governments. Similar to the unfunded mandates bill we enacted into law earlier their year, the Dole substitute bill under consideration will treat tribal governments like State governments by allowing them the flexibility and authority to directly administer their own programs free of Federal bureaucratic intrusion and control. Due in large part to the leadership of the late President Nixon, the Congress for more than two decades have responsibly exercised its plenary authority by replacing the distorted and dismal policy of termination of Indian tribal governments with empowering policies of tribal self-determination and self-governance—policies that respect and honor the government-to-government relationship between the Federal Government and the Indian tribes—policies that are consistent with the Federal trust responsibility and that set a new course of fairness in the Federal Government's dealings with Indian tribal governments.

Given the renewed commitment by Congress to deal fairly with the Indian tribes, I fully understood why many tribal leaders became concerned when the Congress earlier this year began moving toward a system of block grants to States. The concerns were that if the Congress did not revise the block grant model to reflect its responsibility to Indian tribal governments, the government-to-government relationship between the tribes and the United States would be soon eroded and the Federal trust responsibility held sacred in our Constitution and the decisions of our Supreme Court would be relegated to the States.

These tribal concerns are likewise valid in a practical sense. A Federal Inspector General's report issued in August 1994 found that Federal block grants to States, in some instances have not resulted in equitable services being provided to Indians. That report found that in 15 of the 24 States with the largest Indian populations, eligible Indian tribes did not receive funds even though Indian population figures were used to justify the State's receipt of Federal funding. In addition, findings of the Senate Committee on Indian Affairs revealed that even when States were attempting to serve Indians, the programmatic and administrative costs of providing welfare services to Indians are often greater than providing local services to others. What these findings revealed to me is that when either the Federal or State governments have administered programs for Indians, Indians have not received an equitable share of services.

Mr. President, the whole purpose of welfare reform is to provide the tools to State governments to design and administer local welfare programs. After all, we have come to understand that local governments want and have the ability to create local solutions to address what are, in essence, local problems. I would suggest that this policy is no different than the Federal Indian policies of tribal self-determination and self-governance. I also know that elected tribal officials have a great love of country and an incredible desire to contribute to the Nation's goal of elevating members of their communities out of the depths of poverty. Given the tools to do so, I believe that Indian tribes will make great contribution to the Nation's war on poverty.

Mr. President, before I conclude my remarks, I would like to acknowledge a group of Senators that I believe have demonstrated a great level of understanding and commitment to the importance of addressing the needs of Indian tribes in the Nation's welfare reform movement. Senators HATCH, INOUYE, DOMENICI, SIMON, MURKOWSKI, PRESSLER, CAMPBELL, and KASSEBAUM have contributed to ensuring that Indian tribes are not overlooked and abandoned in the current welfare reform efforts.

Two members of the Indian Affairs Committee deserve particular recognition: my good friend from Kansas, Senator NANCY LANDON KASSEBAUM and my good friend from Utah, Senator ORRIN HATCH. Senator KASSEBAUM, as chairwoman of the Labor and Human Resources Committee, worked closely with the Indian Affairs Committee and Senator SIMON to ensure that provisions for direct Federal funding would be available to Indian tribes in her committee's employment consolidation bill and that tribes would continue to receive funding through the Child Care and Development Block Grant Program. Senator KASSEBAUM'S leadership

has greatly contributed to the fairness with which Indian tribes are treated under H.R. 4 and the progress that has been made by the Congress in its treatment of Indian tribes.

I want to give particular thanks to my good friend from Utah, Senator ORRIN HATCH. Senator HATCH has worked tirelessly with me over the last several months to shape and enhance tribal welfare provisions that could be acceptable in any welfare reform plan. Senator HATCH is a member of the Senate Finance Committee and he is a new member of the Senate Committee on Indian Affairs. He has demonstrated a great level of understanding and commitment to the betterment of the lives of Indian people, and I commend Senator HATCH for his steadfast leadership in ensuring that Indian tribal governments are fairly treated in the welfare reform debate.

Mr. President, I understand that other major welfare reform proposals make an effort to similarly address the needs of Indian tribes. While I have placed my full support behind the provisions of H.R. 4 related to Indian tribal governments, I want to make sure to recognize the attention that has been paid and the work that has been done on behalf of Indian tribal governments by my colleague so the other side of the aisle. For example, I know that S. 1117 would have provided a 3-percent allocation of funds to Indian tribes under the JOBS Program and would have authorized new funding for teen pregnancy prevention and for teen parent group homes, and like the Dole substitute bill, provides continued funding for child care and development block grants to tribes.

The spirit in which the Senate has acted has adhered to a principle that I believe should guide the Congress in matters of Indian affairs: Indian issues are neither Republican, nor Democratic. They are not even bipartisan issues—they are nonpartisan issues. They are day-to-day human issues which call for a level of understanding on both sides of the aisle. While this body is not in total agreement with just how to reform welfare, the one thing we all agree upon is that whatever new form this Nation's welfare system takes, providing equal access to the Nation's Indian population is not only the right thing to do, it honorably discharges some of our continuing responsibilities under the U.S. Constitution.

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

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

SENATE ETHICS COMMITTEE PERFORMED WITH HONOR

Mr. BYRD. Mr. President, one definition given for the word "ethics" by the Random House Dictionary is—and I quote—"The branch of philosophy dealing with values relating to human conduct, with respect to the rightness and wrongness of certain actions and to the goodness and badness of the motives and ends of such actions."

Members of this body who are called to service on the Ethics Committee are asked to make judgments quite unlike the judgments required by service on any other committee of the Senate. These individuals are called upon to grapple not only with public policy and legal and constitutional questions, but also with the deeper philosophical questions which have confronted the human race since Adam and Eve found themselves tempted in the Garden—namely "the rightness and wrongness of certain actions" by their own colleagues. There is no more daunting task than this.

To be asked to sit in judgment of another's actions and motives is, in one sense, an honor, but it is also an humbling experience for those who are so honored to sit in judgment. And with that charge must come the certain inner realization that no one among us is without fault, that none of us is free from errors in judgment, weakness, and at times failings of character. Such task is made all the more difficult in a body such as this, where politics too easily intrudes, and where friendships developed over long years can cloud one's objectivity.

I am deeply saddened by the tragedy that has befallen our colleague, Senator PACKWOOD. However, he has done the right thing in choosing to spare the Senate further agony over his fate. Although this experience has been difficult for all concerned, one thing is clear. The Senate Ethics Committee has again performed its most arduous function with honor, thoroughness and professionalism. I commend the chairman of the committee, Senator MCCONNELL, vice chairman, Senator BRYAN, Senator MIKULSKI, Senator SMITH, Senator DORGAN, and Senator CRAIG for their handling of this extremely contentious matter. I commend the very professional staff of the Ethics Committee for their diligent work stretching over some 2½ years. I understand that the staff read 16,000 pages of documents, spent approximately 1,000 hours in meetings and interviewed over 260 witnesses during the investigation of this matter. That staff has served the Senate well.

We live in times which are, unfortunately, more politically charged and ruthlessly partisan than I have ever witnessed in my tenure in the Senate. And it is nothing short of amazing that the Ethics Committee, evenly split among Democrats and Republicans, could come to a unanimous decision on this very unfortunate and highly politically charged matter. They were pulled and they were tugged by the media, by other colleagues, by an enormous workload, by political forces outside this body, and I am sure by their own personal inner turmoil over judging the actions and determining the fate of a fellow human being. Still and all, they came through. The ability of the Senate to police itself has been questioned time and time again. In this instance, perhaps the committee's toughest test in many years, I believe that the question has certainly been answered in the affirmative.

I yield the floor and suggest the absence of a quorum.

Mr. SANTORUM. If the Senator will withhold.

Mr. BYRD. I withhold my request.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 2588 TO AMENDMENT NO. 2280

(Purpose: To require States to provide voucher assistance for children born to families receiving assistance)

Mr. SANTORUM. Mr. President, I send to the desk an amendment on behalf of the Senator from Rhode Island, Senator CHAFEE.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. CHAFEE, proposes an amendment numbered 2588 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 50, beginning with line 12, strike all through line 17, and insert the following:

(2) Vouchers for children born to families receiving assistance—States must provide vouchers in lieu of cash assistance which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child.

Mr. SANTORUM. Mr. President, I ask unanimous consent that that amendment be set aside for later consideration.

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

AMENDMENT NO. 2589 TO AMENDMENT NO. 2280

(Purpose: To provide for child support enforcement agreements between the States and Indian tribes or tribal organizations)

Mr. SANTORUM. Mr. President, I send to the desk an amendment on behalf of the Senator from Arizona, Senator MCCAIN, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. MCCAIN, proposes an amendment No. 2589 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 583, between lines 6 and 7, insert the following:

"(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(32).

On page 712, between lines 9 and 10, insert the following:

SEC. 972. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.

(a) CHILD SUPPORT ENFORCEMENT AGREEMENTS.—Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a), 912(b), 913(a), 933, 943(a), and 970(a)(2) is amended—

(1) by striking "and" at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting "; and"; and

(3) by adding after paragraph (31) the following new paragraph:

"(32) provide that a State that receives funding pursuant to section 429 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) shall, through the State administering agency, make reasonable efforts to enter into cooperative agreements with an Indian tribe or tribal organization (as defined in paragraphs (1) and (2) of section 428(c)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement.".

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

"(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(32). The Secretary shall provide for an appropriate adjustment to the State allotment under this section to take into account any payments made under this subsection to Indian tribes or tribal organizations located within such State.

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42 U.S.C. 654) is amended by inserting "and Indian tribes or tribal organizations (as defined in section 450(b) of title 25, United States Code)" after "law enforcement officials".

Mr. SANTORUM. Mr. President, I ask unanimous consent that that amendment be set aside for later consideration.

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

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 2590 TO AMENDMENT NO. 2280

(Purpose: To provide that case record data submitted by the States be disaggregated, to provide funding for certain research, demonstration, and evaluation projects, and for other purposes)

Mr. MOYNIHAN. Mr. President, I send to the desk an amendment for myself, Ms. SNOWE, Mr. ROCKEFELLER, and Mr. BYRD.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself, Ms. SNOWE, Mr. ROCKEFELLER, and Mr. BYRD, proposes an amendment No. 2590 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 26, between lines 21 and 22, insert the following:

"(f) ADDITIONAL AMOUNT FOR STUDIES AND DEMONSTRATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated and there are appropriated for each fiscal year described in subsection (a)(1) an additional amount equal to 0.20 percent of the amount appropriated under subparagraph (A) of subsection (a)(4) for the purpose of paying—

"(A) the Federal share of any State-initiated study approved under section 410(g);

"(B) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to part A of title IV of this Act, that are in effect or approved under section 1115 as of October 1, 1995, and are continued after such date;

"(C) the cost of conducting the research described in section 410(a); and

"(D) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under section 410(b).

"(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

"(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

"(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

On page 26, line 22, strike "(f)" and insert "(g)".

On page 53, beginning on line 7, strike all through page 55, line 7, and insert the following:

"(a) IN GENERAL.—The Secretary, in consultation with State and local government officials and other interested persons, shall develop a quality assurance system of data collection and reporting that promotes accountability and ensures the improvement and integrity of programs funded under this part.

"(b) STATE SUBMISSIONS.—

"(1) IN GENERAL.—Not later than the 15th day of the first month of each calendar quarter, each State to which a grant is made under section 403 shall submit to the Secretary the data described in paragraphs (2) and (3) with respect to families described in paragraph (4).

"(2) DISAGGREGATED DATA DESCRIBED.—The data described in this paragraph with respect to families described in paragraph (4) is a sample of monthly disaggregated case record data containing the following:

"(A) The age of the adults and children (including pregnant women) in each family.

"(B) The marital and familial status of each member of the family (including whether the family is a 2-parent family and whether a child is living with an adult relative other than a parent).

"(C) The gender, educational level, work experience, and race of the head of each family.

"(D) The health status of each member of the family (including whether any member of the family is seriously ill, disabled, or incapacitated and is being cared for by another member of the family).

"(E) The type and amount of any benefit or assistance received by the family, including—

"(i) the amount of and reason for any reduction in assistance, and

"(ii) if assistance is terminated, whether termination is due to employment, sanction, or time limit.

"(F) Any benefit or assistance received by a member of the family with respect to housing, food stamps, job training, or the Head Start program.

"(G) The number of months since the family filed the most recent application for assistance under the program and if assistance was denied, the reason for the denial.

"(H) The number of times a family has applied for and received assistance under the State program and the number of months assistance has been received each time assistance has been provided to the family.

"(I) The employment status of the adults in the family (including the number of hours worked and the amount earned).

"(J) The date on which an adult in the family began to engage in work, the number of hours the adult engaged in work, the work activity in which the adult participated, and the amount of child care assistance provided to the adult (if any).

"(K) The number of individuals in each family receiving assistance and the number of individuals in each family not receiving assistance, and the relationship of each individual to the youngest child in the family.

"(L) The citizenship status of each member of the family.

"(M) The housing arrangement of each member of the family.

"(N) The amount of unearned income, child support, assets, and other financial factors

considered in determining eligibility for assistance under the State program.

"(O) The location in the State of each family receiving assistance.

"(P) Any other data that the Secretary determines is necessary to ensure efficient and effective program administration.

"(3) AGGREGATED MONTHLY DATA.—The data described in this paragraph is the following aggregated monthly data with respect to the families described in paragraph (4):

"(A) The number of families.

"(B) The number of adults in each family.

"(C) The number of children in each family.

"(D) The number of families for which assistance has been terminated because of employment, sanctions, or time limits.

"(4) FAMILIES DESCRIBED.—The families described in this paragraph are—

"(A) families receiving assistance under a State program funded under this part for each month in the calendar quarter preceding the calendar quarter in which the data is submitted,

"(B) families applying for such assistance during such preceding calendar quarter, and

"(C) families that became ineligible to receive such assistance during such preceding calendar quarter.

"(5) APPROPRIATE SUBSETS OF DATA COLLECTED.—The Secretary shall determine appropriate subsets of the data described in paragraphs (2) and (3) that a State is required to submit under paragraph (1) with respect to families described in subparagraphs (B) and (C) of paragraph (4).

"(6) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of each State's program performance. The Secretary is authorized to develop and implement procedures for verifying the quality of data submitted by the States.

On page 58, between lines 5 and 6, insert the following:

"(j) REPORT TO CONGRESS.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

"(1) whether the States are meeting—

"(A) the participation rates described in section 404(a); and

"(B) the objectives of—

"(i) increasing employment and earnings of needy families, and child support collections; and

"(ii) decreasing out-of-wedlock pregnancies and child poverty;

"(3) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

"(4) the characteristics of each State program funded under this part; and

"(5) the trends in employment and earnings of needy families with minor children.

On page 58, beginning on line 8, strike all through page 58, line 21, and insert the following:

"(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

"(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

"(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

On page 58, line 22, strike "(d)" and insert "(c)".

On page 59, line 4, strike "(e)" and insert "(d)".

On page 59, line 22, strike "(f)" and insert "(e)".

On page 60, between lines 13 and 14, insert the following:

"(g) STATE-INITIATED STUDIES.—A State shall be eligible to receive funding to evaluate the State's family assistance program funded under this part if—

"(1) the State submits a proposal to the Secretary for such evaluation,

"(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States, and

"(3) unless otherwise waived by the Secretary, the State provides a non-Federal share of at least 10 percent of the cost of such study.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be laid aside.

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

AMENDMENT NOS. 2591 THROUGH 2593, EN BLOC, TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, I now send to the desk three amendments by Senator BOXER and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mrs. BOXER, proposes amendments numbered 2591 through 2593, en bloc, to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2591

(Purpose: To provide for a child care maintenance of effort)

On page 17, line 2, strike "and (5)" and insert "(5), and (6)".

On page 24, between lines 18 and 19, and insert the following:

"(6) CHILD CARE MAINTENANCE OF EFFORT.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, and 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for child care for the preceding fiscal year is less than historic State child care expenditures.

"(B) HISTORIC STATE CHILD CARE EXPENDITURES.—For purposes of this paragraph, the term 'historic State child care expenditures' means amounts expended for fiscal year 1994 for child care under—

"(i) section 402(g)(1)(A)(i) of this Act (relating to AFDC–JOBs child care) (as in effect during such year);

"(ii) section 402(g)(1)(A)(ii) of this Act (relating to transitional child care) (as so in effect); and

"(iii) section 402(i) of this Act (relating to at-risk child care) (as so in effect).

"(C) DETERMINING STATE EXPENDITURES.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

"(D) BONUS FOR STATES WITH HIGH WORK PARTICIPATION RATES.—The Secretary shall distribute (in a manner to be determined by the Secretary) amounts by which State grants are reduced under this section to States that exceed the minimum participation rates specified under section 404(a). If no State qualifies for such distribution, the Secretary may retain such amounts for distribution in succeeding years.

AMENDMENT NO. 2592

(Purpose: To provide that State authority to restrict benefits to noncitizens does not apply to foster care or adoption assistance programs)

On page 292, line 5, strike "and".

On page 292, line 11, strike the end period and insert ", and".

On page 292, between lines 11 and 12, insert:

(F) payments for foster care and adoption assistance under part E of title IV of the Social Security Act.

AMENDMENT NO. 2593

(Purpose: Expressing the sense of the Senate on restrictions on providing medical information by recipients of Federal aid)

At the appropriate place, insert the following new section:

SEC. . SENSE OF SENATE REGARDING GAG RULE.

It is the sense of the Senate that, notwithstanding any other provision of law, receipt of Federal funding by providers of health care or social services shall not permit the Federal Government, States, counties, or any other political subdivisions to restrict the content of any medical information provided by those providers in furtherance of the provision of health care or social services to their patients or clients.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendments be laid aside.

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

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENTS NOS. 2594 THROUGH 2609, EN BLOC, TO AMENDMENT NO. 2280

Mr. SANTORUM. Mr. President, I send 16 amendments, en bloc, on behalf

of Senator FAIRCLOTH and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. FAIRCLOTH, proposes amendments numbered 2594 through 2609, en bloc.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2594

(Purpose: To prohibit direct cash benefits for out of wedlock births to minors except under certain condition)

On page 49, strike line 13 through line 19 and insert the following.

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS UNLESS CERTAIN CONDITIONS ARE MET.—Notwithstanding subsection (d), a State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age or unless the following conditions are met:

"(A) The individual is in, or has graduated from, a secondary school or a program offering the equivalent of vocational or technical training, or has obtained a certificate of high school equivalency.

"(B) Any cash benefits for the child or the individual are provided only to—

"(i) an adult with whom the individual or child reside, and whom the State recognizes as acting in loco parentis with respect to the individual; or

"(ii) the maternity home, foster home, or other adult-supervised supportive living arrangement in which the individual lives.

"(C) Any vouchers provided in lieu of cash benefits for the individual or the child may be used only to pay for—

"(i) particular goods and services specified by the State as suitable for the care of the child (such as diapers, clothing, or cribs): or

"(ii) the costs associated with a maternity home, foster home, or other adult supervised supportive living arrangement in which the individual and child live.

"(D) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest."

AMENDMENT NO. 2595

(Purpose: To require the Secretary of Housing and Urban Development to submit a report regarding disqualification of illegal aliens from housing assistance programs)

At the appropriate place, insert the following:

SEC. ___. REPORT ON DISQUALIFICATION OF ILLEGAL ALIENS FROM HOUSING ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Committees on the Judiciary of the House of Representatives and the Senate, the Committee on Banking and Financial Services of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report describing the manner in which the Secretary is enforcing section 214 of the Housing and Community Development Act of 1980.

(b) CONTENTS.—The report submitted under subsection (a) shall include statistics with respect to the number of aliens denied financial assistance under such section.

Amend the table of contents accordingly.

AMENDMENT NO. 2596

(Purpose: To express the sense of the Congress regarding a work requirement for public housing residents)

At the appropriate place, insert the following:

SEC. . SENSE OF THE CONGRESS REGARDING A WORK REQUIREMENT FOR PUBLIC HOUSING RESIDENTS.

It is the sense of the Congress that able-bodied residents of public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937) should be required to perform work service to improve and maintain the facilities in which they live.

Amend the table of contents accordingly.

AMENDMENT NO. 2597

(Purpose: To require ongoing State evaluations of activities carried out through statewide workforce development systems)

At the end of section 731, insert the following:

(f) EVALUATIONS.—

(1) COVERED ACTIVITIES.—The activities referred to in this subsection are activities carried out under this subtitle or subtitle C.

(2) IN GENERAL.—Each State that carries out activities described in paragraph (1) shall conduct ongoing evaluations of such activities.

(3) METHODS.—The State shall conduct such evaluations through controlled experiments using experimental and control groups chosen by random assignment. In conducting the evaluations, the State shall, at a minimum, determine whether activities described in paragraph (1) effectively raise the hourly wage rates of participants in such activities.

(4) ONGOING NATURE OF EVALUATIONS.—At any given time during the 2-year period of the program, the State shall conduct at least 1 such evaluation of the activities described in paragraph (1).

AMENDMENT NO. 2598

(Purpose: To provide for transferability of funds)

At the end of section 712, insert the following:

(d) TRANSFERABILITY TO OPERATE WORK PROGRAMS.—

(1) TRANSFERS TO OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives an allotment under this section may use 25 percent of the funds made available through the allotment—

(A) to enable the State to meet the minimum participation rates described in section 404(a) of the Social Security Act (as amended by section 101), including the provision of such child care services as the Governor may determine to be necessary to meet the rates; or

(B) for the implementation of work and training programs for recipients of Federal means tested assistance (as defined by the Federal Partnership), including the provision of the child care services described in subparagraph (A).

(2) TRANSFERS FROM OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives funds under part A of title IV of the Social Security Act, or Federal financial assistance to carry out the programs described in paragraph (1)(B), may use 25 percent of the funds or financial assistance to carry out the activities described in this subtitle.

AMENDMENT NO. 2599

(Purpose: To provide for transferability of funds allotted for workforce preparation activities for at-risk youth)

In section 759(b), add at the end the following:

(3) TRANSFERS TO OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives an allotment under this section may use 25 percent of the funds made available through the allotment—

(A) to enable the State to meet the minimum participation rates described in section 404(a) of the Social Security Act (as amended by section 101), including the provision of such child care services as the Governor may determine to be necessary to meet the rates; or

(B) for the implementation of work and training programs for recipients of Federal means tested assistance (as defined by the Federal Partnership), including the provision of the child care services described in subparagraph (A).

(4) TRANSFERS FROM OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives funds under part A of title IV of the Social Security Act, or Federal financial assistance to carry out the programs described in paragraph (3)(B), may use 25 percent of the funds or financial assistance to carry out the activities described in this subtitle.

AMENDMENT NO. 2600

(Purpose: To allow a State agency to make cash payments to certain individuals in lieu of food stamp allotments)

On page 200, between 11 and 12, insert the following:

SEC. 321. CASH AID IN LIEU OF ALLOTMENT.

Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) (as amended by section 320) is further amended by adding at the end the following:

"(k) CASH AID IN LIEU OF COUPONS.—

"(1) ELIGIBLE INDIVIDUALS.—For purposes of this subsection, an individual shall be eligible if the individual is—

"(A) receiving benefits under this Act;

"(B) receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(C) participating in subsidized employment, on-the-job training, or a community service program under section 404 of the Social Security Act.

"(2) STATE OPTION.—In the case of an eligible individual described in paragraph (1), a State agency may—

"(A) convert the food stamp benefits of the household of which the individual is a member to cash, and provide the cash in a single integrated payment with cash aid under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(B) sanction the individual, or a household that contains the individual, or reduce the benefits of the individual or household under the same rules and procedures as the State uses under part A of title IV of the Act (42 U.S.C. 601 et seq.).

AMENDMENT NO. 2601

(Purpose: To integrate the temporary assistance to needy families with food stamp work rules)

On page 190, strike lines 9 through 17 and insert the following:

"(i) COMPARABLE TREATMENT UNDER SEPARATE PROGRAMS.—

"(1) IN GENERAL.—If a disqualification, penalty, or sanction is imposed on a household or part of a household for a failure of an individual to perform an action required under a Federal, State, or local law relating to a welfare or public assistance program, the State agency may impose the same disqualification, penalty, or sanction on the household or part of the household under the food stamp program using the rules and procedures that apply to the welfare or public assistance program.

AMENDMENT NO. 2602

(Purpose: To limit vocational education activities counted as work)

On page 36, between lines 13 and 14, insert the following:

"(4) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i)(I) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

AMENDMENT NO. 2603

(Purpose: To deny assistance for out-of-wedlock births to minors)

On page 49, strike lines 13 through 19, and insert the following:

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other than statutory rape) or incest.

"(3) EXCEPTION FOR VOUCHERS.—Paragraph (1) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(4) STATE MAY ELECT NOT TO HAVE PROVISION APPLY.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to a State during any period during which there is in effect a State law which provides that individuals described in paragraph (1) are eligible for cash benefits from funds made available under section 403.

"(B) TIME FOR ELECTION.—Subparagraph (A) shall only apply if such State law is in effect on or before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(C) TRANSITION RULE.—Paragraph (1) shall not apply in a State before the first day of the first calendar quarter described in subparagraph (B) unless there is in effect before such day a State law prohibiting cash benefits to individuals described in paragraph (1).

AMENDMENT NO. 2604

(Purpose: To provide for no additional cash assistance for children born to families receiving assistance)

On page 49, beginning with line 20, strike all through page 50, line 5, and insert the following:

"(c) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a minor child who is born to—

"(A) a recipient of benefits under the program operated under this part; or

"(B) a person who received such benefits at any time during the 10-month period ending with the birth of the child.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other than statutory rape) or incest.

"(3) EXCEPTION FOR VOUCHERS.—Paragraph (1) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(4) STATE MAY ELECT NOT TO HAVE PROVISION APPLY.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to a State during any period during which there is in effect a State law which provides that individuals described in paragraph (1) are eligible for cash benefits from funds made available under section 403.

"(B) TIME FOR ELECTION.—Subparagraph (A) shall only apply if such State law is in effect on or before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(C) TRANSITION RULE.—Paragraph (1) shall not apply in a State before the first day of the first calendar quarter described in subparagraph (B) unless there is in effect before such day a State law prohibiting cash benefits to individuals described in paragraph (1).

AMENDMENT NO. 2605

(Purpose: To deny assistance for out-of-wedlock births to minors)

On page 49, strike lines 13 through 19, and insert the following:

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other then statutory rape) or incest.

"(3) STATE OPTION.—Nothing in paragraph (1) shall be construed to prohibit a State from using funds provided by section 403 from providing aid in the form of vouchers that may be used only to pay for particular goods and services specified by the State as suitable for the care of the child such as diapers, clothing, and school supplies.

AMENDMENT NO. 2606

(Purpose: To provide for provisions relating to paternity establishment and fraud)

On page 42, between lines 21 and 22, insert the following:

"(f) PROVISIONS RELATING TO PATERNITY ESTABLISHMENT.—

"(1) PATERNITY NOT ESTABLISHED.—If a State provides cash benefits to families from grant funds received by the State under section 403, the State shall provide that if a family applying for such benefits includes a child who has not attained age 18 and who was born on or after January 1, 1996, with respect to whom paternity has not been established, such benefits shall not be available for—

"(A) such child (until the child attains age 18); and

"(B) the parent or caretaker relative of such child if the parent or caretaker relative of such child is not the parent or caretaker relative of another child for whom benefits are available.

"(2) EXCEPTIONS.—Notwithstanding paragraph (1)—

"(A) the State may use grant funds received by the State under section 403 to provide cash benefits to a minor child who is up to 6 months of age for whom paternity has not been established if the parent or caretaker relative of the child provides the name, address, and such other identifying information as the State may require of an individual who may be the father of the child; and

"(B) the State may exempt up to 25 percent of all families in the population described in paragraph (1) applying for cash benefits from grant funds received by the State under section 403 which include a child who was born on or after January 1, 1996, and with respect to whom paternity has not been established, from the reduction imposed under paragraph (1).

AMENDMENT NO. 2607

(Purpose: To require State goals and a State plan for reducing illegitimacy)

On page 11, beginning on line 5, strike ", and establish" and all that follows through line 7, and insert a period.

On page 11, between lines 7 and 8, insert the following:

"SEC. 401A. GOALS AND PLAN OR REDUCING ILLEGITIMACY.

"(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, each State to which a grant is made under section 403 shall—

"(1) establish formal numeric goals for the State's illegitimacy ratio for fiscal years 1997 through 2007; and

"(2) submit a plan to the Secretary that—

"(A) outlines how the State intends to reduce the State's illegitimacy ratio; and

"(B) evaluates the potential impact of the State's plan for reducing the State's illegitimacy ratio on the State's abortion rate.

"(b) ILLEGITIMACY RATIO AND ABORTION RATE.—

"(1) ILLEGITIMACY RATIO.—For purposes of this section, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(A) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

"(B) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(2) ABORTION RATE.—For purposes of this section, the term 'abortion rate' means, with respect to a State and a fiscal year, the number of abortions performed in the State per 1,000 women who are residents of the State and are between the ages of 15 and 44 during the most recent fiscal year for which such information is available.

AMENDMENT NO. 2608

(Purpose: To provide for an abstinence education program)

On page 425, between lines 15 and 16, insert the following:

"(d) ABSTINENCE EDUCATION PROGRAM.—

"(1) FUNDS EARMARKED.—Of the amounts appropriated under subsection (a), $200,000,000 shall be allocated to the States pursuant to the allocation formula and rules under title V of the Social Security Act (42

U.S.C. 701 et seq.) to be used exclusively for abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most likely to bear children out-of-wedlock.

"(2) ABSTINENCE EDUCATION.—For purposes of this subsection, the term 'abstinence education' shall mean an educational or motivational program which—

"(A) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

"(B) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

"(C) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

"(D) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

"(E) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

"(F) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

"(G) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

"(H) teaches the importance of attaining self-sufficiency before engaging in sexual activity.

AMENDMENT NO. 2609

(Purpose: To prohibit teenage parents from living in the home of an adult relative or guardian who has a history of receiving assistance)

On page 50, line 13, insert "except as provided in paragraph (3)," after "(A)".

On page 51, between lines 11 and 12, insert the following:

"(3) REQUIREMENT THAT ADULT RELATIVE OR GUARDIAN NOT HAVE A HISTORY OF ASSISTANCE.—A State shall not use any part of the grant paid under section 403 to provide assistance to an individual described in paragraph (2) if such individual resides with a parent, guardian, or other adult relative who—

(A) has had a child out-of-wedlock; and

(B) during the preceding 2-year period, received assistance as an adult under a State program funded under this part or under the program for aid to families with dependent children.

Mr. SANTORUM. I ask unanimous consent that the amendments just offered be temporarily set aside.

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

AMENDMENTS NOS. 2610 AND 2611, EN BLOC, TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, I send two amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes amendments numbered 2610 and 2611.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2610

(Purpose: To amend title 13, United States Code, to require that any data relating to the incidence of poverty produced or published by the Secretary of Commerce for subnational areas is corrected for differences in the cost of living in those areas)

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. POVERTY DATA CORRECTION.

(a) IN GENERAL.—Chapter 5 of title 13, United States Code, is amended by adding after subchapter V the following:

"Subchapter VI—Poverty Data

"SEC. 197. CORRECTION OF SUBNATIONAL DATA RELATING TO POVERTY.

"(a) Any data relating to the incidence of poverty produced or published by or for the Secretary for subnational areas shall be corrected for differences in the cost of living, and data produced for State and sub-State areas shall be corrected for differences in the cost of living for at least all States of the United States.

"(b) Data under this section shall be published in 1997 and at least every second year thereafter.

"SEC. 198. DEVELOPMENT OF STATE COST-OF-LIVING INDEX AND STATE POVERTY THRESHOLDS.

"(a) To correct any data relating to the incidence of poverty for differences in the cost of living, the Secretary shall—

"(1) develop or cause to be developed a State cost-of-living index which ranks and assigns an index value to each State using data on wage, housing, and other costs relevant to the cost of living; and

"(2) multiply the Federal Government's statistical poverty thresholds by the index value for each State's cost of living to produce State poverty thresholds for each State.

"(b) The State cost-of-living index and resulting State poverty thresholds shall be published prior to September 30, 1996, for calendar year 1995 and shall be updated annually for each subsequent calendar year.".

(b) CONFORMING AMENDMENT.—The table of subchapters of chapter 5 of the title 13, United States Code, is amended by adding at the end the following:

"SUBCHAPTER VI—POVERTY DATA

"Sec. 197. Correction of subnational data relating to poverty.

"Sec. 198. Development of State cost-of-living index and State poverty thresholds.".

AMENDMENT NO. 2611

(Purpose: To correct imbalances in certain States in the Federal tax to Federal benefit ratio by reallocating the distribution of Federal spending, and for other purposes)

At the appropriate place, insert:

TITLE —STATE MINIMUM RETURN OF FEDERAL TAX BURDEN

SEC. 01. SHORT TITLE.

This title may be cited as the "State Minimum Return Act of 1995".

SEC. 02. STATEMENT OF POLICY.

It is the purpose of this title to provide, within existing budgetary limits, authority to reallocate the distribution of certain Federal spending to various States in order to ensure by the end of fiscal year 2000 that each State receive in each fiscal year a percentage of total allocable Federal expenditures equal to a minimum of 90 percent of the percentage of total Federal tax burden attributable to such State for such fiscal year.

SEC. 03. DEFINITIONS.

As used in this title—

(1) The term "Director" means the Director of the Office of Management and Budget.

(2) The term "Federal agency" means any agency defined in section 551(1) of title 5, United States Code.

(3) The term "State" means each of the several States and the District of Columbia.

(4) The term "historic share" means the average percentage share of Federal expenditures received by any State during the most recent three fiscal years.

(5) The term "Federal expenditures" means all outlays by the Federal Government as defined in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(1)) which the Bureau of the Census can allocate to the several States.

(6) The term "Federal tax revenues" means all revenues collected pursuant to the Internal Revenue Code of 1986.

(7) The term "need-based program" means any program which results in direct payment to individuals and which involves an income test to help determine the eligibility of an individual for assistance under such program.

SEC. 04. DESIGNATION OF ELIGIBLE STATES.

(a) Any State shall be eligible for a positive reallocation of allocable Federal expenditures described in section _ 05 and received by such State under section 07(a), if such State, for any fiscal year, has an allocable Federal expenditure to Federal tax ratio which is less than 90 percent.

(b) Any State shall be eligible for a positive reallocation of Federal expenditures described in section _ 05 and received by such State under paragraph (1) of section 07(a), if such State, for any fiscal year, has an allocable Federal expenditure to Federal tax ratio which is less than 100 percent but greater than or equal to 90 percent.

(c) During each fiscal year, the Director, after consultation with the Secretary of the Treasury and the Director of the Census Bureau, shall determine the eligibility of any State under this section using the most recent fiscal year data and estimated data available concerning Federal tax revenues and allocable Federal expenditures attributable to such State. The Secretary of the Treasury shall determine the attribution of Federal tax revenues to each State after consultation with the Comptroller General of the United States and other interested public and private persons.

(d) For purposes of determining the eligibility of any State under subsection (c), any water or power program in which the Federal Government, through Government corporations, provides water or power to any State at less than market price shall be taken into account in computing such State's allocable Federal expenditure to Federal tax ratio by characterizing as an imputed Federal expenditure the difference between the market price as determined by the Secretary of the Treasury in consultation with the Director and the Secretary of Energy and the Secretary of the Interior and the program's actual price of providing such water or power to such State.

SEC. 05. DESIGNATION OF REALLOCABLE FEDERAL EXPENDITURES.

All allocable Federal expenditures in any fiscal year shall be subject to reallocation to ensure the objective described in section _

02 with respect to eligible States designated under section __ 04, except for such expenditures with respect to the following:

(1) Water and power programs which are described in section __ 04(d).

(2) Compensation and allowances of officers and employees of the Federal Government.

(3) Maintenance of Federal Government buildings and installations.

(4) Offsetting receipts.

(5) Programs for which the Federal Government assumes the total cost and in which a direct payment is made to a recipient other than a governmental unit. Such programs include, but are not limited to:

(A) Social Security, including disability, retirement, survivors insurance, unemployment compensation, and Medicare, including hospital and supplementary medical insurance;

(B) Supplemental Security Income;

(C) Food Stamps;

(D) Black Lung Disability;

(E) National Guaranteed Student Loan interest subsidies;

(F) Pell grants;

(G) lower income housing assistance;

(H) social insurance payments for railroad workers;

(I) railroad retirement;

(J) excess earned income tax credits;

(K) veterans assistance, including pensions, service connected disability, nonservice connected disability, educational assistance, dependency payments, and pensions for spouses and surviving dependents;

(L) Federal workers' compensation;

(M) Federal retirement and disability;

(N) Federal employee life and health insurance; and

(O) farm income support programs.

SEC. 06. REALLOCATION AUTHORITY.

(a) Notwithstanding any other provision of law, during any fiscal year the head of each Federal agency shall, after consultation with the Director, make such reallocations of allocable expenditures described in section 05 to eligible States designated under section 04 as are necessary to ensure the objective described in section 02.

(b) Notwithstanding any other provisions of law and to the extent necessary in the administration of this title, the head of each Federal agency shall waive any administrative provision with respect to allocation, allotments, reservations, priorities, or planning and application requirements (other than audit requirements) for the expenditures reallocated under this title.

(c) The head of each Federal agency having responsibilities under this title is authorized and directed to cooperate with the Director in the administration of the provisions of this title.

SEC. 07. REALLOCATION MECHANISMS.

(a) Notwithstanding any other provision of law, for purposes of this title, during any fiscal year reallocations of expenditures required by section 06 shall be accomplished in the following manner:

(1)(A) With respect to procurement contracts, and subcontracts in excess of $25,000, the head of each Federal agency shall—

(i) identify qualified firms in eligible States designated under section 04 and disseminate any information to such firms necessary to increase participation by such firms in the bidding for such contracts and subcontracts,

(ii) in order to ensure the objective described in section 02, increase the national share of such contracts and subcontracts for each eligible State designated under section 04(a) by up to 10 percent each fiscal year, and

(iii) thirty days after the end of each fiscal year, report to the Director regarding progress made during such fiscal year to increase the share of such contracts and subcontracts for such eligible States, including the percentage increase achieved under clause (ii) and if the goal described in clause (ii) is not attained, the reasons therefor.

Within ninety days after the end of each fiscal year, the Director shall review, evaluate, and report to the Congress as to the progress made during such fiscal year to increase the share of procurement contracts and subcontracts the preponderance of the value of which has been performed in such eligible States.

(B) With respect to each fiscal year, if any Federal agency does not attain the goal described in subparagraph (A)(ii), then, during the subsequent fiscal year, such agency shall report to the Director prior to the awarding of any contract or subcontract described in subparagraph (A) to any firm in an ineligible State the reasons such contract or subcontract was not awarded to any firm in an eligible State.

(C) In the case of any competitive procurement contract or subcontract, the head of the contracting Federal agency shall award such contract or subcontract to the lowest bid from a qualified firm that will perform the preponderance of the value of the work in an eligible State designated under section ___04 if the bid for such contract or subcontract is lower or equivalent to any bid from any qualified firm that will perform the preponderance of the value of the work in an ineligible State.

(D) In the case of any noncompetitive procurement contract or subcontract, the head of each Federal agency shall identify and award such contract or subcontract to a qualified firm that will perform the preponderance of the value of the work in an eligible State designated under section ___04 and that complete such contract or subcontract at a lower or equivalent price as any qualified firm that will perform the preponderance of the value of the work in an ineligible State.

(E) For purposes of this paragraph, in the case of any procurement contract or subcontract, any firm shall be qualified if—

(i) such firm has met the elements of responsibility provided for in section 8(b)(7) of the Small Business Act (15 U.S.C. 637(b)(7)) as determined by the head of the contracting Federal agency to be necessary to complete the contract or subcontract in a timely and satisfactory manner, and

(ii) with respect to any prequalification requirement, such firm has been notified in writing of all standards which a prospective contractor must satisfy in order to become qualified, and upon request, is provided a prompt opportunity to demonstrate the ability of such firm to meet such specified standards.

(F) In order to reallocate expenditures with respect to subcontracts as required by subparagraph (A), each Federal agency shall collect necessary data to identify such subcontracts beginning in fiscal year 1991.

(a) With respect to all other expenditures described in section ___05, including all grants administered by the Department of Transportation, the Department of the Interior, the Department of Agriculture, the Environmental Protection Agency, and the United States Army Corps of Engineers, any eligible State designated under section ___04(a) shall receive 110 percent of such State's historic share with respect to such expenditures.

(b) No reallocation shall be made under this section with respect to allocable expenditures for any program to any State in any fiscal year which results in a reduction of 10 percent or more of the amount of such expenditures to such State.

(c) No reallocation shall be made under the provisions of this title which will result in any allocable Federal expenditure to Federal tax ratio of any State being reduced below 90 percent.

SEC. ___08. AMENDMENTS.

No provision of law shall explicitly or implicitly amend the provisions of this title unless such provision specifically refers to this title.

SEC. ___09. STUDY.

(a) The Secretary of the Treasury or a delegate of the Secretary shall conduct a study on the impact of Federal spending, tax policy, and fiscal policy on State economies and the economic growth rate of States and regions of the United States. In particular, the Secretary or his delegate shall examine the extent to which the economies of States which have allocable Federal expenditure to Federal tax ratios below 100 are harmed by such a fiscal relationship with the Federal Government.

(b) The report of the study required by subsection (a) shall be submitted to Congress not later than December 31, 1996.

SEC. ___10. EFFECTIVE DATE.

The provisions of this title shall take effect for fiscal years beginning after the date of the enactment of this title.

Mr. MOYNIHAN. I ask unanimous consent that the amendments be temporarily laid aside.

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

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, as the Senate today winds to a close, we will have perhaps a few more amendments by the 5 o'clock deadline. My colleague and friend from Pennsylvania observes that there were about 120 when we last counted, which does not auger well for the conclusion of our business by Wednesday evening. But it does speak to the extraordinary transformation in the debate over welfare policy in the United States.

I spoke earlier this week of the moment of February 8, 1971, when Time and Newsweek and U.S. News and World Report had as their cover stories the subject of welfare and the seeming intractable problem—that at a time when the illegitimacy ratio in our country was one-third what it is today. The number of children born outside of marriage was one-third of what it is today. In 1992, it was 1.2 million. The ratio would be about 30 percent. It is about 33 percent today. That is the basic social condition that leads to this baffling problem.

We are not alone, and it is important to know that. Just by happenstance, Mr. President, this week's issue of The Economist, a British "newspaper," as they call it, has as its cover story, "The Disappearing Family." They have a chart on page 26 called "Fewer Gold Rings: Births to Unmarried Mothers as a Percentage of the Total." I find myself cited as the source. Indeed our office did do this work.

Characteristically, the administration did nothing. Characteristically, the Department of Health and Human Services does nothing. Characteristically, they are absent from this debate. At times, there has been no one in the Vice President's office, as there is on any major issue affecting legislation. They are vanishing, defeated by the commitment to end welfare as they know it, and horrified at the prospect of what that will mean as they see it happen.

The Economist has its "lead article," as they say, on the subject, and then they have a long story. It begins:

To European ears, America's family values debate can sound shrill, even surreal. It is taken as a sign that the citizens of the new world remain considerably less sophisticated and more moralistic than those of the old. But Europe would do well to listen. In many American neighborhoods, the family has collapsed. Among households with children and poor inner cities, fewer than one in ten have a father in residence. If there are lessons from this awful experience, they are worth learning.

They go on to say that many of the same phenomenon are appearing in Britain. They differentiate between different parts of Europe that are adjacent but are very different in their approaches. Sweden is a country of individuals, and has a very high rate of birth outside of marriage, but they are not births outside of households. All their family structure, their social policy, is built around the individual. Germany, which is just across the Baltic, is a nation built around families. And all of their social policy is designed in that direction, and the consequences are easy to see. Our policies are hard to find.

Years ago, we observed that there is no way a nation can avoid a family policy.

It can only avoid acknowledging what the family policy is—or being aware. Whatever you do, one way or another, will have consequences.

I rise in the remaining few moments of today's session to thank my colleagues on the Democratic side, the minority side, for their support in the bill I offered this morning, the Family Support Act of 1995.

Mr. President, 41 Democrats voted for it; five did not. They have their reasons. They are understood and respected. Fifty-six altogether, 51 Members of the other side voted "no." Several mentioned to me that one Senator on that side volunteered that it was the worst vote he ever cast, but that is understandable.

The point I tried to make is that this legislation, the Family Support Act of 1988, passed the Senate 93–3 in its first form and then the conference report 96–1.

We had consensus and we lost it. I have to think we began to lose it when President Clinton, campaigning for the Presidency, said he would end welfare as we know it, asked for a 2-year time limit, and no further details.

Legislation finally came forward in the 103d Congress, but very late, with no expectation that it would be dealt with. I was chairman of the Finance Committee and was happy to do it but nobody wanted it. It was left for this. A curious—how to say—silence from organizations. You would have expected to hear something from the U.S. Conference of Mayors, which I have worked with for 35 years in one form or another, helping them get revenue sharing going directly to municipalities, and things like that. Silent on our bill. The welfare reform advocates, children's advocates, silent on our bill. Democratic Governors, silent.

Well, the fact is, there has been an extraordinary change in expectations of what Congress will do and a passivity which perhaps accounts for events, a complacency, the assumption that a Democratic administration confirmed in these matters.

Well, we see the results. I will put on the RECORD that the absence of any support for the legislation which we put forward in the Finance Committee last spring—the vote was 12–8, eight Democrats—has to be taken as an unprecedented surrender and unprecedented abandonment of principle.

I say to the U.S. Conference of Mayors, they have abandoned every principle they have stood for in 35 years I have worked with them. The Governors are split on partisanship.

The advocacy groups—what advocacy groups? Maybe their anxiety is that, if they say anything, their funding will be cut off. Well, then, we know where their priorities are.

Mr. President, I can only regret that silence, even as I express my appreciation for the Senators who did support us today. The time will come when they will be proud of that vote. I yield the floor.

AMENDMENT NO. 2476 TO AMENDMENT NO. 2280

(Purpose: Sense of the Senate regarding Enterprise Zone legislation)

Mr. SANTORUM. Mr. President, I ask amendment 2476 offered by the Senator from Michigan be called up and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. ABRAHAM (for himself an Mr. LIEBERMAN) proposes an amendment numbered 2476 to amendment No. 2280.

Mr. SANTORUM. I ask unanimous consent that reading of the amendment be dispensed.

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

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

"SEC. . SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that—

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase enterpreneurial growth, capital formation, job creation, educational opportunities and home ownership in the designated communities and zones;

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Home ownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-income parents with new and expanded educational options for their children's elementary and secondary schooling.

Mr. SANTORUM. I ask unanimous consent that that amendment be laid aside.

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

AMENDMENTS NOS. 2612 THROUGH 2617, EN BLOC TO AMENDMENT NO. 2280

Mr. SANTORUM. Mr. President, I send to the desk six amendments offered on behalf of the Senator from Texas [Mr. GRAMM] and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. GRAMM proposes amendments numbered 2612 through 2617, en bloc, to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent the reading be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2612

(Purpose: To limit the State option for work participation requirement exemptions to the first 12 months to which the requirement applies)

On page 34, line 20, strike "For any fiscal year" and insert "Solely for the first 12-month period to which the requirements to engage in work under this section is in effect".

AMENDMENT NO. 2613

(Purpose: To require that certain individuals who are not required to work are included, in the participation rate calculation)

On page 34, beginning on line 24, strike "and may exclude" and all that follows through page 35, line 2, and insert a period.

AMENDMENT NO. 2614

(Purpose: To provide for increased penalties for failure to work requirements)

On page 53, strike lines 1 through 8, and insert the following:

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the minimum participation rates specified in section 404(a) for a fiscal year, the Secretary shall reduce the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year by—

"(i) in the first year in which the State fails to satisfy such rates, 5 percent; and

"(ii) in subsequent years in which the State fails to satisfy such rates, the percent reduction determined under this subparagraph (if any) in the proceeding year, increased 5 percent.

AMENDMENT NO. 2615

(Purpose: To reduce the Federal welfare bureaucracy)

On page 792, strike lines 1 through 22 and insert the following:

SEC. 1202. REDUCTIONS IN FEDERAL BUREAUCRACY.

(a) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Labor shall reduce the Federal workforce within the Department of Health and Human Services and the Department of Labor, respectively, by an amount equal to the sum of—

(1) 75 percent of the full-time equivalent positions at each such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under this Act and the amendments made by this Act; and

(2) an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at each such Department that bears the same relationship to the amount appropriated for the programs referred to in paragraph (1) as such amount relates to the total amount appropriated for use by each such Department.

(b) REDUCTIONS IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Notwithstanding any other provision of this Act, the Secretary of Health and Human Services shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services—

(1) by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 101(b); and

(2) by 60 full-time equivalent managerial positions in the Department.

(c) REDUCTIONS IN THE DEPARTMENT OF LABOR.—Notwithstanding any other provision of this Act, the Secretary of Labor shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Labor—

(1) by 675 full-time equivalent positions related to the programs converted into a block grant under titles VII and VIII; and

(2) by 156 full-time equivalent managerial positions in the Department.

AMENDMENT NO. 2616

(Purpose: To require paternity establishment as a condition of benefit receipt)

On page 42, between lines 21 and 22, insert the following:

"(f) PROVISIONS RELATING TO PATERNITY ESTABLISHMENT.—

"(1) PATERNITY NOT ESTABLISHED.—If a State provides cash benefits to families from grant funds received by the State under section 403, the State shall provide that if a family applying for such benefits includes a child who has not attained age 18 and who was born on or after January 1, 1996, with respect to whom paternity has not been established, such benefits shall not be available for—

"(A) such child (until the child attains age 18); and

"(B) the parent or caretaker relative of such child if the parent or caretaker relative of such child is not the parent or caretaker relative of another child for whom benefits are available.

"(2) EXCEPTIONS.—Notwithstanding paragraph (1)—

"(A) the State may use grant funds received by the State under section 403 to provide cash benefits to a minor child who is up to 6 months of age for whom paternity has not been established if the parent or caretaker relative of the child provides the name, address, and such other identifying information as the State may require of an individual who may be the father of the child; and

"(B) the State may exempt up to 25 percent of all families in the population described in paragraph (1) applying for cash benefits from grant funds received by the State under section 403 which include a child who was born on or after January 1, 1996, and with respect to whom paternity has not been established, from the reduction imposed under paragraph (1).

AMENDMENT NO. 2617

(Purpose: To prohibit the use of Federal funds for legal challenges to welfare reform)

At the appropriate place, insert the following:

SEC. RESTRICTIONS ON TAXPAYER FINANCED LEGAL CHALLENGES.

(a) IN GENERAL.—No legal aid organization or other entity that provides legal services and which receives Federal funds or IOLTA funds may challenge (or act as an attorney on behalf of any party who seeks to challenge) in any legal proceeding—

(1) the legal validity—

(A) under the United States Constitution—

(i) of this Act or any regulations promulgated under this Act; and

(ii) of any law or regulation enacted or promulgated by a State pursuant to this Act;

(B) under this Act or any regulation adopted under this Act of any State law or regulation; and

(C) under any State Constitution of any law or regulation enacted or promulgated by a State pursuant to this Act; and

(2) the conflict—

(A) of this Act or any regulations promulgated under this Act with any other law or regulation of the United States; and

(B) of any law or regulation enacted or promulgated by a State pursuant to this Act with any law or regulation of the United States.

(f) IOLTA FUNDS DEFINED.—For purposes of this section, the term "IOLTA funds" means interest on lawyers trust account funds that—

(1) are generated when attorneys are required by State court or State bar rules to deposit otherwise noninterest-bearing client funds into an interest-bearing account while awaiting the outcome of a legal proceeding; and

(2) are pooled and distributed by a subdivision of a State bar association or the State court system to organizations selected by the State courts administration.

(c) LEGAL PROCEEDING DEFINED.—For purposes of this section, the term "legal proceeding" includes—

(1) a proceeding—

(A) in a court of the United States;

(B) in a court of a State; and

(C) in an administrative hearing in a Federal or State agency; and

(2) any activities related to the commencement of a proceeding described in subparagraph (A).

Mr. SANTORUM. I ask unanimous consent that the amendments be laid aside.

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

Mr. MOYNIHAN. Mr. President, a parliamentary inquiry. The clock seems to be approaching 5 o'clock and I have what is approximately 8 minutes' worth of sending amendments to the desk. I ask unanimous consent that we extend our time to 5:05.

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

Mr. MOYNIHAN. Mr. President, I rise to acknowledge what would be, not the first time, an error. I said recently just a moment ago that the Department of Health and Human Services has been silent on the subject of this atrocious legislation.

I am wrong, sir. I have just been handed an amendment which asks us to see that no position, no full-time position in the Department of Health and Human Services be eliminated.

So we will look after—I am beginning to believe what I hear about the bureaucracy.

AMENDMENTS NOS. 2618 THROUGH 2672 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. I send to the desk this amendment with a group of other amendments and ask for their immediate consideration. I am told no one else would introduce the amendment and it falls to me to do so. I do so with a certain reluctance.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], proposes amendments numbered 2618 through 2672 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2618

(Purpose: Eliminate requirement that HHS reduce full-time equivalent positions by specific percentages and retain requirements to evaluate the number of FTB positions required to carry out the activities under the bill and to take action to reduce the appropriate number of positions)

On page , strike title XII and insert the following new title:

"TITLE XII—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

"SEC. 1201. REDUCTIONS.

"(a) DEFINITIONS.—As used in this section:

"(1) APPROPRIATE EFFECTIVE DATE.—The term 'appropriate effective date', used with respect to a Department referred to in this section, means the date on which all provisions of this Act that the Department is required to carry out, and amendments and repeals made by this Act to provisions of Federal law that the Department is required to carry out, are effective.

"(2) COVERED ACTIVITY.—The term 'covered activity', used with respect to a Department referred to in this section, means an activity that the Department is required to carry out under—

"(A) a provision of this Act; or

"(B) a provision of Federal law that is amended or repealed by this Act.

"(b) REPORTS.—

"(1) CONTENTS.—Not later than December 31, 1995, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant committees described in paragraph (3) a report containing—

"(A) the determinations described in subsection (c);

"(B) appropriate documentation in support of such determinations; and

"(C) a description of the methodology used in making such determinations.

"(2) SECRETARY.—The Secretaries referred to in this paragraph are—

"(A) the Secretary of Agriculture;

"(B) the Secretary of Education;

"(C) the Secretary of Labor;

"(D) the Secretary of Housing and Urban Development; and

"(E) the Secretary of Health and Human Services.

"(3) RELEVANT COMMITTEES.—The relevant Committees described in this paragraph are the following:

"(A) With respect to each Secretary described in paragraph (2), the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

"(B) With respect to the Secretary of Agriculture, the Committee on Agriculture and the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(C) With respect to the Secretary of Education, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(D) With respect to the Secretary of Labor, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(E) With respect to the Secretary of Housing and Urban Development, the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(F) With respect to the Secretary of Health and Human Services, the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on Labor and Human Resources of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate.

"(4) REPORT ON CHANGES.—Not later than December 31, 1996, and each December 31 thereafter, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant Committees described in paragraph (3), a report concerning any changes with respect to the determinations made under subsection (c) for the year in which the report is being submitted.

"(c) DETERMINATIONS.—Not later than December 31, 1995, each Secretary referred to in subsection (b)(2) shall determine—

"(1) the number of full-time equivalent positions required by the Department (or the Federal Partnership established under section 771) headed by such Secretary to carry out the covered activities of the Department (or Federal Partnership), as of the day before the date of enactment of this Act;

"(2) the number of such positions required by the Department (or Federal Partnership) to carry out the activities, as of the appropriate effective date for the Department (or Federal Partnership); and

"(3) the difference obtained by subtracting the number referred to in paragraph (2) from the number referred to in paragraph (1).

"(d) ACTIONS.—Not later than 30 days after the appropriate effective date for the Department involved, each Secretary referred to in subsection (b)(2) shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the number of positions of personnel of the Department by at least the difference referred to in subsection (c)(3).

"(e) CONSISTENCY.—

"(1) EDUCATION.—The Secretary of Education shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and section 776(i)(2).

"(2) LABOR.—The Secretary of Labor shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and section 776(i)(2).

"(f) CALCULATION.—In determining, under subsection (c), the number of full-time equivalent positions required by a Department to carry out a covered activity, a Secretary referred to in subsection (b)(2), shall include the number of such positions occupied by personnel carrying out program functions or other functions (including budgetary, legislative, administrative, planning, evaluation, and legal functions) related to the activity.

"(g) GENERAL ACCOUNTING OFFICE REPORT.—Not later than July 1, 1996, the Comptroller General of the United States shall prepare and submit to the committees described in subsection (b)(3), a report concerning the determinations made by each Secretary under subsection (c). Such report shall contain an analysis of the determinations made by each Secretary under subsection (c) and a determination as to whether further reductions in full-time equivalent positions are appropriate.".

AMENDMENT NO. 2619

(Purpose: To terminate sponsor responsibilities upon the date of naturalization of the immigrant)

On page 289, line 5, strike the period and insert ", but in no event shall such period extend beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act."

AMENDMENT NO. 2620

(Purpose: To grant the Attorney General flexibility in certain public assistance determinations for immigrants)

On page 292, strike line 5 through line 11 and insert the following:

Nutrition Act of 1966;

(E) public health assistance for immunizations with respect to immunizable diseases and for testing and treatment for communicable diseases if the Secretary of Health and Human Services determines that such testing and treatment is necessary; and

(F) benefits or services which serve a compelling humanitarian or compelling public interest as specified by the Attorney General in consultation with appropriate Federal agencies and departments.

AMENDMENT NO. 2621

(Purpose: To ensure that programs are implemented consistent with the First Amendment to the U.S. Constitution)

On pages 77 through 83, strike sec. 102 and sec. 103.

AMENDMENT NO. 2622

(The text of the amendment (No. 2622) is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2623

(Purpose: To permit State to apply for waivers with respect to the 15 percent cap on hardship exemptions from the 5-year time limitation)

On page 40, between lines 16 and 17, insert the following new subparagraph:

"(C) WAIVER OF LIMITATION.—The Secretary, upon a demonstration by a State that an extraordinary number of families require an exemption from the application of paragraph (1) due to disability, domestic violence, homelessness, or the need to be in the home to care for a disabled child, may permit the State to provide exemptions in excess of the 15 percent limitation described in subparagraph (B) for a specified period of time.".

AMENDMENT NO. 2624

(Purpose: To permit States to provide noncash assistance to children ineligible for aid because of the 5-year time limitation)

On page 40, between lines 16 and 17, insert the following new paragraph:

"(4) NON-CASH ASSISTANCE FOR CHILDREN.—Nothing in paragraph (1) shall be construed as prohibiting a State from using funds provided under section 403 to provide aid, in the form of in-kind assistance, vouchers usable for particular goods or services as specified by the State, or vendor payments to individuals providing such goods or services, to the minor children of a needy family.".

AMENDMENT NO. 2625

(Purpose: To require States to have in effect laws regarding duration of child support)

On page 641, between lines 11 and 12, insert the following:

SEC. 426. DURATION OF SUPPORT.

Section 466(a) (42 U.S.C. 666(a)), as amended by this Act, is amended—

(1) by inserting after paragraph (16) the following new paragraph:

"(17) Procedures under which the State—

"(A) requires a continuing support obligation by the noncustodial parent until at least the later of the date on which a child for whom a support obligation is owed reaches the age of 18, or graduates from or is no longer enrolled in secondary school or its equivalent, unless a child marries, joins the United States armed forces, or is otherwise emancipated under State law;

"(B)(i) provides that courts or administrative agencies with child support jurisdiction have the discretionary power, until the date on which the child involved reaches the age of 22, pursuant to criteria established by the State, to order child support, payable directly or indirectly (support may be paid directly to a post-secondary or vocational school or college) to a child, at least up to the age of 22 for a child enrolled full-time in an accredited postsecondary or vocational school or college and who is a student in good standing; and

"(ii) may, without application of the rebuttable presumption in section 467(b)(2), award support under this subsection in amounts that, in whole or in part, reflect the actual costs of post secondary education; and

"(C) provides for child support to continue beyond the child's age of majority provided the child is disabled, unable to be self-supportive, and the disability arose during the child's minority."; and

(2) by adding at the end the following new sentence: "Nothing in paragraph (17) shall preclude a State from imposing more extensive child support obligations or obligations of longer duration.".

AMENDMENT NO. 2626

(Purpose: To eliminate a repeal relating to the Trade Act of 1974)

Section 781(b) is amended to read as follows:

(b) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) The Adult Education Act (20 U.S.C. 1201 et seq.).

(2) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(3) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(4) The Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(5) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(6) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(7) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

AMENDMENT NO. 2627

(Purpose: To improve provisions relating to the Trade Act of 1974)

In title VIII, add at the end the following:

Subtitle D—Amendment to Trade Act of 1974

SEC. 841. TRAINING AND OTHER EMPLOYMENT SERVICES FOR TRADE-IMPACTED WORKERS.

Section 239(e) of the Trade Act of 1974 (19 U.S.C. 2311(e)) is amended to read as follows:

"(e) Any agreement entered into under this section shall provide that the services made available to adversely affected workers under sections 235 and 236 shall be provided through the statewide workforce development system established by the State under subtitle B of the Workforce Development Act of 1995 to provide such services to other dislocated workers.".

AMENDMENT NO. 2628

(The text of the amendment (No. 2628) is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2629 CALENDAR NO.—

(Purpose: To improve provisions relating to the unemployment trust fund)

Beginning on page 419, strike line 17 and all that follows through page 424, line 4, and insert the following:

SEC. 733. UNEMPLOYMENT TRUST FUND.

(A) IN GENERAL.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(iii), by striking "carrying into effect section 4103" and inserting "carrying out the activities described in sections 4103, 4103A, 4104, and 4104A"; and

(B) in subparagraph (B), in the matter preceding clause (i), by striking "Department of Labor" and inserting "Department of Labor or the Workforce Development Partnership, as appropriate,"; and

(2) in the first sentence of paragraph (4), by striking "the Department of Labor" and inserting "the Workforce Development Partnership".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect July 1, 1998.

AMENDMENT NO. 2630

(Purpose: To clarify that the responsibilities of the National Board are advisory)

Section 772(a)(4)(A) is amended to read as follows:

(A) IN GENERAL.—Notwithstanding any other provision of this Act or any amendment made by this Act, any provision of this Act or any amendment made by this Act that would otherwise grant the National Board the authority to carry out a function (as defined in section 776) shall be construed to give the National Board the authority only to provide advice to the Secretary of Labor and the Secretary of Education with respect to the function, and not the authority to carry out the function. The provision shall be deemed to grant the Secretary of Labor and the Secretary of Education, acting jointly, the authority to carry out the function.

AMENDMENT NO. 2631

(The text of the amendment (No. 2631) is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2632

(Purpose: To exclude employment and training programs under the Food Stamp Act of 1977 from the list of activities that may be provided as workforce employment activities)

On page 359, strike lines 11 through 16 and insert the following:

viduals to participate in the statewide system; and

(N) followup services for participants who are placed in unsubsidized employment.

AMENDMENT NO. 2633

(Purpose: To provide for the State distribution of funds for secondary school vocational education, postsecondary and adult vocational education, and adult education)

In section 721(b), strike paragraph (4) and insert the following:

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a fiscal year, such agency shall distribute such amount for workforce education activities in such State as follows:

(A) 75 percent of such amount shall be distributed for secondary school vocational education in accordance with section 722, or for postsecondary and adult vocational education in accordance with section 723, or for both; and

(B) 25 percent of such amount shall be distributed for adult education in accordance with section 724.

AMENDMENT NO. 2634

(Purpose: To establish a job placement performance bonus that provides an incentive for States to successfully place individuals in unsubsidized jobs, and for other purposes)

On page 17, line 8, insert "and for each of fiscal years 1998, 1999, and 2000, the amount of the State's job placement performance bonus determined under subsection (f)(1) for fiscal year" after "year".

On page 17, line 22, insert "and the applicable amount specified under subsection (f)(2)(B) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) JOB PLACEMENT PERFORMANCE BONUS.—

"(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the job placement performance fund determined in accordance with the formula developed under paragraph (2).

"(2) ALLOCATION FORMULA; BONUS FUND.—

"(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program, or the number of families with a reduction in the amount of such assistance, as a result of unsubsidized employment during such year.

"(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

"(I) provide a greater financial bonus for individuals in families described in clause (i) who remain employed for greater periods of time or are at greater risk of long-term welfare dependency;

"(II) take into account the unemployment conditions of each State or geographic area; and

"(III) take into account the number of families in each State that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program, or the number of families with a reduction in the amount of such assistance, as a result of unsubsidized employment during such year, including fiscal years prior to 1997.

"(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

"(i) IN GENERAL.—For purposes of establishing a job placement performance bonus fund and making disbursements from such fund in accordance with subparagraph (A), with respect to a fiscal year there are authorized to be appropriated and there are appropriated an amount equal to the sum of—

"(I)(aa) for fiscal year 1998, $70,000,000;

"(bb) for fiscal year 1999, $140,000,000;

"(cc) for fiscal year 2000, $210,000,000; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407 for the fiscal year involved.

On page 29, line 16, strike "(f)" and insert "(g)".

On page 66 line 7, insert "and a preliminary assessment of the job placement performance bonus established under section 403(f)" before the period.

On page 108, between lines 20 and 21, insert the following new subsection:

(i) REPEAL OF MARKET PROMOTION PROGRAM.—Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is repealed.

AMENDMENT NO. 2635

(Purpose: To require that 25 percent of the funds for workforce employment activities be expended to carry out such activities for dislocated workers)

In section 716(a), add at the end the following:

(11) WORKFORCE EMPLOYMENT ACTIVITIES FOR DISLOCATED WORKERS.—Each State shall use 25 percent of the funds made available to the State for a program year under section 713(a)(1), less any portion of such funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A), to provide workforce employment activities for dislocated workers.

AMENDMENT NO. 2636

(Purpose: To establish a definition of a local workforce development board)

On page 324, strike lines 1 through 3 and insert the following:

(17) LOCAL WORKFORCE DEVELOPMENT BOARD.—The term "local workforce development board" means a board established under section 715.

AMENDMENT NO. 2637

(Purpose: To provide a conforming amendment with respect to local workforce development boards)

On page 380, strike lines 17 through 22 and insert the following:

(ii) such additional factors as the Governor (in consultation with local workforce development boards) determines to be necessary.

AMENDMENT NO. 2638

(Purpose: To require the establishment of local workforce development boards)

Beginning on page 400, strike line 10 and all that follows through page 404, line 1 and insert the following:

the local workforce development board in the substate area.

SEC. 728. LOCAL AGREEMENTS AND WORKFORCE DEVELOPMENT BOARDS.

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local workforce development boards.

(2) BUSINESS AND INDUSTRY INVOLVEMENT.—The business and industry representatives on the local workforce development board shall have a lead role in the design, management, and evaluation of the activities to the carried out in the substate area under the local agreement.

(3) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local workforce development board;

collaborated in reaching the agreement.

(4) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local workforce development board, the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(5) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—Each State shall facilitate

AMENDMENT NO. 2639

(Purpose: To clarify the role of the summer jobs program)

In section 759, strike subsections (b) through (e) and insert the following:

(b) STATE USE OF FUNDS.—

(1) CORE JOB CORPS ACTIVITIES.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) CORE WORK-BASED LEARNING OPPORTUNITIES.—

(A) IN GENERAL.—The State shall use 25 percent of the funds made available to the State through an allotment received under subsection (c) to make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist the substate areas in organizing summer jobs programs that provide work-based learning opportunities in the private and public sectors that are directly linked to year-round school-to-work activities in the substate areas.

(B) LIMITATION.—No funds provided under this subtitle shall be used to displace employed workers.

(3) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist each such entity in carrying out alternative programs to assist out-of-school at-risk youth in participating in school-to-work activities in the substate area; and

(B) carry out other workforce development activities specifically for at-risk youth.

(c) ALLOTMENTS.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) TOTAL ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) UNEMPLOYED INDIVIDUALS.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) INDIVIDUALS IN POVERTY.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) AT-RISK YOUTH.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds

made available through the allotment, and how the programs and activities described in subsection (b) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) APPLICATION.—To be eligible to receive a grant under paragraph (2) or (3)(A) of subsection (b) from a State to carry out programs in a substate area, an entity shall prepare and submit an application to the Governor of the State at such time, in such manner, and containing such information as the Governor may require. The Governor may establish criteria for reviewing such applications. Any such criteria shall, at a minimum, include the extent to which the local partnership described in section 728(a) (or, where established, the local work force development board described in section 728(b)) for the substate area approves of such application.

AMENDMENT NO. 2640

(Purpose: To expand the provisions relating to the limitation of the use of funds under title VII)

At the end of section 716(f), insert the following:

(4) DISPLACEMENT.—No funds provided under this title shall be used in a manner that would result in—

(A) the displacement of any currently employed worker (including partial displacement such as a reduction in wages, hours of nonovertime work, or employment benefits) or the impairment of an existing contract for services or collective bargaining agreement; or

(B) the employment or assignment of a participant to fill a position when—

(i) any other person is on layoff from the same or a substantially equivalent position; or

(ii) the employer has terminated the employment of any other employee or otherwise reduced its workforce in order to fill the vacancy so created with a participant subsidized under this title.

(5) HEALTH AND SAFETY.—Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in work activities pursuant to this title. Appropriate workers' compensation and tort claims protections shall be provided to participants on the same basis as such protections are provided to other individuals in the State in similar employment (as determined under regulations issued by the Secretary of Labor).

(6) EMPLOYMENT CONDITIONS.—Participants employed or assigned to work in positions subsidized under this title shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(7) DISPUTE RESOLUTION PROCEDURE.—The State shall establish and maintain (pursuant to regulations issued by the Secretary of Labor) a dispute resolution procedure for resolving complaints alleging violations of any of the prohibitions or requirements described in this subsection. Such procedure shall include an opportunity for a hearing and shall be completed not later than the 90th day after the date of the submission of a complaint, by which day the complainant shall be provided a written decision by the State. A decision of the State under such procedure, or a failure of a State to issue a decision within the 90-day period, may be appealed to the Secretary of Labor, who shall investigate the allegations contained in the complaint and make a determination not later than 60 days after the date of the appeal as to whether a violation of a prohibition or requirement of this subsection has occurred.

(8) REMEDIES.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), remedies that may be imposed under this paragraph for violations of the prohibitions and requirements described in this subsection shall be limited to—

(i) suspension or termination of payments under this title;

(ii) prohibition of placement of any participant, for an appropriate period of time, with an employer that has violated this subsection; and

(iii) appropriate equitable relief (other than back pay).

(B) EXCEPTIONS.—

(i) REPAYMENT.—If the Secretary of Labor determines that a violation of paragraph (2) or (3) has occurred, the Secretary of Labor shall require the State or substate recipient of funds that has violated paragraph (2) or (3), respectively, to repay to the United States an amount equal to the amount expended in violation of paragraph (2) or (3), respectively.

(ii) ADDITIONAL REMEDIES.—In addition to the remedies available under subparagraph (A), remedies available under this paragraph for violations of paragraph (4) may include—

(I) reinstatement of the displaced employee to the position held by such employee prior to displacement;

(II) payment of lost wages and benefits of the employee; and

(III) reestablishment of other relevant terms, conditions, and privileges of employment of the employee.

(C) OTHER LAWS OR CONTRACTS.—Nothing in this paragraph shall be construed to prohibit a complainant from pursuing a remedy authorized under another Federal, State, or local law or a contract or collective bargaining agreement for a violation of the prohibitions or requirements described in this subsection.

AMENDMENT NO. 2641

(Purpose: To improve the State apportionment of funds by activity)

On page 337, strike lines 4 through 20 and insert the following:

(a) ACTIVITIES.—From the sum of the funds made available to a State through an allotment received under section 712 and the funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) to carry out this title for a program year—

(1) a portion equal to 40 percent of such sum (which portion shall include the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act) shall be made available for workforce employment activities or activities described in section 716(a)(10);

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 35 percent of such sum shall be made available for flexible workforce activities.

AMENDMENT NO. 2642

(Purpose: To clarify the role of the summer jobs program)

In section 759, strike subsections (b) through (e) and insert the following:

(b) STATE USE OF FUNDS.—

(1) CORE JOB CORPS ACTIVITIES.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) CORE WORK-BASED LEARNING OPPORTUNITIES.—

(A) IN GENERAL.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist the substate areas in organizing summer jobs programs that provide work-based learning opportunities in the private and public sectors that are directly linked to year-round school-to-work activities in the substate areas.

(B) LIMITATION.—No funds provided under this subtitle shall be used to displace employed workers.

(3) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist each such entity in carrying out alternative programs to assist out-of-school at-risk youth in participating in school-to-work activities in the substate area; and

(B) carry out other workforce development activities specifically for at-risk youth.

(c) ALLOTMENTS.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section

673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) TOTAL ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) UNEMPLOYED INDIVIDUALS.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) INDIVIDUALS IN POVERTY.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) AT-RISK YOUTH.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) APPLICATION.—To be eligible to receive a grant under paragraph (2) or (3)(A) of subsection (b) from a State to carry out programs in a substate area, an entity shall prepare and submit an application to the Governor of the State at such time, in such manner, and containing such information as the Governor may require. The Governor may establish criteria for reviewing such applications. Any such criteria shall, at a minimum, include the extent to which the local partnership described in section 728(a) (or, where established, the local workforce development board described in section 728(b)) for the substate area approves of such application.

AMENDMENT NO. 2643

(Purpose: To increase the authorization of appropriations for workforce development activities)

On page 424, line 8, strike "$6,127,000,000" and insert "$8,100,000,000".

AMENDMENT NO. 2644

(Purpose: To limit the percentage of the flex account funds that may be used for economic development activities)

Beginning on page 366, strike line 24 and all that follows through page 367 line 24, and insert the following:

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—

(1) IN GENERAL.—In the case of a State that meets the requirements of section 728(c), the State may, subject to paragraph (2), use not more than 10 percent of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(A) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(B) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(C) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(D) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(E) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(F) to provide on-site, industry-specific training programs supportive of industrial and economic development:

through the statewide system.

(2) CONDITIONS.—In order for a State to be eligible to use funds described in paragraph (1) to award a grant to provide services described in paragraph (1)—

(A) the State shall make available (directly or through donations from the affected employers or businesses) non-Federal contributions in an amount equal to not less than $1 for every $1 of Federal funds provided under the grant;

(B) the services are designed to result in an increase in the wages of the incumbent workers served; and

(C) the providers of the services are—

(i) eligible to provide services under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.); or

(ii) determined to be eligible, under procedures established by the Governor, to receive payment through vouchers as described in subsection (a)(9)(B)(i)(III).

AMENDMENT NO. 2645

(Purpose: To make a conforming amendment regarding limiting the percentage of the flex account funds that may be used for economic development activities)

On page 407, line 16, strike "the funds" and insert "not more than 10 percent of funds".

AMENDMENT NO. 2646

(The text of the amendment (No. 2646) is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2647

(Purpose: To ensure that students have broad exposure to a wide range of knowledge on occupations and choices for skill training)

At the end of section 716, add the following new subsection:

(h) ALL ASPECTS OF AN INDUSTRY.—

(1) DEFINITION.—As used in this subsection, the term "all aspects of an industry", used with respect to a participant, means all aspects of the industry or industry sector the participant is preparing to enter, including planning, management, finances, technical and production skills, underlying principles of technology, labor and community issues, health and safety issues, and environmental issues, related to such industry or industry sector.

(2) WORKFORCE EDUCATION ACTIVITIES AND SCHOOL-TO-WORK ACTIVITIES.—Each State that receives an allotment under section 712 shall ensure that the workforce education activities and school-to-work activities carried out with funds made available through the allotment provide strong experience in and understanding of all aspects of an industry relating to the career major of each participant in either type of activities.

(3) STATE PLAN REQUIREMENT.—To be eligible to receive an allotment under section 712, the State shall specify, in the portion of the State plan described in section 714(c)(3) (relating to workforce education activities), how the activities will provide participants with the experience and understanding described in paragraph (2).

(4) STATE BENCHMARKS.—In developing and identifying State benchmarks that measure student mastery of academic knowledge and work readiness skills under section 731(c)(2)(A), the State shall develop and identify State benchmarks that measure the understanding of all aspects of an industry by student participants.

AMENDMENT NO. 2648

(Purpose: To clarify the advisory nature of the responsibilities of the National Board)

On page 323, line 8, strike "under the direction of the National Board" and insert "under the joint direction of the Secretary of Labor and the Secretary of Education".

On page 469, lines 4 and 5, strike "The Federal Partnership shall be directed by" and insert "There shall be in the Federal Partnership".

On page 470, lines 20 and 21, strike "oversee all activities" and insert "provide advice to the Secretary of Labor and the Secretary of Education regarding all activities".

On page 476, line 19, strike "to the National Board".

On page 496, line 4, strike "to the National Board" and insert "to the President".

On page 496, lines 7 through 9, strike "the President, the Committee on Economic and Educational Opportunities of the House of Representatives," and insert "the Committee on Economic and Educational Opportunities of the House of Representatives".

Beginning on page 497, strike line 25 and all that follows through page 500, line 4, and insert the following:

(3) REVIEW.—

(A) IN GENERAL.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the President shall—

(i) review and approve the workplan: or

(ii) reject the workplan, prepare an alternative workplan that contains the analysis, information, and determinations described in paragraph (2), and submit the alternative workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(B) FUNCTIONS TRANSFERRED.—If the President approves the proposed workplan, or prepares the alternative workplan, the functions descried in paragraph (2)(C), as determined in such proposed or alternative

workplan, shall be transferred under subsection (b).

(C) SPECIAL RULE.—If the President takes no action on the proposed workplan submitted under paragraph (1) within the 45-day period described in subparagraph (A), such workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(C), as determined in the proposed workplan, shall be transferred under subsection (b).

(4) REPORT.—Not later than July 1, 1998, the Secretary of Education and the Secretary of Labor shall submit to the appropriate committees of Congress information on the transfers required by this section.

On page 501, line 5, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 501, lines 8 and 9, strike "National Board" and insert "Secretaries".

On page 501, lines 11 and 12, strike "National Board" and insert "Secretary of Labor and Secretary of Education".

On page 501, line 13, strike "National Board" and insert "Secretaries".

On page 501, line 15, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 505, line 9, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 511, lines 4 and 5, strike "Director, or National Board" and insert "or Director,".

On page 558, lines 15 through 18 and insert the following:

administered by the Secretary of Education (referred to in this section as the "Secretary"). The Secretary may include in

On page 558, line 20, strike "National Board" and insert "Secretary".

On page 559, lines 1 and 2, strike "National Board" and insert "Secretary".

On page 559, lines 9 and 10, strike "National Board" and insert "Secretary".

On page 559, line 11, strike "National Board" and insert "Secretary".

On page 559, line 12, strike "National Board's" and insert "Secretary's".

On page 559, line 15, strike "National Board" and insert "Secretary".

On page 564, lines 19 and 20, strike "National Board" and insert "Secretary".

On page 566, line 18, strike "National Board" and insert "Secretary".

On page 567, line 22, strike "National Board,".

On page 568, lines 3 and 4, strike "the National Board,".

On page 569, line 3, strike "National Board" and insert "Secretary of Education (referred to in this section as the 'Secretary')".

On page 569, line 9, strike "National Board" and insert "Secretary".

On page 572, line 24, strike "National Board" and insert "Secretary".

On page 573, line 22, strike "National Board" and insert "Secretary".

On page 575, line 5, strike "National Board" and insert "Secretary".

On page 575, line 10, strike "National Board" and insert "Secretary".

On page 575, line 15, strike "National Board" and insert "Secretary".

AMENDMENT NO. 2649

(Purpose: To provide both women and men with access to training in occupations or fields of work in which women or men comprise less than 25 percent of the individuals employed in such occupations or fields of work, with respect to workforce development activities)

At the end of section 716, add the following new subsection:

(h) NONTRADITIONAL OCCUPATIONS.—

(1) DEFINITION.—The term "nontraditional occupation", used with respect to women or men, refers to an occupation or field of work in which women or men, respectively, comprise less than 25 percent of the individuals employed in such occupation or field of work.

(2) WORKFORCE EMPLOYMENT ACTIVITIES.—Each State that receives an allotment under section 712 may, in carrying out workforce employment activities with funds made available through the allotment, carry out—

(A) programs encouraging women and men to consider nontraditional occupations for women and men, respectively; and

(B) development and training relating to provision of effective services, including the provision of current information (as of the date of the provision) on high-wage, high-demand occupations, to individuals with multiple barriers to employment.

(3) WORKFORCE EDUCATION ACTIVITIES.—Each State that receives an allotment under section 712 shall ensure that the workforce education activities carried out with funds made available through the allotment provide exposure to high-wage, high-skill careers.

(4) STATE BENCHMARKS.—In developing and identifying State benchmarks under section 731(c)(1), the State shall develop and identify State benchmarks that measure the understanding of all aspects of an industry by participants.

AMENDMENT NO. 2650

(Purpose: To provide both women and men with access to training in occupations or fields of work in which women or men comprise less than 25 percent of the individuals employed in such occupations or fields of work, with respect to workforce preparation activities for at-risk youth)

At the end of subtitle C, add the following:

SEC. 760. NONTRADITIONAL OCCUPATIONS.

(a) DEFINITION.—The term "nontraditional occupation", used with respect to women or men, refers to an occupation or field of work in which women or men, respectively, comprise less than 25 percent of the individuals employed in such occupation or field of work.

(b) JOB CORPS.—A State that receives funds through an allotment made under section 759(c)(2) shall ensure that enrollees assigned to Job Corps centers in the State receive career awareness activities relating to nontraditional occupations for women and men.

(c) PERMISSIBLE WORKFORCE PREPARATION ACTIVITIES.—A State that receives funds through an allotment made under section 759(c)(3) and uses the funds to assist entities in providing work-based learning as a component of school-to-work activities under section 759(b)(2)(B) shall ensure that the work-based learning includes career exploration programs and occupational skill training relating to nontraditional occupations for women and men.

AMENDMENT NO. 2651

(Purpose: To ensure that States reference existing academic and occupational standards in their State plans)

On page 340, line 9, after "State" insert the following: ", including how the State will develop, adopt, or use industry-recognized skill standards, such as the skill standards endorsed by the National Skill Standards Board, to identify skill needs for current (as of the date of submission of the plan) and emerging occupations".

AMENDMENT NO. 2652

(Purpose: To ensure that State plans describe activities that will enable States to meet their benchmarks)a

Beginning on page 349, strike line 6 and all that follows through page 351, line 20, and insert the following:

dent performance measures, including measures of academic and occupational skills at levels specified in challenging standards, such as the student performance standards certified by the National Education Standards and Improvement Council (and not disapproved by the National Education Goals Panel) and the skill standards endorsed by the National Skill Standards Board, that are developed, adopted, or used by the State.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan;

(3) the Federal Partnership determines that the State, in preparing the plan, has described activities that will enable the State to meet the State benchmarks; and

(4) the State benchmarks for the State have

AMENDMENT NO. 2653

(Purpose: To clarify that the term "labor market information" refers to labor market and occupational information)

In section 714(c)(2)(E), strike "labor market information" and insert "labor market and occupational information (referred to in this Act as 'labor market information')".

AMENDMENT NO. 2654

(Purpose: To explicitly include occupational information in the labor market information system provided under workforce employment activities)

Strike section 773 and insert the following:

SEC. 773. LABOR MARKET INFORMATION.

(a) FEDERAL RESPONSIBILITIES.—The Federal Partnership, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide integrated labor market information system that shall include—

(1) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems, that, taken together, shall enumerate, estimate, and project the supply and demand for labor at the substate, State, and national levels in a timely manner, including data on—

(A) the demographics, socioeconomic characteristics, and current employment status of the substate, State, and national populations (as of the date of the collection of the data), including self-employed, part-time, and seasonal workers;

(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution, of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

(C) the educational attainment, training, skills, skill levels, and occupations of the populations;

(D) information maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment for all individuals for whom the information is collected by the States; and

(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

(2) State and substate area employment and consumer information (which shall be current, comprehensive, automated, accessible, easy to understand, and in a form useful for facilitating immediate employment, entry into education and training programs, and career exploration) on—

(A) job openings, locations, hiring requirements, and application procedures, including profiles of industries in the local labor market that describe the nature of work performed, employment requirements, and patterns in wages and benefits;

(B) jobseekers, including the education, training, and employment experience of the jobseekers; and

(C) the cost and effectiveness of providers of workforce employment activities, workforce education activities, and flexible workforce activities, including the percentage of program completion, acquisition of skills to meet industry-recognized skill standards, continued education, job placement, and earnings, by participants, and other information that may be useful in facilitating informed choices among providers by participants;

(3) technical standards for labor market information that will—

(A) ensure compatibility of the information and the ability to aggregate the information from substate areas to State and national levels;

(B) support standardization and aggregation of the data from administrative reporting systems;

(C) include—

(i) classification and coding systems for industries, occupations, skills, programs, and courses;

(ii) nationally standardized definitions of labor market and occupational terms, including terms related to State benchmarks established pursuant to section 731(c);

(iii) quality control mechanisms for the collection and analysis of labor market information; and

(iv) common schedules for collection and dissemination of labor market information; and

(D) eliminate gaps and duplication in statistical undertakings, with a high priority given to the systemization of wage surveys;

(4) an analysis of data and information described in paragraphs (1) and (2) for uses such as—

(A) national, State, and substate area economic policymaking;

(B) planning and evaluation of workforce development activities;

(C) the implementation of Federal policies, including the allocation of Federal funds to States and substate areas; and

(D) research on labor market and occupational dynamics;

(5) dissemination mechanisms for data and analysis, including mechanisms that may be standardized among the States; and

(6) programs of technical assistance for States and substate areas in the development, maintenance, utilization, and continuous improvement of the data, information, standards, analysis, and dissemination mechanisms, described in paragraphs (1) through (5).

(b) JOINT FEDERAL-STATE RESPONSIBILITIES.—

(1) IN GENERAL.—The nationwide integrated labor market information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and the States receiving financial assistance under this title.

(2) ANNUAL PLAN.—The Federal Partnership shall, with the assistance of the Bureau of Labor Statistics and other Federal agencies, where appropriate, prepare an annual plan that shall be the mechanism for achieving the cooperative Federal-State governance structure for the nationwide integrated labor market information system. The plan shall—

(A) establish goals for the development and improvement of a nationwide integrated labor market information system based on information needs for achieving economic growth and productivity, accountability, fund allocation equity, and an understanding of labor market and occupational characteristics and dynamics;

(B) describe the elements of the system, including—

(i) standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting the data and information described in paragraphs (1) and (2) of subsection (a); and

(ii) assurances that—

(I) data will be sufficiently timely and detailed for uses including the uses described in subsection (a)(4);

(II) administrative records will be standardized to facilitate the aggregation of data from substate areas to State and national levels and to support the creation of new statistical series from program records; and

(III) paperwork and reporting requirements on employers and individuals will be reduced;

(C) recommend needed improvements in administrative reporting systems to be used for the nationwide integrated labor market information system;

(D) describe the current spending on integrated labor market information activities from all sources, assess the adequacy of the funds spent, and identify the specific budget needs of the Federal Government and States with respect to implementing and improving the nationwide integrated labor market information system;

(E) develop a budget for the nationwide integrated labor market information system that—

(i) accounts for all funds described in subparagraph (D) and any new funds made available pursuant to this title; and

(ii) describes the relative allotments to be made for—

(I) operating the cooperative statistical programs pursuant to subsection (a)(1);

(II) developing and providing employment and consumer information pursuant to subsection (a)(2);

(III) ensuring that technical standards are met pursuant to subsection (a)(3); and

(IV) providing the analysis, dissemination mechanisms, and technical assistance under paragraphs (4), (5), and (6) of subsection (a), and matching data;

(F) describe the involvement of States in developing the plan by holding formal consultations conducted in cooperation with representatives of the Governors of each State or the State workforce development board described in section 715, where appropriate, pursuant to a process established by the Federal Partnership; and

(G) provide for technical assistance to the States for the development of statewide comprehensive labor market information systems described in subsection (c), including assistance with the development of easy-to-use software and hardware, or uniform information displays.

For purposes of applying Office of Management and Budget Circular A-11 to determine persons eligible to participate in deliberations relating to budget issues for the development of the plan, the representatives of the Governors of each State and the State workforce development board described in subparagraph (F) shall be considered to be employees of the Department of Labor.

(c) STATE RESPONSIBILITIES.—

(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this title, the Governor of a State shall—

(A) establish an interagency process for the oversight of a statewide comprehensive labor market information system and for the participation of the State in the cooperative Federal-State governance structure for the nationwide integrated labor market information system; and

(B) designate a single State agency or entity within the State to be responsible for the management of the statewide comprehensive labor market information system.

(2) DUTIES.—In order to receive Federal financial assistance under this title, the State agency or entity within the State designated under paragraph (1)(B) shall—

(A) consult with employers and local workforce development boards described in section 728(b), where appropriate, about the labor market relevance of the data to be collected and displayed through the statewide comprehensive labor market information system;

(B) develop, maintain, and continuously improve the statewide comprehensive labor market information system, which shall—

(i) include all of the elements described in paragraphs (1), (2), (3), (4), (5), and (6) of subsection (a); and

(ii) provide the consumer information described in clauses (v) and (vi) of section 716(a)(2)(B) in a manner that shall be responsive to the needs of business, industry, workers, and jobseekers;

(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination, through the statewide comprehensive labor market information system;

(D) conduct such other data collection, analysis, and dissemination activities to ensure that State and substate area labor market information is comprehensive;

(E) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data;

(F) participate in the development of the national annual plan described in subsection (b)(2); and

(G) ensure that the matches required for the job placement accountability system by section 731(d)(2)(A) are made for the State and for other States.

(3) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this title.

(d) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

AMENDMENT NO. 2655

(Purpose: To provide a conforming amendment relating to labor market and occupational information)

In section 101(a)(3)(C)(i)(II) of the Rehabilitation Act of 1973, as amended by section 809(a)(8), strike "labor market information" and insert "labor market and occupational information".

AMENDMENT NO. 2656

(Purpose: To maintain the administration of the school-to-work programs in the school-to-work office)

On page 465, strike lines 4 through 12.

AMENDMENT NO. 2657

(Purpose: To make the list of workforce education activities for which funds may be used more consistent with the provisions of the amendments made by the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, and the provisions of the School-to-Work Opportunities Act of 1994)

On page 363, beginning with line 12, strike all through page 364, line 13, and insert the following:

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this title for workforce education activities to carry out, through the statewide workforce development system, activities that include—

(1) ensuring that all students, including students who are members of special populations, have the opportunity to achieve to challenging State academic standards and industry-based skill standards;

(2) promoting the integration of academic and vocational education;

(3) supporting career majors in broad occupational clusters or industry sectors;

(4) effectively linking secondary education and postsecondary education, including implementing tech-prep programs;

(5) providing students with strong experience in, and understanding of, all aspects of the industry such students are preparing to enter;

(6) providing connecting activities that link each youth participating in workforce education activities under this subsection with an employer in an industry or occupation relating to the career of such youth;

(7) combining school-based and work-based instruction, including instruction in general workplace competencies;

(8) providing school-site and workplace mentoring;

(9) providing a planned program of job training and work experience that is coordinated with school-based learning;

(10) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, career exploration, exposure to high-wage, high-skill careers, and guidance information, to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(11) expanding, improving, and modernizing quality vocational education programs;

(12) improving access to quality vocational education programs for at-risk youth;

(13) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(14) providing programs for adults and out-of-school youth to complete their secondary education; or

(15) providing programs of family and work-place literacy.

AMENDMENT NO. 2658

(The text of the amendment (No. 2658) is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2659

(The text of the amendment (No. 2659) is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2660

(Purpose: To include volunteers among those for whom the National Center for Research in Education and Workforce Development conducts research and development, and provides technical assistance)

On page 489, line 18, insert "volunteers," after "teachers,".

AMENDMENT NO. 2661

(Purpose: To provide supplemental security income benefits to persons who are disabled by reason of drug or alcohol abuse, and for other purposes)

On page 124, beginning on line 16, strike all through page 133, line 18, and insert the following:

SEC. 201. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI BENEFITS.

Paragraph (1) of section 1614(a) (42 U.S.C. 1382c(a)) is amended—

(1) in subparagraph (B)(i), by striking "either" and all that follows through ", or" and inserting "(I) a citizen; (II) a noncitizen who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act for a period of not more than 5 years after the date of arrival into the United States; (III) a noncitizen who is admitted to the United States as a refugee under section 207 of such Act for not more than such 5-year period; (IV) a noncitizen, lawfully present in any State (or any territory or possession of the United States), who is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage or who is the spouse or unmarried dependent child of such veteran; or (V) a noncitizen who has worked sufficient calendar quarters of coverage to be a fully insured individual for benefits under title II, or"; and

(2) by adding at the end the following new flush sentence:

"For purposes of subparagraph (B)(i)(IV), the determination of whether a noncitizen is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. A noncitizen shall not be considered to be lawfully present in the United States for purposes of this title merely because the noncitizen may be considered to be permanently residing in the United States under color of law for purposes of any particular program.".

SEC. 202. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.".

SEC. 203. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by adding at the end the following new paragraph:

"(6) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the

current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

SEC. 204. EFFECTIVE DATES; APPLICATION TO CURRENT RECIPIENTS.

(a) SECTION 201.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by section 201 shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) APPLICATION AND NOTICE.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by section 201, such amendments shall apply with respect to the benefits of such individual for months beginning on or after January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

(B) REAPPLICATION.—

(i) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subparagraph (A) who desires to reapply for benefits under title XVI of the Social Security Act, as amended by this title, shall reapply to the Commissioner of Social Security.

(ii) DETERMINATION OF ELIGIBILITY.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall determine the eligibility of each individual who reapplies for benefits under clause (i) pursuant to the procedures of such title.

(b) OTHER AMENDMENTS.—The amendments made by sections 202 and 203 shall take effect on the date of the enactment of this Act.

Subtitle B—Benefits for Disabled Children

SEC. 211. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

AMENDMENT NO. 2662

(Purpose: To provide demonstration projects for using neighborhood schools as centers for beneficial activities for children and their parents in order to break the welfare cycle)

On page 122, between lines 11 and 12, insert:

SEC. 110. DEMONSTRATION PROJECTS FOR SCHOOL UTILIZATION.

(a) FINDINGS.—It is the goal of the United States that children grow to be self-sufficient citizens, that parents equip themselves to provide the best parental care and guidance to their children, and that welfare dependency, crime, and the deterioration of neighborhoods be eliminated. It will contribute to these goals to increase the level of parents' involvement in their children's school and other activities, to increase the amount of time parents spend with or in close proximity to their children, to increase the portion of the day and night when children are in a safe and healthy environment and not exposed to unfavorable influences, to increase the opportunities for children to participate in safe, healthy, and enjoyable extra-curricular and organized developmental and recreational activities, and to make more accessible the opportunities for parents, especially those dependent on public assistance, to increase and enhance their parenting and living skills. All of these contributions can be facilitated by establishing the neighborhood public school as a focal point for such activities and by extending the hours of the day in which its facilities are available for such activities.

(b) GRANTS.—The Secretary of Education (hereafter in this section referred to as the "Secretary") shall make demonstration grants as provided in subsection (c) to States to enable them to increase the number of hours during each day when existing public school facilities are available for use for the purposes set forth in subsection (d).

(c) SELECTION OF STATES.—The Secretary shall make grants to not more than 5 States for demonstration projects in accordance with this section. Each State shall select the number and location of schools based on the amount of funds it deems necessary for a school properly to achieve the goals of this program. The schools selected must have a significant percentage of students receiving benefits under part A of title IV of the Social Security Act. No more than 2 percent of the grant to any State shall be used for administrative expenses of any kind by any entity (except that none of the activities set forth in paragraphs (1) and (2) of subsection (d) shall be considered an administrative activity the expenses for which are limited by this subsection).

(d) USE OF FUNDS.—The grants made under subsection (b), in order that school facilities can be more fully utilized, shall be used to provide funding for, among other things—

(1) extending the length of the school day, expanding the scope of student programs offered before and after pre-existing school hours, enabling volunteers and parents or professionals paid from other sources to teach, tutor, coach, organize, advise, or monitor students before and after pre-existing school hours, and providing security, supplies, utilities, and janitorial services before and after pre-existing school hours for these programs,

(2) making the school facilities available for community and neighborhood clubs, civic associations and organizations, Boy and Girl Scouts and similar organizations, adult education classes, organized sports, parental education classes, and other educational, recreational, and social activities.

None of the funds provided under this section can be used to supplant funds already provided to a school facility for services, equipment, personnel, or utilities nor can funds be used to pay costs associated with operating school facilities during hours those facilities are already available for student or community use.

(e) APPLICATIONS.—

(1) IN GENERAL.—The Governor of each State desiring to conduct a demonstration project under this section shall prepare and submit to the Secretary an application in such manner and containing such information as the Secretary may require. The Secretary shall actively encourage States to submit such applications.

(2) APPROVAL.—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this section and shall approve such applications in a number of States to be determined by the Secretary (not to exceed 5), taking into account the overall funding levels available under this section.

(f) DURATION.—A demonstration project under this section shall be conducted for not more than 4 years plus an additional time period of up to 12 months for final evaluation and reporting. The Secretary may terminate a project if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this section.

(g) EVALUATION PLAN.—

(1) STANDARDS.—Not later than 3 months after the date of the enactment of this section, the Secretary shall develop standards for evaluating the effectiveness of each demonstration project in contributing toward meeting the objectives set forth in subsection (a), which shall include the requirement that an independent expert entity selected by the Secretary provide an evaluation of all demonstration projects, which evaluations shall be included in the appropriate State's annual and final reports to the Secretary under subsection (h)(1).

(2) SUBMISSION OF PLAN.—Each State conducting a demonstration project under this section shall submit an evaluation plan (meeting the standards developed by the Secretary under paragraph (1)) to the Secretary not later than 90 days after the State is notified of the Secretary's approval for such project. A State shall not receive any Federal funds for the operation of the demonstration project until the Secretary approves such evaluation plan.

(h) REPORTS.—

(1) STATE.—A State that conducts a demonstration project under this section shall prepare and submit to the Secretary annual and final reports in accordance with the State's evaluation plan under subsection (g)(2) for such demonstration project.

(2) SECRETARY.—The Secretary shall prepare and submit to the Congress annual reports concerning each demonstration project under this Act.

(i) AUTHORIZATIONS.—

(1) GRANTS.—There are authorized to be appropriated for grants under subsection (b) for each of fiscal years 1996, 1997, 1998, 1999, and 2000, $10,000,000.

(2) ADMINISTRATION.—There are authorized to be appropriated $1,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 for the administration of this section by the Secretary, including development of standards and evaluation of all demonstration projects by an independent expert entity under subsection (g)(1).

AMENDMENT NO. 2663

(Purpose: To provide demonstration projects for using neighborhood schools as centers for beneficial activities for children and their parents in order to break the welfare cycle, and for other purposes)

On page 122, between lines 11 and 12, insert:

SEC. 110. DEMONSTRATION PROJECTS FOR SCHOOL UTILIZATION.

(a) FINDINGS.—It is the goal of the United States that children grow to be self-sufficient citizens, that parents equip themselves

to provide the best parental care and guidance to their children, and that welfare dependency, crime, and the deterioration of neighborhoods be eliminated. It will contribute to these goals to increase the level of parents' involvement in their children's school and other activities, to increase the amount of time parents spend with or in close proximity to their children, to increase the portion of the day and night when children are in a safe and healthy environment and not exposed to unfavorable influences, to increase the opportunities for children to participate in safe, healthy, and enjoyable extracurricular and organized developmental and recreational activities, and to make more accessible the opportunities for parents, especially those dependent on public assistance, to increase and enhance their parenting and living skills. All of these contributions can be facilitated by establishing the neighborhood public school as a focal point for such activities and by extending the hours of the day in which its facilities are available for such activities.

(b) GRANTS.—The Secretary of Education (hereafter in this section referred to as the "Secretary") shall make demonstration grants as provided in subsection (c) to States to enable them to increase the number of hours during each day when existing public school facilities are available for use for the purposes set forth in subsection (d).

(c) SELECTION OF STATES.—The Secretary shall make grants to not more than 5 States for demonstration projects in accordance with this section. Each State shall select the number and location of schools based on the amount of funds it deems necessary for a school properly to achieve the goals of this program. The schools selected must have a significant percentage of students receiving benefits under part A of title IV of the Social Security Act. No more than 2 percent of the grant to any State shall be used for administrative expenses of any kind by any entity (except that none of the activities set forth in paragraphs (1) and (2) of subsection (d) shall be considered an administrative activity the expenses for which are limited by this subsection).

(d) USE OF FUNDS.—The grants made under subsection (b), in order that school facilities can be more fully utilized, shall be used to provide funding for, among other things—

(1) extending the length of the school day, expanding the scope of student programs offered before and after pre-existing school hours, enabling volunteers and parents or professionals paid from other sources to teach, tutor, coach, organize, advise, or monitor students before and after pre-existing school hours, and providing security, supplies, utilities, and janitorial services before and after pre-existing school hours for these programs,

(2) making the school facilities available for community and neighborhood clubs, civic associations and organizations, Boy and Girl Scouts and similar organizations, adult education classes, organized sports, parental education classes, and other educational, recreational, and social activities.

None of the funds provided under this section can be used to supplant funds already provided to a school facility for services, equipment, personnel, or utilities nor can funds be used to pay costs associated with operating school facilities during hours those facilities are already available for student or community use.

(e) APPLICATIONS.—

(1) IN GENERAL.—The Governor of each State desiring to conduct a demonstration project under this section shall prepare and submit to the Secretary an application in such manner and containing such information as the Secretary may require. The Secretary shall actively encourage States to submit such applications.

(2) APPROVAL.—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this section and shall approve such applications in a number of States to be determined by the Secretary (not to exceed 5), taking into account the overall funding levels available under this section.

(f) DURATION.—A demonstration project under this section shall be conducted for not more than 4 years plus an additional time period of up to 12 months for final evaluation and reporting. The Secretary may terminate a project if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this section.

(g) EVALUATION PLAN.—

(1) STANDARDS.—Not later than 3 months after the date of the enactment of this section, the Secretary shall develop standards for evaluating the effectiveness of each demonstration project in contributing toward meeting the objectives set forth in subsection (a), which shall include the requirement that an independent expert entity selected by the Secretary provide an evaluation of all demonstration projects, which evaluations shall be included in the appropriate State's annual and final reports to the Secretary under subsection (h)(1).

(2) SUBMISSION OF PLAN.—Each State conducting a demonstration project under this section shall submit an evaluation plan (meeting the standards developed by the Secretary under paragraph (1)) to the Secretary not later than 90 days after the State is notified of the Secretary's approval for such project. A State shall not receive any Federal funds for the operation of the demonstration project until the Secretary approves such evaluation plan.

(h) REPORTS.—

(1) STATE.—A State that conducts a demonstration project under this section shall prepare and submit to the Secretary annual and final reports in accordance with the State's evaluation plan under subsection (g)(2) for such demonstration project.

(2) SECRETARY.—The Secretary shall prepare and submit to the Congress annual reports concerning each demonstration project under this Act.

(i) AUTHORIZATIONS.—

(1) GRANTS.—There are authorized to be appropriated for grants under subsection (b) for each of fiscal years 1996, 1997, 1998, 1999, and 2000, $10,000,000.

(2) ADMINISTRATION.—There are authorized to be appropriated $1,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 for the administration of this section by the Secretary, including development of standards and evaluation of all demonstration projects by an independent expert entity under subsection (g)(1).

SEC. 111. STUDY OF SCHOOLS WITH STUDENTS FAILING TO ENTER WORKFORCE.

(a) STUDY.—The Secretary of Education shall conduct a study to—

(1) determine which high schools have the highest proportion of students, both those who graduate and those who drop out before graduating, who never reach the workforce, and establish the reasons for such disproportionate failure, and

(2) measure the educational effectiveness of existing innovative educational mechanisms, including charter schools, extended school days, the community schools program, and child care programs, in increasing the proportion of a school's students who become a part of the workforce.

(b) REPORT.—The Secretary shall, not later than January 1, 1997, report to the Congress the results of the study conducted under subsection (a), including recommendations with respect to measures which prove effective in assisting schools in preparing students for the workforce.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $7,000,000 to carry out the purposes of this section.

SEC. 112. SCHOOL CARE FOR CHILDREN OF INDIVIDUALS REQUIRED TO WORK.

Notwithstanding any other provision of, or amendment made by, this title, if a State requires an individual receiving assistance under a State program funded under part A of title IV to engage in work activities, the State shall provide adult-supervised care to each school-age child of the individual before and after school during the hours during which the individual is working and in transit between home and work. Such care shall be provided at the location where each child attends school. Comparable activities shall be provided during the same daily time periods for all days during which the individual is working but school is not in session.

SEC. 113. PARENTAL RESPONSIBILITY CONTRACTS.

(a) ASSESSMENT.—Notwithstanding any other provision of, or amendment made by, this title, each State to which a grant is made under section 403 of the Social Security Act shall provide that the State agency, through a case manager, shall make an initial assessment of the education level, parenting skills, and history of parenting activities and involvement of each parent who is applying for financial assistance under the plan.

(b) PARENTAL RESPONSIBILITY CONTRACTS.—On the basis of the assessment made under subsection (a) with respect to each parent applicant, the case manager, in consultation with the parent applicant (hereafter in this subsection referred to as the "client"), and, if possible, the client's spouse if one is present, shall develop a parental responsibility contract for the client, which meets the following requirements:

(1) Sets forth the obligations of the client, including all of the following the case manager believes are within the ability and capacity of the client, are not incompatible with the employment or school activities of the client, and are not inconsistent with each other in the client's case or with the well being of the client's children:

(A) Attend school, if necessary, and maintain certain grades and attendance.

(B) Keep school-age children of the client in school.

(C) Immunize children of the client.

(D) Attend parenting and money management classes.

(E) Participate in parent and teacher associations and other activities intended to involve parents in their children's school activities and in the affairs of their children's school.

(F) Attend school activities with their children where attendance or participation by both children and parents is appropriate.

(G) Undergo appropriate substance abuse treatment counseling.

(H) Any other appropriate activity, at the option of the State.

(2) Provides that the client shall accept any bona fide offer of unsubsidized full-time

employment, unless the client has good cause for not doing so.

(c) PENALTIES FOR NONCOMPLIANCE WITH PARENTAL RESPONSIBILITY CONTRACT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the following penalties shall apply:

(A) PROGRESSIVE REDUCTIONS IN ASSISTANCE FOR 1ST AND 2ND ACTS OF NON-COMPLIANCE.—The State plan shall provide that the amount of assistance otherwise payable under this part to a family that includes a client who, with respect to a parental responsibility contract signed by the client, commits an act of noncompliance without good cause, shall be reduced by—

(i) 33 percent for the 1st such act of noncompliance; or

(ii) 66 percent for the 2nd such act of noncompliance.

(B) DENIAL OF ASSISTANCE FOR 3RD AND SUBSEQUENT ACTS OF NONCOMPLIANCE.—The State shall provide that in the case of the 3rd or subsequent such act of noncompliance, the family of which the client is a member shall not thereafter be eligible for assistance under this part.

(C) LENGTH OF PENALTIES.—The penalty for an act of noncompliance shall not exceed the greater of—

(i) in the case of—

(I) the 1st act of noncompliance, 1 month,

(II) the 2nd act of noncompliance, 3 months, or

(III) the 3rd or subsequent act of noncompliance, 6 months; or

(ii) the period ending with the cessation of such act of noncompliance.

(D) DENIAL OF ASSISTANCE TO ADULTS REFUSING TO ACCEPT A BONA FIDE OFFER OF EMPLOYMENT.—The State plan shall provide that if an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment without good cause, such act of noncompliance shall be considered a 3rd or subsequent act of noncompliance.

(2) STATE FLEXIBILITY.—The State plan may provide for different penalties than those specified in paragraph (1).

SEC. 114. AMENDMENT TO GOALS 2000: EDUCATE AMERICA ACT.

Section 102 of the Goals 2000: Educate America Act (20 U.S.C. 5812) is amended by adding at the end the following new paragraph:

"(9) SELF-SUFFICIENCY.—By the year 2000, fewer Americans will need to rely on welfare benefits because—

"(A) schools will place greater emphasis on equipping all students to achieve economic self-sufficiency in adulthood, regardless of whether they pursue higher education;

"(B) schools will not compromise educational standards in order to graduate students who have not achieved the recognized educational competency levels applicable to high school graduates; and

"(C) schools will focus more attention and resources on ensuring that children from families who receive public assistance, or are at risk of needing public assistance, make expected scholastic progress throughout their elementary and secondary schooling or are provided with special assistance and directed to remedial programs and activities designed to return them to expected levels of progress."

AMENDMENT NO. 2664

(Purpose: To require applicants for assistance who are parents to enter into a Parental Responsibility Contract and perform satisfactorily under its terms as a condition of receipt of that assistance)

On page 122, between lines 11 and 12, insert:

SEC. 110. PARENTAL RESPONSIBILITY CONTRACTS.

(a) ASSESSMENT.—Notwithstanding any other provision of, or amendment made by, this title, each State to which a grant is made under section 403 of the Social Security Act shall provide that the State agency, through a case manager, shall make an initial assessment of the education level, parenting skills, and history of parenting activities and involvement of each parent who is applying for financial assistance under the plan.

(b) PARENTAL RESPONSIBILITY CONTRACTS.—On the basis of the assessment made under subsection (a) with respect to each parent applicant, the case manager, in consultation with the parent applicant (hereafter in this subsection referred to as the "client"), and, if possible, the client's spouse if one is present, shall develop a parental responsibility contract for the client, which meets the following requirements:

(1) Sets forth the obligations of the client, including all of the following the case manager believes are within the ability and capacity of the client, are not incompatible with the employment or school activities of the client, and are not inconsistent with each other in the client's case or with the well being of the client's children:

(A) Attend school, if necessary, and maintain certain grades and attendance.

(B) Keep school-age children of the client in school.

(C) Immunize children of the client.

(D) Attend parenting and money management classes.

(E) Participate in parent and teachers associations and other activities intended to involve parents in their children's school activities and in the affairs of their children's school.

(F) Attend school activities with their children where attendance or participation by both children and parents is appropriate.

(G) Undergo appropriate substance abuse treatment counseling.

(H) Any other appropriate activity, at the option of the State.

(2) Provides that the client shall accept any bona fide offer of unsubsidized full-time employment, unless the client has good cause for not doing so.

(c) PENALTIES FOR NONCOMPLIANCE WITH PARENTAL RESPONSIBILITY CONTRACT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the following penalties shall apply:

(A) PROGRESSIVE REDUCTIONS IN ASSISTANCE FOR 1ST AND 2ND ACTS OF NON-COMPLIANCE.—The State plan shall provide that the amount of assistance otherwise payable under this part to a family that includes a client who, with respect to a parental responsibility contract signed by the client, commits an act of noncompliance without good cause, shall be reduced by—

(i) 33 percent for the 1st such act of noncompliance; or

(ii) 66 percent for the 2nd such act of noncompliance.

(B) DENIAL OF ASSISTANCE FOR 3RD AND SUBSEQUENT ACTS OF NONCOMPLIANCE.—The State shall provide that in the case of the 3rd or subsequent such act of noncompliance, the family of which the client is a member shall not thereafter be eligible for assistance under this part.

(C) LENGTH OF PENALTIES.—The penalty for an act of noncompliance shall not exceed the greater of—

(i) in the case of—

(I) the 1st act of noncompliance, 1 month,

(II) the 2nd act of noncompliance, 3 months, or

(III) the 3rd or subsequent act of noncompliance, 6 months; or

(ii) the period ending with the cessation of such act of noncompliance.

(D) DENIAL OF ASSISTANCE TO ADULTS REFUSING TO ACCEPT A BONA FIDE OFFER OF EMPLOYMENT.—The State plan shall provide that if an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment without good cause, such act of noncompliance shall be considered a 3rd or subsequent act of noncompliance.

(2) STATE FLEXIBILITY.—The State plan may provide for different penalties than those specified in paragraph (1).

AMENDMENT NO. 2665

(Purpose: To reduce the income tax rate for individuals to equal the estimated cost of certain repealed programs)

Beginning on page 10, line 10, strike all through page 77, line 21, and insert the following:

(b) REDUCTION IN INDIVIDUAL TAX RATES.—Section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) is amended by adding at the end the following new subsection:

"(i) ADJUSTMENTS IN TAX TABLES TO REFLECT REPEAL OF CERTAIN PROGRAMS.—

"(1) IN GENERAL.—Not later than December 15 of 1995, and each subsequent calendar year, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) (after the application of subsection (f)) with respect to taxable years beginning in the succeeding calendar year.

"(2) METHOD OF PRESCRIBING TABLES.—The tables under paragraph (1) shall be prescribed by reducing the rates of tax proportionately such that the resulting loss of revenue for such calendar year equals the estimated total expenditures for the fiscal year in which such calendar year begins for part A of title IV of the Social Security Act as proposed to be added by Senate amendment numbered 2280 (as in effect on September 8, 1995).

Beginning on page 83, line 16, strike through page 86, line 3.

Beginning on page 87, line 6, strike through page 120, line 8.

Beginning on page 122, line 12, strike through page 124, line 12.

AMENDMENT NO. 2666

(Purpose: To make the Workforce Development System more responsive to changing local labor markets)

In section 702(a)(8), strike "private sector leadership in designing" and insert "private sector leadership and the diverse and changing demands of employers and workers in designing".

In section 702(b)(1), insert before the semicolon the following: "and to respond more effectively to changing local labor markets".

In section 703(29), insert before the period the following: "and designed to ensure that local labor and education and training markets are responsive to the diverse and changing demands of employers and workers".

In section 716(a)(2)(B)(viii), strike "; and" and insert a semicolon.

In section 716(a)(2)(B)(ix), strike the period and insert "; and".

At the end of section 716(a)(2)(B), add the following:

(x) establishment of such system of individual skill grants as will enable dislocated workers who are unable to find new jobs through the core services described in clauses (i) through (ix), and who are unable to obtain other grant assistance (such as a Pell Grant), to learn new skills to find new jobs.

In section 716(a)(9), strike "provided under this subtitle" and insert "provided under this subtitle for persons age 18 or older who are unable to obtain other assistance (such as a Pell Grant)".

At the end of section 731(b), add the following new paragraph:

(3) RESPONSIVENESS TO MARKET DEMAND.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of ensuring that the local labor and education and training markets in the State are responsive to the diverse and changing demands of employers and workers.

At the end of section 731(c), add the following:

(8) RESPONSIVENESS TO MARKET DEMAND.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State in meeting the goal described in subsection (b)(3).

In section 732(a)(1)(A), strike "; or" and insert a semicolon.

In section 732(a)(1)(B), strike the period and insert "; or".

At the end of section 732(a)(1), add the following:

(C) demonstrates to the Federal Partnership that the State has made a substantial increase in the number of dislocated workers placed in unsubsidized employment, the reemployment wage rates of the workers, or the speed of reemployment of the workers through the use of training vouchers or other continually improving systems that respond effectively to the diverse and changing demands of local employers and workers.

(The text of the amendment No. 2667, is printed in today's RECORD under "Amendments Submitted".)

AMENDMENT NO. 2668

(Purpose: To eliminate a repeal of title V of the Older Americans Act of 1965)

On page 520, strike lines 17 through 19 and insert the following:

(7) Title VII of the Stewart B. McKinney

(The text of the amendment No. 2669, is printed in today's RECORD under "Amendments Submitted".)

AMENDMENT NO. 2670

(Purpose: To allow a State to revoke an election to participate in the optional State food assistance block grant)

On page 229, strike lines 4 through 8 and insert the following:

"(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently reverse its election only once thereafter. Following such reversal, the State shall only be eligible to participate in the food stamp program in accordance with the other sections of this Act and shall not receive a block grant under this section.

AMENDMENT NO. 2671

(Purpose: To provide a 3 percent set aside for the funding of family assistance grants for Indians)

On page 26, before line 1, insert the following:

"(6) LOANS TO INDIAN TRIBES.—For purposes of this subsection, an Indian tribe with a tribal family assistance plan approved under section 414 shall be treated as a State, except that—

"(A) the Secretary may extend the time limitation under paragraph (4)(A);

"(B) the Secretary may waive the interest requirement under subparagraph (4)(B);

"(C) paragraph (4)(C) shall be applied by substituting 'tribal family assistance grant under section 414' for 'State family assistance grant under subsection (a)(2)'; and

"(D) paragraph (5) shall be applied without regard to subparagraph (B).

On page 26, strike lines 11 through 16, and insert the following:

"(2) ELIGIBLE INDIAN TRIBE.—For purposes of paragraph (1), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that—

"(A) conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during such fiscal year); and

"(B) is not receiving a tribal family assistance grant under section 414.

Beginning on page 63, line 14, strike all through page 68, line 21, and insert the following:

"(a) IN GENERAL.—

"(1) APPLICATION.—

"(A) IN GENERAL.—An Indian tribe may apply at any time to the Secretary (in such manner as the Secretary prescribes) to receive a family assistance grant.

"(B) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(i) IN GENERAL.—As part of the application under subparagraph (A), the Indian tribe shall submit to the Secretary a 3-year tribal family assistance plan that—

"(I) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with the purposes of this section;

"(II) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(III) identifies the population and service area or areas to be served by such plan;

"(IV) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(V) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(VI) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code. Nothing in this clause shall preclude an Indian tribe from entering into an agreement with a State under the tribal family assistance plan for providing services to individuals residing outside the tribe's jurisdiction or for providing services to non-tribal members residing within the tribe's jurisdiction. Any such agreement shall include an appropriate transfer of funds from the State to the tribe.

"(ii) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with clause (i).

"(2) PARTICIPATION.—If a tribe chooses to apply and the application is approved, such tribe shall be entitled to a direct payment in the amount determined in accordance with the provisions of subsection (b) for each fiscal year beginning after such approval.

"(3) NO PARTICIPATION.—If a tribe chooses not to apply, the amount that would otherwise be available to such tribe for the fiscal year shall be payable to the State in which that tribe is located. Such State shall provide equitable access to services by recipients within that tribe's jurisdiction.

"(4) NO MATCH REQUIRED.—Indian tribes shall not be required to submit a monetary match to receive a payment under this section.

"(5) JOINT PROGRAMS.—An Indian tribe may also apply to the Secretary jointly with 1 or more such tribes to administer family assistance services as a consortium. The Secretary shall establish such terms and conditions for such consortium as are necessary.

"(b) PAYMENT AMOUNT.—

"(1) IN GENERAL.—From an amount equal to 3 percent of the amount specified under section 403(a)(4) for a fiscal year, the Secretary shall pay directly to each Indian tribe requesting a family assistance grant for such fiscal year an amount pursuant to an allocation formula determined by the Secretary based on the need for services and utilizing (if possible) data that is common to all Indian tribes.

"(2) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—An Indian tribe may reserve amounts paid to the Indian tribe under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the program operated under this part.

"(c) VOLUNTARY TERMINATION.—An Indian tribe may voluntarily terminate receipt of a family assistance grant. The Indian tribe shall give the State and the Secretary notice of such decision 6 months prior to the date of termination. The amount under subsection (b) with respect to such grant for the fiscal year shall be payable to the State in which that tribe is located. Such State shall provide equitable access to services by recipients residing within that tribe's jurisdiction. If a voluntary termination of a grant occurs under this subsection, the tribe shall not be eligible to submit an application under this section before the 6th year following such termination.

"(d) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under such grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 404(d).

"(e) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(f) MAINTENANCE OF EFFORT ASSISTANCE.—Nothing in this section shall preclude a

State from providing maintenance of effort funds to Indian tribes located in such State.

"(g) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(h) TRIBAL PENALTIES.—For the purpose of ensuring the proper use of family assistance grants, the following provisions shall apply to an Indian tribe with an approved tribal assistance plan:

"(1) The provisions of subsections (a)(1), (a)(6), and (b) of section 407, in the same manner as such subsections apply to a State.

"(2) The provisions of section 407(a)(3), except that such subsection shall be applied by substituting 'the minimum requirements established under subsection (d) of section 414' for 'the minimum participation rates specified in section 404'.

"(i) DATA COLLECTION AND REPORTING.—For the purpose of ensuring uniformity in data collection, section 409 shall apply to an Indian tribe with an approved family assistance plan.

"(j) INFORMATION SHARING.—Each State and the Indian tribes located within its jurisdiction may share (in a manner that ensures confidentiality) eligibility and other information on residents in such State that would be helpful for determining eligibility for other Federal and State assistance programs.

On page 101, between lines 20 and 21, insert the following:

(j) AMENDMENT TO TITLE XIX.—Section 1903(u)(1)(D) (42 U.S.C. 1396b(u)(1)(D)) is amended by adding at the end the following new clause:

"(vi) In determining the amount of erroneous excess payments, there shall not be included any erroneous payments made by the State to the benefit of members of Indian families based on correctly processed information received or information not timely received from a tribe with a tribal family assistance plan approved under part A of title IV of the Social Security Act.".

On page 108, between lines 20 and 21, insert the following:

(i) Section 16(c)(3) of the Food Stamp Act (7 U.S.C. 2025(c)(3)) is amended by adding at the end the following new subparagraph:

"(C) Any errors resulting from State payments to Indian families based on correctly processed information received or information not timely received from a tribe with a tribal family assistance plan approved under part A of title IV of the Social Security Act.".

AMENDMENT NO. 2672

(Purpose: To provide for a contingency grant fund)

Beginning on page 26, line 13, strike all through page 28, line 19, and insert the following:

"(d) CONTINGENCY FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (hereafter in this section referred to as the 'Fund').

"(2) DEPOSITS INTO FUND.—Out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 such sums as are necessary for payment to the Fund in a total amount not to exceed $5,000,000,000, of which not more than $4,000,000,000 shall be available during the first 5 fiscal years.

"(3) COMPUTATION OF GRANT.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of the Treasury shall pay to each eligible State in a fiscal year an amount equal to the Federal medical assistance percentage for such State for such fiscal year (as defined in section 1905(b)) of so much of the expenditures by the State in such year under the State program funded under this part as exceed the historic State expenditures for such State.

"(B) LIMITATION.—The total amount paid to a State under subparagraph (A) for any fiscal year shall not exceed an amount equal to 20 percent of the annual amount determined for such State under the State program funded under this part (without regard to this subsection) for such fiscal year.

"(C) METHOD OF COMPUTATION, PAYMENT, AND RECONCILIATION.—

"(i) METHOD OF COMPUTATION.—The method of computing and paying such amounts shall be as follows:

"(I) The Secretary of Health and Human Services shall estimate the amount to be paid to the State for each quarter under the provisions of subparagraph (A), such estimate to be based on a report filed by the State containing its estimate of the total sum to be expended in such quarter and such other information as the Secretary may find necessary.

"(II) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services.

"(ii) METHOD OF PAYMENT.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(iii) METHOD OF RECONCILIATION.—If at the end of each fiscal year, the Secretary of Health and Human Services finds that a State which received amounts from the Fund in such fiscal year did not meet the maintenance of effort requirement under paragraph (5)(B) for such fiscal year, the Secretary shall reduce the State family assistance grant for such State for the succeeding fiscal year by such amounts.

"(4) USE OF GRANT.—

"(A) IN GENERAL.—An eligible State may use the grant—

"(i) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(ii) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(B) REFUND OF UNUSED PORTION.—Any amount of a grant under this subsection not used during the fiscal year shall be returned to the Fund.

"(5) ELIGIBLE STATE.—

"(A) IN GENERAL.—For purposes of this subsection, a State is an eligible State with respect to a fiscal year, if such State—

"(i) has an average total unemployment rate or a children population in such State's food stamp program which exceeds such average total rate or population for fiscal year 1994; and

"(ii) has met the maintenance of effort requirement under subparagraph (B) for the State program funded under this part for the fiscal year.

"(B) MAINTENANCE OF EFFORT.—

"(i) IN GENERAL.—The maintenance of effort requirement for any State under this subparagraph for any fiscal year is the expenditure of an amount at least equal to 100 percent of the level of spending in fiscal year 1994.

"(ii) HISTORIC STATE EXPENDITURES.—For purposes of this subparagraph, the term 'historic State expenditures' means payments of cash assistance to recipients of aid to families with dependent children under the State plan under part A of title IV for fiscal year 1994, as in effect during such fiscal year.

"(iii) DETERMINING STATE EXPENDITURES.—For purposes of this subparagraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

"(6) ANNUAL REPORTS.—The Secretary of the Treasury shall annually report to the Congress on the status of the Fund.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

AMENDMENTS NOS. 2674 AND 2675 TO AMENDMENT NO. 2880

Mr. SANTORUM. Mr. President, I send two amendments to the desk and ask for their immediate consideration on behalf of the Senator from Kentucky [Mr. MCCONNELL].

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. MCCONNELL, proposes amendments numbered 2674 and 2675, to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2674

(Purpose: To timely rapid implementation of provisions relating to the child and adult care food program)

On page 270, after line 23, insert the following:

(3) REGULATIONS.—

(A) INTERIM REGULATIONS.—Not later than February 1, 1996, the Secretary shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (b); and

(ii) section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)).

(B) FINAL REGULATIONS.—Not later than August 1, 1996, the Secretary shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

AMENDMENT NO. 2675

(Purpose: To clarify the school data provision of the child and adult care food program)

On page 268, strike lines 4 through 17 and insert the following:

"(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771

et seq.) shall provide to approved family or group day care home sponsoring organizations a list of schools serving elementary school children in the State in which not less than ½ of the children enrolled are certified to receive free or reduced price meals. The State agency shall collect the data necessary to create the list annually and provide the list on a timely basis to any approved family or group day care home sponsoring organization that requests the list."

Mr. SANTORUM. Mr. President, I ask unanimous consent that the amendments be laid aside.

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

AMENDMENT NO. 2676 TO AMENDMENT NO. 2280

(Purpose: To strike the increase to the grant to reward States that reduce out-of-wedlock births)

Mr. SANTORUM. Mr. President, I send an amendment to the desk on behalf of the Senator from Oregon [Mr. PACKWOOD] and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. PACKWOOD, proposes an amendment numbered 2676 to amendment No. 2880.

Mr. SANTORUM. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 11, strike lines 5 through 22.

On page 11, line 23, insert the following:

(B) NONDISCRIMINATION AGAINST EMPLOYEES ADMINISTERING OR PROVIDING SERVICES.—

(i) PROHIBITION.—A religious organization with a contract described in subsection (a)(1)(A) shall not discriminate in employment on the basis of religion of an employee or prospective employee if such employee's primary responsibility is or would be administering or providing services under such contract.

(ii) QUALIFIED APPLICANTS.—If 2 or more prospective employees are qualified for a position administering or providing services under a contract described in subsection (a)(1)(A), nothing in this section shall prohibit a religious organization from employing a prospective employee who is already participating on a regular basis in other activities of the organization.

(C) PRESENT EMPLOYEES.—This paragraph shall not apply to employees of religious organizations with a contract described in subsection (a)(1)(A) if such employees are employed by such organization on the date of the enactment of this Act.

Mr. SANTORUM. Mr. President, I ask unanimous consent that amendment be set aside.

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

Mr. MOYNIHAN. Mr. President, can we get a rough tally? I understand we are approaching 200, as the hour of 5 o'clock nears.

The PRESIDING OFFICER. The clerk has not yet added them up, I would say to the Senator.

Mr. MOYNIHAN. Perhaps when that does come we can have it recorded in our record for the day. I would appreciate that, sir.

Stop the clock, Mr. President.

AMENDMENT NO. 2677 TO AMENDMENT NO. 2280

(Purpose: To provide for an extension of transitional medicaid benefits)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk for Mr. KENNEDY and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. KENNEDY, proposes an amendment numbered 2677 to amendment No. 2880.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with and the pending amendment be laid aside.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

MORNING BUSINESS

Mr. SANTORUM. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

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

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF A REVISED DEFERRAL OF BUDGETARY RESOURCES—MESSAGE FROM THE PRESIDENT—PM 79

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred jointly, pursuant to the order of January 30, 1975 as modified by the order of April 11, 1986, to the Committee on the Budget, to the Committee on Appropriations, and to the Committee on Foreign Relations.

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one revised deferral of budgetary resources, totaling $1.2 billion.

The deferral affects the International Security Assistance program.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 8, 1995.*

MESSAGES FROM THE HOUSE

At 11:22 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 4) to grant the power to the President to reduce budget authority, disagreed to by the Senate, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. CLINGER, Mr. SOLOMON, Mr. BUNNING of Kentucky, Mr. GOSS, Mr. BLUTE, Mrs. COLLINS of Illinois, Mr. SABO, and Mr. BEILENSON as the managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 1817) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mrs. VUCANOVICH, Mr. CALLAHAN, Mr. MCDADE, Mr. MYERS of Indiana, Mr. PORTER, Mr. ISTOOK, Mr. WICKER, Mr. LIVINGSTON, Mr. HEFNER, Mr. FOGLIETTA, Mr. VISCLOSKY, Mr. TORRES, and Mr. OBEY as the managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 1905) making appropriations for energy and water development for the fiscal year ending September 30, 1996, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. MYERS of Indiana, Mr. ROGERS, Mr. KNOLLENBERG, Mr. RIGGS, Mr. FRELINGHUYSEN, Mr. BUNN of Oregon, Mr. LIVINGSTON, Mr. BEVILL, Mr. FAZIO of California, Mr. CHAPMAN, and Mr. OBEY as the managers of the conference on the part of the House.

The message also announced that pursuant to the provisions of section 1295 b(h) of title 46, United States Code, the Speaker appoints the following Members as members of the Board of Visitors to the United States Merchant Marine Academy on the part of the House: Mr. KING and Mr. MANTON.

At 3:25 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 1977) making appropriations

for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. REGULA, Mr. MCDADE, Mr. KOLBE, Mr. SKEEN, Mrs. VUCANOVICH, Mr. TAYLOR of North Carolina, Mr. NETHERCUTT, Mr. BUNN of Oregon, Mr. LIVINGSTON, Mr. YATES, Mr. DICKS, Mr. BEVILL, Mr. SKAGGS, and Mr. OBEY as the managers of the conference on the part of the Houses.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. WOLF, Mr. DELAY, Mr. REGULA, Mr. ROGERS, Mr. LIGHTFOOT, Mr. PACKARD, Mr. CALLAHAN, Mr. DICKEY, Mr. LIVINGSTON, Mr. SABO, Mr. DURBIN, MR. COLEMAN, Mr. FOGLIETTA, and Mr. OBEY as the managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 2020) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1996, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. LIGHTFOOT, Mr. WOLF, Mr. ISTOOK, Mr. KINGSTON, Mr. FORBES, Mr. LIVINGSTON, Mr. HOYER, Mr. VISCLOSKY, Mr. COLEMAN, and Mr. OBEY as the managers of the conference on the part of the House.

MEASURE PLACED ON THE CALENDAR

The following measure was placed on the calendar:

S. Res. 168. An original resolution concerning the Select Committee on Ethics investigation of Senator PACKWOOD of Oregon.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SIMPSON:

S. 1223. A bill to relinquish any interest that the United States may have in certain land that was subject to a right-of-way that was granted to the predecessor of the Chicago and Northwestern Transportation Company, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GRASSLEY (for himself and Mr. LEVIN):

S. 1224. A bill to amend subchapter IV of chapter 5 of title 5, United States Code, relating to alternative means of dispute resolution in the administrative process, and for other purposes; to the Committee on Governmental Affairs.

By Mr. JEFFORDS:

S. 1225. A bill to require the Secretary of the Interior to conduct an inventory of historic sites, buildings, and artifacts in the Champlain Valley and the upper Hudson River Valley, including the Lake George area, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1226. A bill to require the Secretary of the Interior to prepare a study of battlefields of the Revolutionary War and the War of 1812, to establish an American Battlefield Protection Program, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HEFLIN:

S. 1227. A bill to extend and revise agricultural price support and related programs for cotton, peanuts, and oilseeds, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. D'AMATO (for himself, Mr. INOUYE, Mr. PRESSLER, Mr. FAIRCLOTH, and Mr. KOHL):

S. 1228. A bill to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MCCONNELL:

S. Res. 168. An original resolution concerning the Select Committee on Ethics investigation of Senator PACKWOOD of Oregon; from the Select Committee on Ethics; placed on the calendar.

By Mr. THOMAS (for himself, Mr. HELMS, Mr. PELL, Mr. D'AMATO, Mr. MACK, and Mrs. FEINSTEIN):

S. Res. 169. A bill expressing the sense of the Senate welcoming His Holiness the Dalai Lama on his visit to the United States.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SIMPSON:

S. 1223. A bill to relinquish any interest that the United States may have in certain land that was subject to a right-of-way that was granted to the predecessor of the Chicago and Northwestern Transportation Company, and for other purposes; to the Committee on Energy and Natural Resources.

LAND TITLE TRANSFER LEGISLATION

• Mr. SIMPSON. Mr. President, I introduce legislation to permit the transference of clear title to certain land in Douglas, WY. I believe that this legislation should be uncontroversial because of the unique history of this land, and the obvious public benefits which will accrue from its transfer.

Among those benefits: The transfer will facilitate the cleanup of a 200-foot-wide blighted area that divides the city in half. It will also enable a number of citizens to finally secure sound and merchantable title to property on which their homes are located. These actions will do much to continue to revitalize the city's downtown business district.

The need for this legislation is based upon the particular legal history of this land. In the mid-19th century, the United States was eager to fully settle the Western territories which had been acquired during the Mexican War and in the Louisiana Purchase. The principle means of accomplishing this lay with the development of the railroads, which could bring not only settlers, but the rapid transportation of commerce.

Laying rail over these vast expanses of the West was a most expensive undertaking. Realizing this, Congress passed a number of railroad acts allowing the immediate establishment of a series of railroad right-of-ways. This was done through the use of special grants that were immediately effective once a railroad decided to locate its track over a specific piece of ground.

According to a document entitled "Railroad Lands and Rights-of-Way" that was prepared by The First American Title Insurance Co., these grants provided railroads with a limited fee title to strips of land ranging from 200 to 400 feet in width wherever the track might be laid, as long as they adhered to the general routes established in these congressional acts. No patents were given on these rights-of-way because the congressional act was sufficient in itself to convey the interest to the railroad.

The titles to the track strips granted by Congress have been determined by various court interpretations to be limited fee estates. This is an interpretation that has grown up over time, quite apart from the specific mandates of statutory language.

It is at this point that the city of Douglas, WY, enters the story. On March 3, 1875, one of these congressional railroad acts established a railroad right-of-way for the Chicago and Northwestern Railroad through a section of what is now central Wyoming. Almost immediately the city of Douglas, WY, was born and it grew up around the right-of-way, which still runs right smack through the center of town.

As the years passed, the railroad sold portions of land out of the 200-foot-wide easement to the local citizens. Many of these lots now contain homes whose current owners now have a quite serious problem: because the right-of-way is a limited fee, they are unable to gain good and clear title to their land.

To make matters more confounding, the railroad ceased operation and sought abandonment of this right-of-way on April 14, 1989, and filed formal notice in the Federal Register to that

effect. In its wake, the railroad left behind this strip of land that has since become quite unsightly and overgrown with weeds. Additionally, this land also contains a number of dilapidated old buildings that blight the community and are dangerous attractions to young children.

Fortunately, the city of Douglas remedied one of the most serious dangers by remodeling an old depot and part of the surrounding strip into the city's chamber of commerce and a railroad interpretive center. The city stands by now, ready and able to develop the remainder of this land into an attractive subdivision if Congress is willing to transfer clear title to this land.

I trust that the Senate will approve of this legislation in order to transfer this land which previously was governed by the Chicago and Northwestern Railroad. To do so will clearly serve the public interest, and impinges upon no private interests. The good citizens of Douglas will greatly benefit from this correction of a problem rooted in long-ago 19th century law, and I earnestly urge its passage.●

By Mr. GRASSLEY (for himself and Mr. LEVIN):

S. 1224. A bill to amend subchapter IV of chapter 5 of title 5, United States Code, relating to alternative means of dispute resolution in the administrative process, and for other purposes; to the Committee on Governmental Affairs.

THE ADMINISTRATIVE DISPUTE RESOLUTION ACT OF 1995

Mr. GRASSLEY. Mr. President, the bill that I and Senator LEVIN are introducing today, the Administrative Dispute Resolution Act of 1995, is an amendment to subchapter IV of chapter 5 of title 5 of the United States Code, a law which I sponsored in 1989. That law, also titled the "Administrative Dispute Resolution Act," was designed to encourage Federal agencies to streamline dispute resolution processes through the use of alternative dispute resolution techniques instead of litigation. In other words, it would reduce our litigation process. These techniques—often collectively referred to as ADR—include mediation, arbitration, conciliation, fact-finding and minitrials, among others.

Since the implementation of the 1989 act, both Federal agencies and private parties have realized significant time and cost savings by avoiding the litigation quagmire, while sacrificing little in fairness and party satisfaction. Almost all the Federal agencies now have some sort of ADR framework in place, and most have enjoyed significant degrees of success. For example, the Environmental Protection Agency now uses mediation and arbitration processes to resolve superfund, Clean Water Act and Resource Conservation and Recovery Act disputes. The EPA and the private parties involved expressed great satisfaction with the efficiency and fairness of these techniques for the resolution of complex regulatory issues.

Not only are ADR techniques more efficient, they are also far less costly than litigation. One agency, the Federal Deposit Insurance Corporation, has estimated a savings of $13 million in legal costs in the last 3 years alone. Even better, the Resolution Trust Corporation estimated it saved $114 million over the last 4 years. Nor are these cost savings realized only in the Government. NRC, a private computer company, reduced it's pending lawsuits from 263 to 28 and cut the cost of outside attorneys' fees by half over a period of 10 years through the use of ADR techniques. Also, a contractor was able to deliver a completed rocket testing facility to the Air Force 3 months ahead of schedule and $12 million under budget by using ADR. In fact, the contractor was so satisfied with past ADR outcomes that it released all further claims against the Government.

Despite these gains, much work still remains in integrating ADR techniques into the Federal Government. Many agencies lag behind in adopting ADR programs into their daily routines. This lag is at least partially due to institutional misgivings about the new and unfamiliar. However, it is also due to legitimate concerns about confidentiality, fairness and quality assurance. It is these latter concerns that our new bill seeks to address. Based largely on an extensive and thorough analysis by the Administrative Conference of the United States, this bill modifies and clarifies the 1989 ADR Act, making ADR more attractive to both Federal agencies and private parties for solving regulatory disputes. At this time I would like to briefly summarize how the proposed act will accomplish this goal.

First, the bill removes the term "settlement negotiations" from the group of ADR techniques listed in the 1989 act. This will not decrease the effectiveness of the act as "settlement negotiations" are not and have never been covered by the act as they do not use third party "neutrals" in resolving conflicts. Thus, abolition of the term merely eliminates widespread agency confusion as to whether "settlement negotiation" is a statutorily supported ADR technique, and does not decrease the scope of the original act.

Second, the bill addresses agency confidentiality concerns by exempting all dispute resolution communications from Freedom of Information Act disclosure. Although these communications have always been confidential by implication, this amendment to the 1989 act makes that confidentiality express and clear.

Third, the bill makes it easier for agencies to acquire "neutrals" by streamlining competitive procedures for obtaining expert services and by allowing the acquisition of "neutrals" from nonprofit organizations.

Fourth, the bill eliminates the requirement that the validity of all contract claims under $100,000 be certified by the contractor. This change brings the 1989 ADR Act into conformance with the certification levels in the Contracts Disputes Act, thus encouraging the use of ADR techniques in many small disputes where they may be particularly appropriate.

Fifth, the bill authorizes the use of "any alternate means of dispute resolution under the act or other mutually agreeable procedures" for resolving claims. This greatly expands the range of available ADR techniques, above and beyond those listed in the statute, provided that both parties in the dispute agree to the method ultimately used.

Sixth, the bill orders the Chairman of the Administrative Conference of the United States to study the benefits and problems of Federal ADR use and report these findings to Congress 3 years after this bill is enacted. This will allow Congress to reassess the value of ADR methods at that time and make appropriate changes.

Finally, the bill permanently authorizes the ADR Act by striking the sunset provision presently in the law.

Mr. President, there has been much progress in the implementation and use of ADR techniques in the Federal Government since I first introduced the Administrative Dispute Resolution Act in 1989. Passage of this amendment to the act will further this progress by eliminating the remaining statutory barriers to ADR use and by clarifying statutory language. I hope my colleagues will join Senator LEVIN and I in this effort.

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

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

S. 1224

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 "Administrative Dispute Resolution Act of 1995".

SEC. 2. AMENDMENT TO DEFINITIONS.

Section 571 of title 5, United States Code, is amended—

(1) in paragraph (3) by striking out "settlement negotiations,"; and

(2) in paragraph (8)—

(A) in subparagraph (B) by striking out "decision," and inserting in lieu thereof "decision."; and

(B) by striking out the matter following subparagraph (B).

SEC. 3. AMENDMENT TO CONFIDENTIALITY PROVISIONS.

(a) TERMINATION OF AVAILABILITY EXEMPTION TO CONFIDENTIALITY.—Section 574(b) of title 5, United States Code, is amended—

(1) in paragraph (5) by adding "or" at the end thereof;

(2) in paragraph (6) by striking out "; or" and inserting in lieu thereof a period; and

(3) by striking out paragraph (7).

(b) LIMITATION OF CONFIDENTIALITY APPLICATION TO COMMUNICATION.—Section 574 of title 5, United States Code, is amended—

(1) in subsection (a) in the matter before paragraph (1) by striking out "any information concerning"; and

(2) in subsection (b) in the matter before paragraph (1) by striking out "any information concerning".

(c) ALTERNATIVE CONFIDENTIALITY PROCEDURES.—Section 574(d) of title 5, United States Code, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) For purposes of the application of section 552(b)(3), an alternative confidential procedure under this subsection may not provide for less disclosure than the confidential procedures otherwise provided under this section.".

(d) EXEMPTION FROM DISCLOSURE BY STATUTE.—Section 574 of title 5, United States Code, is amended by striking out subsection (j) and inserting in lieu thereof the following:

"(j)(1) A record described under paragraph (2) shall be specifically exempted from disclosure under section 552(b)(3).

"(2) Paragraph (1) applies to any record that—

"(A) is—

"(i) generated by an agency in a dispute resolution proceeding; or

"(ii) initially provided to an agency in a dispute resolution proceeding; and

"(B) may not be disclosed under this section.".

SEC. 4. ADMINISTRATIVE CONFERENCE REPORTING REQUIREMENTS.

On the date occurring 3 years after the date of the enactment of this Act, the Chairman of the Administrative Conference of the United States shall submit a report to Congress concerning implementation of subchapter IV of chapter 5 of title 5, United States Code (as amended by this Act) relating to alternative means of dispute resolution, by Federal agencies, including, to the extent available, information relating to the costs and benefits of using alternative means of dispute resolution.

SEC. 5. AMENDMENTS TO SUPPORT SERVICE PROVISION.

Section 583 of title 5, United States Code, is amended by inserting "State, local, and tribal governments," after "other Federal agencies,".

SEC. 6. AMENDMENTS TO THE CONTRACT DISPUTES ACT.

Section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) is amended—

(1) in subsection (d) by striking out the second sentence and inserting in lieu thereof: "The contractor shall certify the claim when required to do so as provided under subsection (c)(1) or as otherwise required by law."; and

(2) in subsection (e) by striking out the first sentence.

SEC. 7. AMENDMENTS ON ACQUIRING NEUTRALS.

(a) COMPETITIVE REQUIREMENTS IN DEFENSE AGENCY CONTRACTS.—Section 2304 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(k) For the purpose of applying subsection (c)(3)(C), the head of an agency may procure expert services without regard to sections 8, 9, and 15 of the Small Business Act (15 U.S.C. 637, 638, and 644).".

(b) COMPETITIVE REQUIREMENTS IN FEDERAL CONTRACTS.—Section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)), is amended by inserting at the end thereof the following new subsection:

"(i) For the purpose of applying subsection (c)(3)(C), an agency may procure expert services without regard to sections 8, 9, and 15 of the Small Business Act (15 U.S.C. 637, 638, and 644).".

SEC. 8. PERMANENT AUTHORIZATION OF THE ALTERNATIVE DISPUTE RESOLUTION PROVISIONS OF TITLE 5, UNITED STATES CODE.

The Administrative Dispute Resolution Act (Public Law 101-552; 104 Stat. 2747; 5 U.S.C. 581 note) is amended by striking out section 11.

By Mr. JEFFORDS:

S. 1225. A bill to require the Secretary of the Interior to conduct an inventory of historic sites, buildings, and artifacts in the Champlain Valley and the upper Hudson River Valley, including the Lake George area, and for other purposes; to the Committee on Energy and Natural Resources.

THE CHAMPLAIN VALLEY HERITAGE CORRIDOR INVENTORY ACT

Mr. JEFFORDS. Mr. President, today I introduce legislation known as the Champlain Valley Heritage Corridor Inventory Act. The legislation that I am introducing is very similar to legislation that I have introduced in the past, with minor alterations to reflect the many comments I have received on this matter.

The corridor bill would inventory the many historically significant cultural resources which make up the Upper Hudson River Valley, the Champlain Valley, and the Lake George region. This would be accomplished by the Secretary of the Interior working with officials of State and local government, local historians and archaeologists, owners of historic sites, native Americans, local and regional planning commissions, local and regional chambers of commerce, interstate citizen groups, and any other interested parties. This is to be a grass roots coalition intended to benefit individuals and communities alike.

Mr. President, the legislation that I offer today seeks to enhance something that, truly, already exists. Along Lake Champlain, Lake George, and the Upper Hudson River in my home State of Vermont, and in New York and the Province of Quebec, is a wondrous corridor of heritage, perhaps unrivaled for its historic richness in all of the Western Hemisphere.

Americans wishing to discover the history, first hand, of the French and Indian wars, the decisive campaign of the American Revolution and of a key campaign of the War of 1812, must come to this area.

Fort Ticonderoga, Crown Point, the Saratoga Battlefield, Mount Independence, Bennington Battlefield, Hubbardton Battlefield, the Plattsburgh battle sites are there, and nowhere else. It is a resource the people of the north country truly cherish, and long have shared with the rest of the world.

Trouble is, it's not an easy task to guide oneself along those paths of history. I would like to change that. And if I can, it seems to me that all the people of the corridor, indeed all the people of this Nation, stand to benefit.

One day in the not-too-distant future, I would hope to see the great historic sites of this corridor linked, made easy to discover and explore. Here and there we ought to have a visitors center to help the traveler, the historian, in their search for the storied places of the past. Here and there ought to be a pulloff by the roadside with explanations of the historic significance of the area, a map. Common signage would be a great help.

A heritage corridor along these historic waterways would be a wonderful gift of our generation to future generations of Americans who would go forth to seek this Nation's fascinating past, indeed this continent's history. We should go forward in the spirit of those farsighted pioneer preservationists of this corridor, such as Ticonderoga's Pell family. Long ago they had the foresight to preserve and protect Ticonderoga, Mount Independence, Saratoga, Hubbardton, and dozens of other historic places.

T.S. Eliot said that history "is a pattern of timeless moments." We are indeed fortunate that a wealth of such moments were enacted in our corridor, and that many of their settings have survived. They constitute a valued bequest that carries a considerable responsibility. They constitute a heritage that should be shared with all Americans.

Therefore, Mr. President, today I introduce this heritage corridor inventory bill. I do it in the name of the people of my home country who have long cared deeply about their history. Also, I do it in the name of those who wrote the history of the corridor that we seek to honor, preserve and make more accessible. Those names include Ethan Allen, Arthur St. Clair, Seth Warner, Robert Rogers, Philip Schuyler, George Washington, and a thousand more now forgotten, but never unappreciated, men and women who stood firm to make a new Nation called America.

Those long-ago people, and the people who live along the storied waterways that are true paths of history, deserve no less.

By Mr. JEFFORDS:

S. 1226. A bill to require the Secretary of the Interior to prepare a study of battlefields of the Revolutionary War and the War of 1812, to establish an American Battlefield Protection Program, and for other purposes; to the Committee on Energy and Natural Resources.

THE REVOLUTIONARY WAR AND WAR OF 1812 HISTORIC PRESERVATION STUDY ACT OF 1995

Mr. JEFFORDS. Mr. President, I am proud to say that there is in this land a great wellspring of caring for the places where freedom was won and defended. Millions of Americans have, in recent years, become aware of the hallowed ground of our Civil War battlefields, have visited them, read of them, many have written of them.

The clear and eloquent message I hear is that these treasured places should be saved, intact, for future generations. The preservation message goes forth from Gettysburg, Antietam, Manassas, Cold Harbor, Malvern Hill, Petersburg, Stones River, and dozens more Civil War places. It is heard from the banks of the Mississippi to the Atlantic Coast, from Mobile to the Monocacy.

When battlefields become severely threatened, such as has happened at Brandy Station and Manassas, there quickly develops a continuity of Americans that spreads nationwide. The American people care about their history, look on these places as national treasures, and speak eloquently and effectively for their preservation.

Five years ago, Congress responded to the growing awareness of our Civil War heritage and the concern for the sites where that heritage took form, by passing legislation that created a national Civil War Sites Advisory Commission. Composed of distinguished historians, supported by a staff of National Park Service experts, the Commission for 2 years studied the remaining Civil War battlefields. Civil War sites were visited, public meetings held, and in the end a report was written.

In that report, Commissioner James McPherson of Princeton University noted that while Americans no longer have the power to consecrate their historic sites, they clearly have the power to desecrate them. A plan of action was presented for protecting what remains of the Civil War battlefields. It is a plan now being discussed in the Halls of Congress, a plan that I strongly favor and which I hope will be acted upon.

Thanks in large part to the work of Ken Burns, before he turned to baseball, this Nation is now highly aware of its Civil War history and the places where that history took place. That war, in Lincoln's words, brought forth a new birth of freedom. It was a freedom won initially, of course, four score years earlier on the battlefields of the American Revolution.

Somewhat sadly, the Revolutionary War and War of 1812 has not had, of late, a bard the equal of Mr. Burns to sing its praises, reawaken the awareness of its history. The people nowadays do not go forth in anywhere the numbers to the Revolutionary battlefields, as they do to our Civil War fields.

Nonetheless, the Revolutionary and War of 1812 sites offer experiences full well as intriguing, meaningful, even haunting, as the scenes of the Civil War. Many of the key sites of the Revolutionary War and War of 1812 still exist, though some are in jeopardy and some are much in need of enhancement. A half million people do visit the Saratoga Battlefield each year—scene of the war's decisive battle. Yet the battlefield of Hubbardton in Vermont, a key prelude to Saratoga, and once called by National Park historian Edwin Bears the best preserved of all American battlefields, is visited by only about 2,500 people annually. It just isn't very well known.

Fort Ticonderoga, both a French and Indian War and Revolutionary War site, receives more than 100,000 visitors annually. Yet just across Lake Champlain on the Vermont shore, Mount Independence receives only about 3,000 visitors. And it lacks a museum, even permanent toilet facilities. Yet it has been called the least disturbed major Revolutionary War site, a place where as many as 1,000 American soldiers may be buried. In the winter of 1776–77, Mount Independence was garrisoned against a British invasion from Canada. The troops there probably spent a harder winter than Washington's men at Valley Forge. Earthworks, a hospital site, blockhouse foundations, the abutments of a military bridge, all survive on the Mount. Thousands of artifacts have been dug and preserved, awaiting a proper facility for display. This is a major American historic site that needs the caring attention of this Nation. At the very least it would seem to qualify as a national cemetery.

It is part of the American freedom story, a story that, sadly, is very hard to follow today. While a great chapter of that story was written along Lake Champlain, finding the places where the story happened, following the military routes, is a near-impossible job for anyone seeking history. That is but one example of why our Revolutionary War sites need attention.

It is time to take a thorough look at our Revolutionary War places, to make a thorough study of what remain, even of what has been lost. This Nation continues to grow, the heaviest concentrations of population being along the east coast corridor. And this, of course, is where the old and fragile sites of the Revolution exist.

There needs to be done, I believe, a thorough study of Lexington and Concord, Cowpens and Brandywide, Yorktown and Saratoga. We need an assessment of Mount Independence and Crown Point, Valley Forge, and Germantown. We need to know what we have and what needs doing so that those wondrous sites are preserved and made understandable and accessible to the American public.

The American people are ever more interested in the story of their Nation's past—want their history protected and interpreted.

So I say today that Congress should act now to create a Revolutionary War and War of 1812 Sites Commission. This Commission should go forth to the places where independence was won, determine what remains, and what is needed to make sure our founding heritage is not lost. It is a task that history calls upon us to make, so that our present generations can pass on to the Americans of the fast approaching new millennium a wondrous gift of history. That gift would be the landscape where the Nation that our Civil War President called the last best hope of mankind was born in fire and blood and bravery, thus establishing the glowing promise of freedom that yet abides across this great land.

By Mr. HEFLIN:

S. 1227. A bill to extend and revise agricultural price support and related programs for cotton, peanuts, and oilseeds, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE SOUTHERN AGRICULTURE ACT OF 1995

Mr. HEFLIN. Mr. President, I rise today to introduce the Southern Agriculture Act of 1995. This legislation will extend and revise agricultural loan and related programs for cotton, peanuts, and oilseeds.

Some farm programs, as currently structured, have served rural America well, and in the case of southern crops, farm programs have served the rural South extremely well. Therefore, it is my intention to introduce legislation that fine tunes these programs, rather than radically restructuring them, as some are proposing.

In 1994, the cotton industry experienced a record year. Cotton production in the United States totaled a record 19.7 million bales. Production in the Southeast totaled 3.7 million bales, an increase of 89 percent over the previous year. U.S. exports and domestic mill consumption together totaled in excess of 21 million bales in 1994, the largest total offtake on record. During calendar 1994, U.S. cotton textile exports increase 15 percent above 1993 to surpass 1 billion pounds, a new record.

Much of this success is due to the structure of the cotton program. Through the use of the marketing loan, that I put in, in the 1985 farm bill, the cotton industry has been able to take advantage of favorable world prices resulting from poor planting decisions and harvest conditions experienced by some of our foreign competitors. The marketing loan has been an enormously valuable tool for this industry and is responsible for drastically reducing the cost of the cotton program by allowing producers to effectively market their crop.

The cotton program stands as a shining example of a farm program that

works as it should. For instance, there will be no idled acres, or set-asides, for this year's crop, further reducing the cost of the program. Despite the perception that commodity programs pay farmers not to plant a portion of their crops, cotton producers only get paid for the cotton that they produce.

Due to the success in the manner in which the industry is operating, I see no reason to change a policy just for the sake of change. Therefore, this legislation proposes to extend the cotton program as written.

I would like to take this opportunity to recognize that while cotton has just had a record year and expectations are high for 1995, cotton producers in Alabama, and throughout the Southeast, are having to deal with a severe drought and have been plagued by an extraordinary outbreak of insect and worm infestations.

Roughly two-thirds of Alabama's cotton crop has had some degree of significant yield damage, and nearly one quarter of the State's cotton crop will not be harvested this year. As work progresses on the 1995 farm bill, I will be mindful of this situation as our deliberations continue.

Mr. President, there is a crop that is unique to a handful of States in the South that has represented more than just an economic endeavor, rather it has been responsible for a way of life and the preservation of a rural culture. The peanut program which is essential to Alabama, has lately been the target of those who would have us believe that ending this program or radically altering its structure would be in the best interest of all American consumers.

While it is acknowledged that the American farmer receives a higher amount for his peanuts, it should also be pointed out that the world price against which they are measured represents an entirely different grade and quality of peanuts. Peanuts of foreign origin are not subject to similar requirements for minimum wage, environmental protection, restricted chemical use, rigorous post harvest treatment, or inspection.

Detractors tell us that by radically changing the peanut program that consumers will realize savings at the check-out stand as a result. The GAO in 1993 interviewed both small and large manufacturers of peanuts products and were told that they "may not pass the savings directly on to the final consumer of peanut products, but they could develop some new product lines." What this peanut product manufacturer, anti-peanut movement sounds like to me is an effort to increase the manufacturer's bottom line, at the expense of peanut producers with absolutely no guarantee whatsoever that any savings realized by manufacturers will be passed along to consumers.

Auburn University recently released a study that indicates that the peanut industry in Alabama, Georgia, and Florida has an economic impact in the tri-State area exceeding $1.3 billion, and employment associated with economic activity related to the peanut industry exceeds 16,000 jobs in the three States. This record of success has been accomplished through one of the USDA's most cost-effective commodity programs. The peanut program has a 10-year average cost of about $13 million annually.

The Auburn study goes further to indicate, using the very same economic impact model used by the Base Realignment and Closure Commission, that changes in the order of those being proposed by the antipeanut forces would cost 4,510 jobs in Alabama, Georgia, and Florida and have a negative economic impact exceeding $320 million.

However, in an effort to further limit the already minimal cost exposure of the program, this legislation will freeze the support price paid to producers at the 1995 crop level. Additionally, the Southern Agricultural Act of 1995 will eliminate other production control provisions, thereby even further reducing the cost of the program by limiting the amount of peanuts that a producer may carry over to the following year's crop.

According to the USDA, this peanut proposal will save an estimated $173 million over 7 years from the cost of the program. Furthermore, other peanut State Senators and I are working on ways to eliminate all cost to the Federal Government from the peanut program to achieve a no-net-cost program. The peanut program is vital to Alabama and I strongly support its continuation.

Soybeans are another crop of great importance to Alabama. However, due to the lack of profitability, acres planted to soybeans in Alabama have declined by 90 percent over the last 10 to 15 years.

Soybeans and other oilseeds do not receive income support under the farm program. Lacking income protection, soybean producers in Alabama and other States are vulnerable to sharp increases in production and reductions in prices. This vulnerability has resulted in a lost of over 10 million acres of soybean production in the United States since 1981, with most of this loss occurring in Southern States. Soybean production peaked in Alabama in 1979 with 2.2 million acres planted. Data on the 1995 crop indicates only 230,000 acres are planted to soybeans in Alabama.

In an effort to correct his situation, this legislation addresses this issue by increasing marketing loan rates for soybeans to $5.25 per bushel from the current level of $4.92 per bushel. While not high enough to incur outlays except during years when soybean prices fall well below historical levels, this increased loan rate will provide a minimal amount of support for our soybean producers, encouraging greater planting of soybeans in years when prices warrant it.

Every year the farming community takes risks that most Americans take for granted each time they go to the grocery store and purchase a gallon of milk or loaf of bread or jar of peanut butter. Each time they walk down the grocery aisles, there is that same consistency in quality and price that consumers now rarely, if ever, stop to appreciate. However, it is the farmer who each spring puts his family on the line by planting his crops. Every farming family is no more than a natural disaster away from losing his farm and home. Regardless, each year he again takes that risk that provides us all with the highest quality, most abundant, and most affordable food and fiber in world. For that, I strongly believe that we should, at the very least, provide some measure of a safety net for the unavoidable natural disasters and the heavily subsidized competition that our farmers must face from our foreign trading partners.

I realize that we are faced with budget realities that dictate that we must make some difficult and painful choices. We must keep in mind, though, that Commodity Credit Corporation outlays for farm programs have declined from a high of $26 billion in fiscal year 1986 to less than $9 billion in fiscal year 1995, a 65-percent reduction. According to the Congressional Budget Office, farm program outlays are projected to remain below this level for fiscal years 1996–2002, even if no changes are made in current law for existing farm programs. If all other sectors of the Federal Government had experienced the same proportion of cuts as agriculture has, the Federal budget would now be balanced. However, the upcoming reconciliation bill appears to be the place for those decisions to be debated.

The Southern Agricultural Act of 1995 is a statement of support for the continuation and improvement of the cotton, peanut, and soybean farm programs, programs that have worked well and do not warrant drastic overhaul. This bill is designed to allow these farm programs continue to build upon their many successes which include benefits to taxpayers, consumers, and producers alike.

By Mr. D'AMATO (for himself, Mr. INOUYE, Mr. PRESSLER, Mr. FAIRCLOTH, and Mr. KOHL):

S. 1228. A bill to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran; to the Committee on Banking, Housing, and Urban Affairs.

THE IRAN FOREIGN OIL SANCTIONS ACT OF 1995

Mr. D'AMATO. Mr. President, I rise today, along with my distinguished

colleagues, Senators INOUYE, PRESSLER, FAIRCLOTH, and KOHL to introduce the Iran Foreign Oil Sanctions Act of 1995. The purpose of this legislation is simple. It will place sanctions on any foreign company that supplies Iran with equipment to extract petroleum, natural gas, or other activities that would enable Iran to obtain hard currency with which to fund the acquisition of a nuclear bomb and to continue its funding of international terrorism. Any increase in Iranian oil revenues should be viewed as a threat to the national security and foreign policy interests of the United States.

Several months ago, I commended President Clinton for his wisdom in implementing a total United States trade ban against Iran. I had been pushing for this ban for 2 years, because I felt that it was wrong for us to be subsidizing Iranian terrorism. Thankfully, the United States no longer is doing so. I wish, however, I could say the same for the rest of the world. While Iran is racing to obtain weapons of mass destruction, most of the other countries of the world are subsidizing them through their development of the Iranian oil fields. What they are forgetting is that by providing Iran with hard currency, they are providing Iran with the means with which to fulfill their dreams of obtaining nuclear weapons. This cannot be allowed to happen.

While I know that this administration has tried to convince our allies of their mistake in subsidizing Iranian aggression, I feel that they can do more. I feel that they must have the proper tools with which to deal with the allies regarding Iran and this bill provides those tools. Our allies must understand that oil is Iran's lifeline. If we are going to persuade the Iranian regime that its efforts to achieve nuclear status, its support for international terrorism, and its horrendous human rights abuses against the Iranian people should all end, we must end the funding with which they are paying for it all. The rest of the world now must stop providing that funding.

Our legislation provides a series of mandatory sanctions and discretionary sanctions that the President may place upon any foreign company, foreign person, successor entity to that company or person, parent, and subsidiary who engages in either trade with Iran in the above-mentioned sectors or has requisite knowledge thereof.

Among the mandatory sanctions that the President can place upon the offending foreign company are the following:

Procurement sanctions which state that the U.S. Government shall not procure, or enter into any contract for the procurement of, any goods or services from such sanctioned foreign persons or any parent, subsidiary, affiliate, or successor entity thereof.

Export sanctions which state that the U.S. Government shall not issue any license or grant any other permission or authority to export any goods or technology to a sanctioned foreign person or company.

Inclusion onto the table of denial orders stating that sanctioned foreign persons shall be included within the table of denial orders for general and validated export licenses for a period of not less than three years.

Denial of entry of persons into the United States meaning that senior executives of sanctioned companies, as well as sanctioned persons are ineligible to receive visas and shall be excluded from admission into the United States.

Additional to the mandatory sanctions, there is a menu of discretionary sanctions that the President can choose from to impose upon the offending foreign company. They include the following choices:

Review of certain mergers, acquisitions, and takeovers, stating that the President may exercise his statutory authority to prohibit mergers, acquisitions, takeovers, and other similar investments in the United States by sanctioned companies and persons.

Import sanctions, stating that the President may ban the importation into the United States of products produced by any sanctioned foreign person, including any parent, subsidiary, affiliate, or successor entity.

Prohibition against export-import bank assistance for exports to foreign persons, stating that there shall be no export-import guarantees, credit, or insurance for goods or services to sanctioned companies or persons.

Loans from U.S. financial institutions, stating that the U.S. Government may prohibit U.S. financial institutions from making any loan or providing any credit to any sanctioned foreign person or company.

Prohibitions on foreign financial institutions, stating that a sanctioned foreign financial institution will lose its designation as a primary dealer in the United States, a sanctioned foreign financial institution shall not serve as an agent of the U.S. Government or serve as a repository of U.S. Government funds and a sanctioned foreign financial institution shall not engage in any line of business or conduct any business from any location that it did not conduct before the determination by the President of becoming a sanctioned company or person.

Mr. President, I want to make it clear that we are providing the President with a wide variety of options to deal with foreign companies that provide Iran with oilfields and affiliated equipment. We have provided ample waiver authority for the President, and in no way mean to tie his hands in his conduct of foreign affairs. We are, however, putting the countries of the world on notice that Iran is a dangerous country, with intentions inimical to our own, possessing aspirations that provide a real and sustained threat to the region and the world. Continued coddling and trading with Iran will only serve to build up a monster that we will have to deal with at some future time. It is better to deal with Iran now, in this manner, than a nuclear-armed Iran in the more dangerous future.

I urge my colleagues to support this important bill.

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

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

S. 1228

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 "Iran Foreign Oil Sanctions Act of 1995".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them endanger potentially the national security and foreign policy interests of the United States and those countries with which it shares common strategic and foreign policy objectives.

(2) The objective of preventing the proliferation of weapons of mass destruction through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.

SEC. 3. DECLARATION OF POLICY.

The Congress declares that it is the policy of the United States to deny Iran the ability to fund the development and acquisition of weapons of mass destruction and the means to deliver them by preventing Iran from acquiring equipment that would enhance Iran's ability to extract, refine, process, store, or transport petroleum, petroleum products, or natural gas.

SEC. 4. IMPOSITION OF SANCTIONS ON FOREIGN PERSONS EXPORTING PETROLEUM PRODUCTS, NATURAL GAS, OR RELATED TECHNOLOGY TO IRAN.

(a) IN GENERAL.—The President shall impose the mandatory sanctions in section 5(1) and may impose one or more of the discretionary sanctions described in section 5(2), if the President determines that a foreign person subject to this section has, with requisite knowledge, on or after the date of enactment of this Act, exported, transferred, or released to Iran, its nationals, or entities controlled by Iran or its nationals any goods or technology identified on the List of Petroleum and Natural Gas-Related Goods and Technology established by section 9 (hereafter in this Act referred to as the "List")—

(1) through the export from the United States of any goods or technology identified in the List that is subject to the jurisdiction of the United States, or

(2) through the export from any other country or territory of any goods or technology identified in the List that would be, if they were United States goods or technology, subject to the jurisdiction of the United States and subject to the restrictions set forth in this section.

(b) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsection (a) shall be imposed on—

(1) the foreign person with respect to whom the President makes the determination described in that subsection;

(2) any successor entity to that foreign person;

(3) any foreign person that is a parent or subsidiary of that person if that parent or subsidiary with requisite knowledge engaged in the activities which were the basis of that determination; and

(4) any foreign person that is an affiliate of that person if that affiliate with requisite knowledge engaged in the activities which were the basis of that determination and if that affiliate is controlled in fact by that person.

SEC. 5. DESCRIPTION OF SANCTIONS.

The sanctions to be imposed on a foreign person under section 4(a) are as follows:

(1) MANDATORY SANCTIONS.—

(A) PROCUREMENT SANCTION.—The United States Government shall not procure, or enter into any contract for the procurement of, any goods or services from such sanctioned foreign person or any parent, subsidiary, affiliate, or successor entity thereof, as described in section 4(b).

(B) EXPORT SANCTION.—(i) The United States Government shall not issue any license or grant any other permission or authority to export any goods or technology to a sanctioned foreign person under—

(I) the Export Administration Act of 1979;

(II) the Arms Export Control Act;

(III) the Atomic Energy Act of 1954; or

(IV) any other statute that requires the prior review and approval of the United States Government as a condition for the exportation of goods and services, or their reexport, to any foreign person designated by the President as violating this section.

(ii) Sanctioned foreign persons shall be included within the Table of Denial Orders for general and validated export licenses for a period of not less than three years.

(C) DENIAL OF ENTRY OF PERSONS INTO THE UNITED STATES.—Sanctioned natural persons, and senior executive officers of sanctioned foreign persons that are corporations or partnerships, shall be ineligible to receive visas and shall be excluded from admission into the United States.

(2) DISCRETIONARY SANCTIONS.—

(A) INVESTMENT IN THE UNITED STATES AUTHORITY TO REVIEW CERTAIN MERGERS, ACQUISITIONS, AND TAKEOVERS.—The President may exercise his authority under section 721(d) of the Defense Production Act of 1950 to investigate and prohibit mergers, acquisitions, takeovers, and other similar investments in the United States by persons engaged in interstate commerce—

(i) if such actions involve foreign persons sanctioned under section 4(a); and

(ii) if the President finds, in addition to the requirements of section 721(e) of such Act, that the participation of foreign persons, sanctioned by the President under section 4(a), in activities to assist, directly or indirectly, Iran to increase the revenue available to that government by extracting petroleum, natural gas, or other activities related to these product sectors threatens to impair the national security and foreign policy interests of the United States.

(B) IMPORT SANCTION.—(i) The importation into the United States of products produced by any sanctioned foreign person, including any parent, subsidiary, affiliate, or successor entity thereof, may be prohibited.

(ii) Clause (i) includes application to—

(I) the entry of any "finished product" or "component part", whether shipped directly by the manufacturer, or by another entity; and

(II) the contracting for the provision of services in the United States or abroad by United States persons and by foreign persons in the United States.

(C) PROHIBITION AGAINST EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO FOREIGN PERSONS.—The Export-Import Bank of the United States may not guarantee, insure, extend credit, or participate in the extension of credit in connection with the export of any goods or services to any foreign person that has been made subject to the sanctions pursuant to section 4(a).

(D) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The United States Government may prohibit any United States financial institution from making any loan or providing any credit to any foreign person sanctioned under section 4(a) unless such foreign person is engaged in activities to relieve human suffering, within the meaning of section 203(b)(2) of the International Emergency Economic Powers Act.

(E) PROHIBITIONS ON FOREIGN FINANCIAL INSTITUTIONS.—The following prohibitions may be imposed against foreign financial institutions sanctioned under section 4(a):

(i) DESIGNATION AS PRIMARY DEALER.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(ii) GOVERNMENT FUNDS.—Such financial institution shall not serve as agent of the United States Government or serve as repository for United States Government funds.

(iii) RESTRICTIONS ON OPERATIONS.—Such financial institutions shall not, directly or indirectly—

(I) commence any line of business in the United States in which it was not engaged as of the date of the determination by the President under section 4(a); or

(II) conduct business from any location in the United States at which it did not conduct business as of the date of the determination by the President under section 4(a).

SEC. 6. WAIVER AUTHORITY REGARDING SANCTIONS AGAINST IRAN.

The sanctions of section 5 shall not apply if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has substantially improved its adherence to internationally recognized standards of human rights;

(2) has ceased its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons;

(C) missiles and missile launch technology; or

(D) any missile or other delivery system capable of reaching the territory of a country the government of which shares strategic interests with the United States and is engaged in defense cooperation, including the acquisition of items identified in the United States Munitions List, with the United States; and

(3) has ceased all forms of support for international terrorism.

SEC. 7. WAIVER OF SANCTIONS AGAINST FOREIGN PERSONS.

(a) CONSULTATIONS.—If the President makes a determination described in section 4(a) with respect foreign persons, the Congress urges the President, to initiate consultations immediately with the foreign government with primary jurisdiction over that foreign person with respect to the imposition of the sanctions pursuant to this section.

(1) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations with that government, the President may delay imposition of the sanctions pursuant to this section within 90 days. Following such consultations, the President shall immediately impose sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including the imposition of appropriate penalties, to terminate the involvement of the foreign person in the activities that resulted in the imposition of sanctions against the foreign person.

(2) ADDITIONAL DELAY IN IMPOSITION OF SANCTIONS.—The President may delay the imposition of sanctions for up to an additional 45 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the foreign person is in the process of taking the actions described in paragraph (1).

(3) REPORT TO CONGRESS.—Not later than 45 days after making a determination under section 4(a), the President shall submit to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives a report on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (2) that such government has taken specific corrective actions.

(b) ASSURANCES FROM FOREIGN PERSONS.—The President may terminate the sanctions against a foreign person, subject to a determination under section 4(a), if the foreign person provides assurances to the Secretary that the actions that resulted in the determination to impose sanctions have been terminated and have provided specific assurances that it will neither directly nor indirectly, or through any other person, including subsidiaries and affiliates, direct or participate in any activity to provide to Iran goods or technology on the List.

(c) EXCEPTIONS.—The President shall not be required to apply or maintain the sanctions under section 4(a)—

(1) in the case of procurement of defense articles or defense services—

(A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States;

(B) if the President determines in writing that the person or other entity to which the sanction would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(C) if the President determines in writing that such articles or services are essential to the national security under defense coproduction agreements;

(2) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose the sanction;

(3) to—

(A) spare parts which are essential to United States products or production;

(B) component parts, but not finished products, essential to United States products or production; or

(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(4) to information and technology essential to United States products or production; or

(5) to medicines, medical supplies, or other humanitarian items.

(d) PRESIDENTIAL NATIONAL SECURITY WAIVER.—(1) The President may waive the requirement in section 4(a) to impose a sanction or sanctions on a foreign person in section 4(b), for goods and technology that are not subject to the jurisdiction of the United States, 15 days after the President determines and so reports to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives that it is essential to the national interest of the United States to exercise such waiver authority.

(2) Any such report shall provide a specific and detailed rationale for such determination, including—

(A) a description of the conduct, including the identification of the goods and technology involved in the violation, that resulted in the determination of a violation or violations;

(B) an explanation of the efforts to secure the cooperation of the government with primary jurisdiction of the foreign person to terminate or penalize the activities that resulted in the determination of a violation;

(C) an estimate as to the significance of the goods and technology exported to Iran on that country's ability to extract, refine, process, store, or transport petroleum, petroleum products, or natural gas; and

(D) a statement as to the response of the United States in the event that such foreign person engages in other activities that under this section would constitute an additional violation.

SEC. 8. TERMINATION OF SANCTIONS.

(a) DURATION OF SANCTIONS.—The sanctions imposed pursuant to this section shall apply for a period of not less than 12 months following the determination by the President under section 4(a) and shall cease to apply thereafter only if the President determines and certifies to the Congress that reliable information indicates that the foreign person with respect to which the determination was made under section 4(a) has ceased to aid or abet Iran, or any individual, group, or entity owned or controlled by Iran, to acquire goods and technology on the List.

(b) WAIVER.—

(1) CRITERION FOR WAIVER.—The President may waive the continued application of any sanction imposed on any foreign person pursuant to this section, after the end of the 12-month period beginning on the date on which that sanction was imposed on that person, if the President determines and certifies to the Congress that the continued imposition of the sanction would have a serious adverse effect on United States national security.

(2) NOTIFICATION OF AND REPORT TO CONGRESS.—If the President decides to exercise the waiver authority provided in paragraph (1), the President shall so notify the Congress not less than 30 days before the waiver takes effect. Such notification shall include a report fully articulating the rationale and circumstances which led the President to exercise the waiver authority.

SEC. 9. GOODS AND TECHNOLOGY SUBJECT TO EXPORT CONTROL RESTRICTIONS.

(a) CONTROL LIST.—(1) For purposes of the determinations to be made pursuant to section 4(a), the President, in consultation with the Secretary of State and the Secretary of Energy, and the heads of other appropriate departments and agencies, shall establish and maintain the List of Petroleum and Natural Gas-Related Goods and Technology, consisting of goods or technology (including software and technical data) that the President determines materially contribute to the extraction, refining, production, storage, or transportation of petroleum, petroleum products, or natural gas and the products thereof in or by Iran, including goods and technology that are required for the development, production, or use (including the repair, maintenance, or operation of equipment) for the petroleum and natural gas activities described in this subsection.

(2) The President within 60 days of the date of enactment of this Act shall cause the List to be published in the Federal Register, together with any regulations necessary thereto. Thereafter, any revisions to the List or amendments to the regulations shall be published in the same manner.

(3) Not less than 30 days in advance of the publication of the List, it shall be provided to the Committee on Banking, Housing, and Urban Affairs of the Senate and to the Committee on International Relations of the House of Representatives. The President shall consult with such Committees regarding the content of the List and shall respond to questions regarding the basis for the inclusion on, or exclusion from, the List of specified goods and technologies.

(4) The President may delegate the functions of this subsection to the Secretary of Commerce.

(b) STATUTORY CONSTRUCTION.—Nothing in this section prevents the inclusion on the List of any goods or technology that may be produced in and traded internationally by companies in countries with which the United States cooperates in controlling the export of goods and technology to prevent the proliferation of weapons of mass destruction and the means to deliver them, or in any other country.

SEC. 10. REPORT REQUIRED.

Beginning 60 days after the date of enactment of this Act, and every 90 days thereafter, the President shall transmit to the appropriate congressional committees a report describing—

(1) the nuclear and other military capabilities of Iran; and

(2) the support, if any, provided by Iran for acts of international terrorism.

SEC. 11. DEFINITIONS.

As used in this Act:

(1) ACT OF INTERNATIONAL TERRORISM.—The term "act of international terrorism" means an act—

(A) which is violent or dangerous to human life and that is a violation of the criminal laws of the United States or of any State or that would be a criminal violation if committed within the jurisdiction of the United States or any State; and

(B) which appears to be intended—

(i) to intimidate or coerce a civilian population;

(ii) to influence the policy of a government by intimidation or coercion; or

(iii) to affect the conduct of a government by assassination or kidnapping.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committees on Banking, Housing and Urban Affairs and Foreign Relations of the Senate and the Committees on Banking and Financial Services and International Relations of the House of Representatives.

(3) COMPONENT PARTS.—The term "component parts" has the meaning given the term in section 11A(e)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(1)).

(4) FINANCIAL INSTITUTION.—The term "financial institution" includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter;

(E) any other company that provides financial services; or

(F) any subsidiary of such financial institution.

(5) FINISHED PRODUCTS.—The term "finished products" has the meaning given the term in section 11A(e)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(2)).

(6) FOREIGN PERSON.—The term "foreign person" means—

(A) an individual who is not a United States national or an alien admitted for permanent residence to the United States; or

(B) a corporation, partnership, or other nongovernment entity which is not a United States national.

(7) IRAN.—The term "Iran" includes any agency or instrumentality of Iran.

(8) NUCLEAR EXPLOSIVE DEVICE.—The term "nuclear explosive device" means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).

(9) PERSON.—The term "person" means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity, operating as a business enterprise, and any successor of any such entity in the case of countries where it may be impossible to identify a specific government entity referred to in paragraph (2), the term "person" means—

(A) all activities of that government relating to the development or production of any missile equipment or technology; and

(B) all activities of that government affecting the development or production of aircraft, electronics, and space systems or equipment.

(10) PETROLEUM PRODUCTS.—As used in this section, the term "petroleum products" means crude oil, residual fuel oil, or any refined petroleum product.

(11) REQUISITE KNOWLEDGE.—For purposes of this subsection, the term "requisite knowledge" means situations in which a person "knows", as "knowing" is defined in section 104 of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2).

(12) SENIOR EXECUTIVE OFFICERS.—The term "senior executive officers" includes officers of sanctioned foreign persons, or their designees, who are in a position to direct the conduct or implement the policies that resulted in the determination by the President to impose sanctions against the foreign person.

(13) UNITED STATES OR STATE.—The term "United States" or "State" means the several States, the District of Columbia, the

Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(14) UNITED STATES NATIONAL.—The term "United States national" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States;

(B) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity; and

(C) any foreign subsidiary of a corporation or other legal entity described in subparagraph (B).

ADDITIONAL COSPONSORS

S. 44

At the request of Mr. REID, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 44, a bill to amend title 4 of the United States Code to limit State taxation of certain pension income.

S. 358

At the request of Mr. HEFLIN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 358, a bill to amend the Internal Revenue Code of 1986 to provide for an excise tax exemption for certain emergency medical transportation by air ambulance.

S. 678

At the request of Mr. AKAKA, the names of the Senator from Virginia [Mr. WARNER] and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 678, a bill to provide for the coordination and implementation of a national aquaculture policy for the private sector by the Secretary of Agriculture, to establish an aquaculture development and research program, and for other purposes.

S. 789

At the request of Mr. CHAFEE, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 789, a bill to amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly-traded stock to certain private foundations, and for other purposes.

S. 852

At the request of Mr. DOMENICI, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 852, a bill to provide for uniform management of livestock grazing on Federal land, and for other purposes.

S. 885

At the request of Mr. SIMPSON, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 885, a bill to establish United States commemorative coin programs, and for other purposes.

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S. 949

At the request of Mr. GRAHAM, the names of the Senator from Rhode Island [Mr. PELL] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 955

At the request of Mr. HATCH, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 955, a bill to clarify the scope of coverage and amount of payment under the Medicare program of items and services associated with the use in the furnishing of inpatient hospital services of certain medical devices approved for investigational use.

S. 1002

At the request of Mr. CHAFEE, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1002, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1086

At the request of Mr. PRYOR, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1086, a bill to amend the Internal Revenue Code of 1986 to allow a family-owned business exclusion from the gross estate subject to estate tax, and for other purposes.

S. 1138

At the request of Mr. GRASSLEY, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1138, a bill to amend title XVIII of the Social Security Act to provide that certain health insurance policies are not duplicative, and for other purposes.

S. 1220

At the request of Mrs. BOXER, the names of the Senator from Wisconsin [Mr. FEINGOLD] and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 1220, a bill to provide that Members of Congress shall not be paid during Federal Government shutdowns.

AMENDMENT NO. 2465

At the request of Mr. BROWN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of amendment No. 2465 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

SENATE RESOLUTION 168—ORIGINAL RESOLUTION CONCERNING THE SELECT COMMITTEE ON ETHICS INVESTIGATION OF SENATOR PACKWOOD OF OREGON

Mr. MCCONNELL, from the Select Committee on Ethics, reported the following original resolution; which was placed on the calendar:

S. RES. 168

Resolved: That pursuant to Article 1, Section 5, Clause 2 of the United States Constitution, Senator PACKWOOD is expelled from the Senate for his illegal actions and improper conduct in attempting to obstruct and impede the Committee's Inquiry; engaging in a pattern of sexual misconduct in at least 18 instances between 1969 and 1990; and engaging in a plan to enhance his financial position by soliciting, encouraging and coordinating employment opportunities for his wife from individuals with interests in legislation or issues which he could influence.

SENATE RESOLUTION 169—SENSE OF THE SENATE WELCOMING HIS HOLINESS THE DALAI LAMA

Mr. THOMAS (for himself, Mr. HELMS, Mr. PELL, Mr. D'AMATO, Mr. MACK, and Mrs. FEINSTEIN) submitted the following resolution; which was considered and agreed to:

S. RES. 169

Whereas historically Tibet has demonstrated those attributes which under international law constitute statehood: it has had a defined territory and a permanent population; it has been under the control of its own government; and it has engaged in, or had the capacity to engage in, formal relations with other states;

Whereas beginning in 1949 Tibet was forcibly and coercively invaded and occupied by the People's Republic of China;

Whereas under the principles of international law Tibet is an occupied country and its true representatives continue to be His Holiness the Dalai Lama and the Tibetan Government-in-exile, which the Congress has recognized on several occasions;

Whereas the Tibetan people are historically, territorially, and culturally distinct from the Chinese population in the People's Republic of China and were forcibly incorporated into the People's Republic of China;

Whereas the Tibetan people are entitled to the right of self-determination as recognized in 1961 by the United Nations General Assembly in Resolution No. 1723;

Whereas instead of being afforded that right they have been subjected to repressive actions on the part of the Government of the People's Republic of China, which have resulted in the deaths of countless Tibetans, the destruction of over 6,000 temples and monasteries as well as much of Tibet's unique cultural and spiritual patrimony, the flight of the Dalai Lama and over 100,000 Tibetans from their homeland, the establishment in Tibet by the Chinese of a consistent and well-documented pattern of human

rights abuses including numerous violations of the United Nations Declaration on Human Rights, and the settlement of thousands of Chinese in Tibet in an effort to reduce Tibetans to being a minority in their own land; and

Whereas this September His Holiness the Dalai Lama will be making his first extended visit to Washington, DC, since 1993: Now, therefore, be it

Resolved, That the Senate—

(1) warmly welcomes His Holiness the Dalai Lama to the United States;

(2) urges the President to meet with His Holiness the Dalai Lama during his visit to discuss substantive issues of interest to our two respective governments, and to continue to encourage the Government of the People's Republic of China to meet the Dalai Lama or his representatives to discuss a solution to the present impasse in their relations; and

(3) urges His Holiness the Dalai Lama to remind the Tibetan people that, as they move forward in their struggle toward preserving their culture and regaining their freedom, the Congress and the American people stand with them.

AMENDMENTS SUBMITTED

THE WORK OPPORTUNITY ACT OF 1995

BINGAMAN AMENDMENTS NOS. 2483–2485

Mr. BINGAMAN proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence; as follows:

AMENDMENT NO. 2483

Beginning with page 11, line 8, strike all through page 14, line 16, and insert the following:

"SEC. 402. ELIGIBLE STATES; STATE PLANS.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that has submitted to the Secretary a single comprehensive State Family Assistance Program Strategic Plan (hereafter referred to in this section as the 'State Plan') outlining a 5-year strategy for the statewide program.

"(b) FAMILY ASSISTANCE PROGRAM STRATEGIC PLAN PARTS.—Each State plan shall contain 2 parts:

"(1) 5-YEAR PLAN.—The first part of the State plan shall describe a 5-year strategic plan for the statewide program designed to meet the State goals and reach the State benchmarks for each of the essential program activities of the family assistance program.

"(2) ANNUAL CERTIFICATION.—The second part of the State plan shall contain a certification by the chief executive officer of the State that, during the fiscal year, the State family assistance program will include each of the essential program activities specified in subsection (h)(6).

"(c) CONTENTS OF THE STATE PLAN.—The State plan shall include:

"(1) STATE GOALS.—A description of the goals of the 5-year plan, including outcome related goals of and benchmarks for each of the essential program activities of the family assistance program.

"(2) CURRENT YEAR PLAN.—A description of how the goals and benchmarks described in paragraph (1) will be achieved, or how progress toward the goals and benchmarks will be achieved, during the fiscal year in which the plan has been submitted.

"(3) PERFORMANCE INDICATORS.—A description of performance indicators to be used in measuring or assessing the relevant output service levels and outcomes of each of the essential program activities and other relevant program activities.

"(4) EXTERNAL FACTORS.—An identification of those key factors external to the program and beyond the control of the State that could significantly affect the attainment of the goals and benchmarks.

"(5) EVALUATION MECHANISMS.—A description of a mechanism for conducting program evaluation, to be used to compare actual results with the goals and benchmarks and designate the results on a scale ranging from highly successful to failing to reach the goals and benchmarks of the program.

"(6) MINIMUM PARTICIPATION RATES.—A description of how the minimum participation rates specified in section 404 will be satisfied.

"(7) ESTIMATE OF EXPENDITURES.—An estimate of the total amount of State or local expenditures under the program for the fiscal year in which the plan is submitted.

"(d) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (b).

"(e) STATE WORK OPPORTUNITY PLANNING BOARDS.—

"(1) IN GENERAL.—A Governor of a State that receives a grant under section 403 may establish a State Work Opportunity Planning Board (referred to in this section as "the Board") in accordance with this section.

"(2) MEMBERSHIP.—Membership of the Board shall include—

"(A) persons with leadership experience in private business, industry, and voluntary organizations;

"(B) representatives of State departments or agencies responsible for implementing and overseeing programs funded under this title;

"(C) elected officials representing various jurisdictions included in the State plan;

"(D) representatives of private and nonprofit organizations participating in implementation of the State plan;

"(E) the general public; and

"(F) any other individuals and representatives of community-based organizations that the Governor may designate.

"(3) CHAIRPERSON.—The Board shall select a chairperson from among the members of the Board.

"(4) FUNCTIONS.—The functions of the Board shall include—

"(A) advising the Governor and State legislature on the development of the statewide family assistance program, the State plan described in subsections (a) and (b), and the State goals and State benchmarks;

"(B) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

"(C) serving as a link between business, industry, labor, non-profit and community-based organizations, and the statewide system;

"(D) assisting in preparing annual reports required under this part;

"(E) receiving and commenting on the State plan developed under subsection (a); and

"(F) assisting in the monitoring and continuous improvement of the performance of the State family assistance program, including evaluation of the effectiveness of activities and program funded under this title.

On page 14, line 17, strike "(b)" and insert "(f)".

On page 15, line 12, strike "(c)" and insert "(g)".

On page 15, line 20, strike "(d)" and insert "(h)".

On page 16, between lines 22 and 23, insert the following:

"(6) ESSENTIAL PROGRAM ACTIVITIES.—The term 'essential program activities' includes the following activities:

"(A) Assistance provided to needy families with not less than 1 minor child (or any expectant family).

"(B) Work preparation and work experience activities for parents or caretakers in needy families with not less than 1 minor child, including assistance in finding employment, child care assistance, and other support services that the State considers appropriate to enable such families to become self-sufficient and leave the program.

"(C) The requirement for parents or caretakers receiving assistance under the program to engage in work activities in accordance with section 404 and to enter into a personal responsibility contract in accordance with section 405(a).

"(D) The child protection program operated by the State in accordance with part B.

"(E) The foster care and adoption assistance program operated by the State in accordance with part E.

"(F) The child support enforcement program operated by the State in accordance with part D.

"(G) A teenage pregnancy prevention program, including efforts to reduce and prevent out-of-wedlock pregnancies.

"(H) Participation in the income and eligibility verification system required by section 1137.

"(I) The establishment and operation of a privacy system that restricts the use and disclosure of information about individuals and families receiving assistance under the program.

"(J) A certification identifying the State agencies or entities administering the program.

"(K) The establishment and operation of a reporting system for reports required under this part.

AMENDMENT NO. 2484

At the end of section 201 of the amendment, add the following new subsection:

(d) FUNDING OF CERTAIN PROGRAMS FOR DRUG ADDICTS AND ALCOHOLICS.—

(1) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are hereby appropriated—

(A) for carrying out section 1971 of the Public Health Service Act (as amended by paragraph (2) of this subsection), $95,000,000 for each of the fiscal years 1997 through 2000; and

(B) for carrying out the medication development project to improve drug abuse and drug treatment research (administered through the National Institute on Drug Abuse), $5,000,000 for each of the fiscal years 1997 through 2000.

(2) CAPACITY EXPANSION PROGRAM REGARDING DRUG ABUSE TREATMENT.—Section 1971 of the Public Health Service Act (42 U.S.C. 300y) is amended—

(A) in subsection (a)(1), by adding at the end the following sentence: "This paragraph is subject to subsection (j).";

(B) by redesignating subsection (j) as subsection (k);

(C) in subsection (j) (as so redesignated), by inserting before the period the following: "and for each of the fiscal years 1995 through 2000;" and

(D) by inserting after subsection (i) the following subsection:

"(j) FORMULA GRANTS FOR CERTAIN FISCAL YEARS.—

"(1) IN GENERAL.—For each of the fiscal years 1997 through 2000, the Director shall, for the purpose described in subsection (a)(1), make a grant to each State that submits to the Director an application in accordance with paragraph (2). Such a grant for a State shall consist of the allotment determined for the State under paragraph (3). For each of the fiscal years 1997 through 2000, grants under this paragraph shall be the exclusive grants under this section.

"(2) REQUIREMENTS.—The Director may make a grant under paragraph (1) only if, by the date specified by the Director, the State submits to the Director an application for the grant that is in such form, is made in such manner, and contain such agreements, assurances, and information as the Director determines to be necessary to carry out this subsection, and if the application contains an agreement by the State in accordance with the following:

"(A) The State will expend the grant in accordance with the priority described in subsection (b)(1).

"(B) The State will comply with the conditions described in each of subsections (c), (d), (g), and (h).

"(3) ALLOTMENT.—

"(A) For purposes of paragraph (1), the allotment under this paragraph for a fiscal year shall, except as provided in subparagraph (B), be the product of—

"(i) the amount appropriated in section 601(d)(1)(A) of the Work Opportunity Act of 1995 for the fiscal year, together with any additional amounts appropriated to carry out this section for the fiscal year; and

"(ii) the percentage determined for the State under he formula established in section 1933(a).

"(B) Subsections (b) through (d) of section 1933 apply to an allotment under subparagraph (A) to the same extent and in the same manner as such subsections apply to an allotment under subsection (a) of section 1933.".

AMENDMENT NO. 2485

On page 374, line 2, insert "and not reserved under paragraph (3)" after "734(b)(2)".

On page 374, between lines 21 and 22, insert the following:

(3) RESERVATION FOR INDIAN VOCATIONAL EDUCATION GRANTS.—From amounts made available under section 734(b)(2) for a fiscal year, the Secretary shall reserve $4,000,000 for such year to award grants, to tribally controlled postsecondary vocational institutions to enable such institutions to carry out activities described in subsection (d), on the basis of a formula that—

(A) takes into consideration—

(i) the costs of basic operational support at such institutions; and

(ii) the availability to such institutions of Federal funds not provided under this paragraph for such costs; and

(B) is consistent with the purpose of section 382 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2397).

LEVIN AMENDMENT NO. 2486

Mr. LEVIN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 12, between lines 22 and 23, insert the following:

"(G) COMMUNITY SERVICE.—Not later than 3 years after the date of the enactment of the Work Opportunity Act of 1995, should (and not later than 7 years after such date, shall) offer to, and require participation by, a parent or caretaker receiving assistance under the program who, after receiving such assistance for 6 months—

"(i) is not exempt from work requirements; and

"(ii) is not engaged in work as determined under section 404(c),

in community service employment, with minimum hours per week and tasks to be determined by the State.

On page 35, between lines 2 and 3, insert the following:

"(6) CERTAIN COMMUNITY SERVICE EXCLUDED.—An individual performing community service pursuant to the requirement under section 402(a)(1)(G) shall be excluded from the determination of a State's participation rate.

BREAUX AMENDMENTS NOS. 2487–2488

Mr. BREAUX proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2487

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—the amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 100 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) of the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

AMENDMENT NO. 2488

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 90 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

BREAUX (AND OTHERS) AMENDMENT NO. 2489

Mr. BREAUX (for himself, Mr. DASCHLE, Mr. KENNEDY, and Mr. PELL) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 703(39), strike "(8)" and all that follows and insert "(9) of section 716(a).".

In section 714(c)(2)(B), strike clause (vii) and insert the following:

"(vii) the steps the State will take over the 3 years covered by the plan to comply with the requirements specified in section 716(a)(3) relating to the provision of education and training services;".

In section 716(a)(1)(A), strike "and (4)" and insert "(4), and (5)".

In section 716(a)(1), strike subparagraph (B) and insert the following:

"(B) may be used to carry out the activities described in paragraphs (6), (7), (8), and (9).".

In section 716(a), strike paragraph (9).

In section 716(a)(8), strike "(8)" and insert "(9)".

In section 716(a)(7), strike "(7)" and insert "(8)".

In section 716(a)(6), strike "(6)" and insert "(7)".

In section 716(a)(5), strike "(5)" and insert "(6)".

In section 716(a)(4), strike "(4)" and insert "(5)".

In section 716(a)(3), strike "(3)" and insert "(4)".

In section 716(a), insert after paragraph (2) the following:

"(3) EDUCATION AND TRAINING SERVICES.—

"(A) IN GENERAL.—The State shall use a portion of the funds described in paragraph (1) to provide education and training services in accordance with this paragraph to adults, each of whom—

"(i) is unable to obtain employment through core services described in paragraph (2)(B);

"(ii) needs the education and training services in order to obtain employment, as determined through—

"(I) an initial assessment under paragraph (2)(B)(ii); or

"(II) a comprehensive and specialized assessment; and

"(iii) is unable to obtain other grant assistance, such as a Pell Grant provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), for such services.

"(B) TYPES OF SERVICES.—Such education and training services may include the following:

"(i) Occupational skills training, including training for nontraditional employment.

"(ii) On-the-job training.

"(iii) Services that combine workplace training with related instruction.

"(iv) Skill upgrading and retraining.

"(v) Entrepreneurial training.

"(vi) Preemployment training to enhance basic workplace competencies, provided to individuals who are determined under guidelines developed by the Federal Partnership to be low-income.

"(vii) Customized training conducted with a commitment by an employer or group of employers to employ an individual on successful completion of the training.

"(C) USE OF VOUCHERS FOR DISLOCATED WORKERS.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), education and training services described in subparagraph (B) shall be provided to dislocated workers through a system of vouchers that is administered through one-stop delivery described in paragraph (2).

"(ii) EXCEPTIONS.—Education and training services described in subparagraph (B) may be provided to dislocated workers in a substate area through a contract for services in lieu of a voucher if—

"(I) the local partnership described in section 728(a), or local workforce development board described in section 728(b), for the substate area determines there are an insufficient number of eligible entities in the substate area to effectively provide the education and training services through a voucher system;

"(II) the local partnership or local workforce development board determines that the eligible entities in the substate area are unable to effectively provide the education and training services to special participant populations; or

"(III) the local partnership or local workforce development board decides that the education and training services shall be provided through a direct contract with a community-based organization serving special participant populations.

"(iii) PROHIBITION ON PROVISION OF ON-THE-JOB TRAINING THROUGH VOUCHERS.—On-the-job training provided under this paragraph shall not be provided through a voucher system.

"(D) ELIGIBILITY OF EDUCATION AND TRAINING SERVICE PROVIDERS.—

"(i) ELIGIBILITY REQUIREMENTS.—An entity shall be eligible to provide the education and training services through a program carried out under this paragraph and receive funds from the portion described in subparagraph (A) through the receipt of vouchers if—

"(I)(aa) the entity is eligible to carry out the program under title IV of the Higher Education Act of 1965; or

"(bb) the entity is eligible to carry out the program under an alternative eligibility procedure established by the Governor of the State that includes criteria for minimum acceptable levels of performance; and

"(II) the entity submits accurate performance-based information required pursuant to clause (ii),

"(ii) PERFORMANCE-BASED INFORMATION.—The State shall identify performance-based information that is to be submitted by an entity for the entity to be eligible to provide the services, and receive the funds, described in clause (i). Such information includes information relating to—

"(I) the percentage of students completing the programs, if any, through which the entity provides education and training services described in subparagraph (B), as of the date of the submission;

"(II) the rates of licensure of graduates of the programs;

"(III) the percentage of graduates of the programs meeting skill standards and certification requirements endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act;

"(IV) the rates of placement and retention in employment, and earnings, of the graduates of the programs;

"(V) the percentage of students in such a program who obtained employment in an occupation related to the program; and

"(VI) the warranties or guarantees provided by such entity relating to the skill levels or employment to be attained by recipients of the education and training services provided by the entity under this paragraph.

"(iii) ADMINISTRATION.—The Governor shall designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to clause (ii).

"(iv) ON-THE-JOB TRAINING EXCEPTION.—Entities shall not be subject to the requirements of clauses (i) through (iii) with respect to on-the-job training activities.".

In section 716(a)(7) (as so redesignated), strike subparagraphs (A), (B), and (C).

In subparagraph (D) of section 716(a)(7) (as so redesignated), strike "(D)" and insert "(A)".

In section 716(a)(7) (as so redesignated), strike subparagraph (E).

In subparagraph (F) of section 716(a)(7) (as so redesignated), strike "(F)" and insert "(B)".

In section 716(a)(7) (as so redesignated), strike subparagraph (G).

In subparagraph (H) of section 716(a)(7) (as so redesignated), strike "(H)" and insert "(C)".

In subparagraph (I) of section 716(a)(7) (as so redesignated), strike "(I)" and insert "(D)".

In section 716(a)(7) (as so redesignated), strike subparagraph (J).

In subparagraph (K) of section 716(a)(7) (as so redesignated), strike "(K)" and insert "(E)".

In subparagraph (L) of section 716(a)(7) (as so redesignated), strike "(L)" and insert "(F)".

In subparagraph (M) of section 716(a)(7) (as so redesignated), strike "(M)" and insert "(G)".

In subparagraph (N) of section 716(a)(7) (as so redesignated), strike "(N)" and insert "(H)".

In subparagraph (O) of section 716(a)(7) (as so redesignated), strike "(O)" and insert "(I)".

In section 716(g)(1)(A), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(1)(B), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(2)(A), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(2)(B)(i), strike "(a)(6)" and insert "(a)(7)".

In section 7(38) of the Rehabilitation Act of 1973 (as amended by section 804), strike "(8)" and all that follows and insert "(9) of section 716(a) of the Workforce Development Act of 1995.".

BREAUX (AND OTHERS) AMENDMENT NO. 2490

Mr. BREAUX (for himself, Mr. PELL, Mr. KENNEDY, Mr. LIEBERMAN, Mr. BRADLEY, and Mr. JOHNSTON) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Strikes titles VII and VIII of the amendment.

ROCKEFELLER (AND BAUCUS) AMENDMENT NO. 2491

Mr. ROCKEFELLER (for himself and Mr. BAUCUS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 36, between lines 18 and 19, insert the following:

"(4) AREAS OF HIGH UNEMPLOYMENT.—

"(A) IN GENERAL.—At the State's option, the State may, on a uniform basis, exempt a family from the application of paragraph (1) if—

"(i) such family resides in area of high unemployment designated by the State under subparagraph (B); and

"(ii) the State makes available, and requires an individual in the family to participate in, work activities described in subparagraphs (B), (D), or (F) of section 404(c)(3).

"(B) AREAS OF HIGH UNEMPLOYMENT.—The State may designate a sub-State area as an area of high unemployment if such area—

"(i) is a major political subdivision (or is comprised of 2 or more geographically contiguous political subdivisions);

"(ii) has an average annual unemployment rate (as determined by the Bureau of Labor Statistics) of at least 10 percent; and

"(iii) has at least 25,000 residents.

The State may waive the requirement of clause (iii) in the case of a sub-State area that is an Indian reservation.

ROCKEFELLER AMENDMENT NO. 2492

Mr. ROCKEFELLER proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 35, between lines 2 and 3, insert the following:

"(6) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may opt to not require an individual described in subclause (I) or (II) of section 405(a)(3)(B)(ii) to engage in work activities and may exclude such an individual from the determination of the minimum participation rate specified for such fiscal year in subsection (a).

On page 40, strike lines 6 through 16, and insert the following:

"(B) LIMITATION.—

"(i) 15 PERCENT.—In addition to any families provided with exemptions by the State under clause (ii), the number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(ii) CERTAIN FAMILIES.—At the State's option, the State may provide an exemption under subparagraph (A) to a family—

"(I) of an individual who is ill, incapacitated, or of advanced age; and

"(II) of an individual who is providing full-time care for a disabled dependent of the individual.

SNOWE (AND BRADLEY) AMENDMENT NO. 2493

Ms. SNOWE (for herself and Mr. BRADLEY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 582, strike line 3 and all that follows through line 2 on page 583, and insert the following:

"(ii) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—From any remainder after the application of clause (i), in order to satisfy arrearages of support obligations that accrued before the family received assistance from the State, the State—

"(I) may distribute to the family the amount so collected with respect to such arrearages accruing (and assigned to the State as a condition of receiving assistance) before the effective date of this subsection; and

"(II) shall distribute to the family the amount so collected with respect to such arrearages accruing after such effective date.

"(iii) RETENTION BY THE STATE OF A PORTION OF ASSIGNED ARREARAGES TO REPAY ASSISTANCE FURNISHED TO THE FAMILY.—From any remainder after the application of clauses (i) and (ii), the State shall retain (with appropriate distribution to the Federal Government) amounts necessary to reimburse the State and Federal Government for assistance furnished to the family.

"(iv) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—The State shall distribute to the family any remainder after the application of clauses (i), (ii), and (iii).

On page 585, between lines 10 and 11, insert the following:

(c) AMENDMENTS TO INTERNAL REVENUE CODE CONCERNING COLLECTION OF CHILD SUPPORT ARREARAGES THROUGH INCOME TAX REFUND OFFSET.—

(1) Section 6402(c) of the Internal Revenue Code of 1986 is amended by striking the third sentence.

(2) Section 6402(d)(2) of such Code is amended in the first sentence by striking all that follows "subsection (c)" and inserting a period.

On page 585, line 11, strike "(c)" and insert "(d)".

SNOWE AMENDMENT NO. 2494

Ms. SNOWE proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 36, strike lines 14 through 25, and insert the following:

"(d) PENALTIES AGAINST INDIVIDUALS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required under subsection (c)(1) or (c)(2), a State to which a grant is made under section 403 shall—

"(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

"(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(2) EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program based on a refusal of an adult to work if such adult is a single custodial parent caring for a child age 5 or under and has a demonstrated inability to obtain needed child care, for one or more of the following reasons:

"(A) Unavailability of appropriate child care within a reasonable distance of the individual's home or work site.

"(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

"(C) Unavailability of appropriate and affordable formal child care arrangements.

PRYOR AMENDMENT NO. 2495

Mr. PRYOR proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place in the bill, insert the following:

On page 52, lines 4 through 6, strike "so used, plus 5 percent of such grant (determined without regard to this section)." and insert "so used. If the Secretary determines that such unlawful expenditure was made by the State in intentional violation of the requirements of this part, then the Secretary shall impose an additional penalty of up to 5 percent of such grant (determined without regard to this section).".

On page 56, between lines 9 and 10, insert the following:

"(d) COMPLIANCE PLAN.—

"(1) IN GENERAL.—Prior to the deduction from the grant of aggregate penalties under subsection (a) in excess of 5 percent of a State's grant payable under section 403, a State may develop jointly with the Secretary a plan which outlines how the State will correct any violations for which such penalties would be deducted and how the State will insure continuing compliance with the requirements of this part.

"(2) FAILURE TO CORRECT.—If the Secretary determines that a State has not corrected the violations described in paragraph (1) in a timely manner, the Secretary shall deduct some or all of the penalties described in paragraph (1) from the grant.".

On page 56, strike lines 11 through 14, and insert the following:

"(1) IN GENERAL.—The penalties described in paragraphs (2) through (6) of subsection (a) shall apply—

"(A) with respect to periods beginning 6 months after the Secretary issues final rules with respect to such penalties; or

"(B) with respect to fiscal years beginning on or after October 1, 1996;

whichever is later.".

BRADLEY AMENDMENTS NOS. 2496–2498

Mr. BRADLEY proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2496

At the end of section 402(a), insert the following:

"(9) ADDITIONAL REQUIREMENTS.—

"(A) ELIGIBILITY.—The terms and conditions under which families are deemed needy and eligible for assistance under the program.

"(B) TERMS AND CONDITIONS.—The terms and conditions described in subparagraph (A) shall include—

"(i) a need standard based on family income and size;

"(ii) a standard for benefits or schedule of benefits for families based on family size and income;

"(iii) explicit rules regarding the treatment of earned and unearned income, resources, and assets; and

"(iv) a description of any variations in the terms and conditions described in clauses (i), (ii), and (iii) that are applicable in—

"(I) regions or localities within the State; or

"(II) particular circumstances.

"(C) IDENTIFICATION OF FAMILIES CATEGORICALLY INELIGIBLE FOR ASSISTANCE.—Identification of any categories of families, or individuals within such families, that are deemed by the State to be categorically ineligible for assistance under the program, regardless of family income or other terms and conditions developed under subparagraph (A).

"(D) ASSURANCES REGARDING THE PROVISION OF ASSISTANCE.—Assurances that all families deemed eligible for assistance under the program under subparagraph (A) shall be provided assistance under the standard for benefits or the benefit schedule described in subparagraph (B)(ii), unless—

"(i) the family or an individual member of the family is categorically ineligible for assistance under subparagraph (C); or

"(ii) the family is subject to sanctions or reductions in benefits under terms of another provision of the State plan, this part, Federal or State law, or an agreement between an individual recipient of assistance in such family and the State that may contain terms and conditions applicable only to the individual recipient.

"(E) PROCEDURES FOR ENSURING THE AVAILABILITY OF FUNDS.—The procedures under which the State shall ensure that funds will remain available to provide assistance under the program to all eligible families during a fiscal year if the State exhausts the grant

provided to the State for such fiscal year under section 403.

"(F) WAITING LISTS.—Assurances that no family otherwise eligible for assistance under the program shall be placed on a waiting list for assistance or instructed to reapply at such time that additional Federal funds may become available.

AMENDMENT NO. 2497

At the end of section 405, insert the following:

"(f) NO UNFUNDED LOCAL MANDATES.—A State to which a grant is made under section 403 may not, by mandate or policy, shift the costs of providing aid or assistance that, prior to October 1, 1995 (or March 31, 1996, in the case of a State exercising the option described in section 110(b) of the Family Self-Sufficiency Act of 1995) was provided under the aid to families with dependent children or the JOBS programs (as such programs were in effect on September 30, 1995) to—

"(1) counties;

"(2) localities;

"(3) school boards; or

"(4) other units of local government.

AMENDMENT NO. 2498

At the appropriate place at the end of Title I, add the following:

Nothing in this Act shall be interpreted to preempt the enforcement of existing civil rights laws.

BOND AMENDMENT NO. 2499

Mr. BOND proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place in the bill, insert the following: "Notwithstanding any other provision of law, States shall not be prohibited by the federal government from sanctioning welfare recipients who test positive for use of controlled substances."

GLENN AMENDMENT NO. 2500

Mr. GLENN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 322, strike lines 8 through 14 and insert the following:

(8) DISPLACED HOMEMAKER.—The term "displaced homemaker" means an individual who—

(A) has been dependent

(i) on assistance under part A of title IV of the Social Security Act and whose youngest child is not younger than 16; or

(ii) on the income of another family member, but is no longer supported by such income; and

(B) is unemployed or underemployed, and is experiencing difficulty in obtaining or upgrading employment.

On page 359, line 13, strike "and".

On page 359, line 16, strike the period and insert "; and".

On page 359, between lines 16 and 17, insert the following;

(P) Preemployment training for displaced homemakers.

On page 364, between lines 9 and 10, insert the following:

(6) providing programs for single parents, displaced homemakers, and single pregnant women;

On page 364, line 10, strike "(6)" and insert "(7)".

On page 364, line 12, strike "(7)" and insert "(8)".

On page 412, line 4, strike "and".

On page 412, line 5, strike the period and insert "; and".

On page 412, between lines 5 and 6, insert the following:

(G) displaced homemakers.

PRESSLER AMENDMENT NO. 2501

Mr. GRASSLEY (for Mr. PRESSLER) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 77, line 21, strike the end quotation marks and the end period.

On page 77, between lines 21 and 22, insert the following:

"SEC. 418. COLLECTION OF OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

"(a) IN GENERAL.—Upon receiving notice from the Secretary of Health and Human Services that a State agency administering a plan approved under this part has notified the Secretary that a named individual has been overpaid under the State plan approved under this part, the Secretary of the Treasury shall determine whether any amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether such individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is payable, the Secretary shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

"(b) REGULATIONS.—The Secretary of the Treasury shall issue regulations, after review by the Secretary of Health and Human Services, that provide—

"(1) that a State may only submit under subsection (a) requests for collection of overpayments with respect to individuals—

"(A) who are no longer receiving assistance under the State plan approved under this part;

"(B) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved to collect the past-due legally enforceable debt; and

"(C) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from the income tax refunds of such individuals;

"(2) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under subsection (a); and

"(3) the procedures that the State and the Secretary of the Treasury will follow in carrying out this section which, to the maximum extent feasible and consistent with the specific provisions of this section, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.".

(c) CONFORMING AMENDMENTS RELATING TO COLLECTION OF OVERPAYMENTS.—

(1) Section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds) is amended—

(A) in subsection (a), by striking "(c) and (d)" and inserting "(c), (d), and (e)";

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

"(e) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 418 of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act).".

(2) Paragraph (10) of section 6103(*l*) of such Code is amended—

(A) by striking "(c) or (d)" each place it appears and inserting "(c), (d), or (e)"; and

(B) by adding at the end of subparagraph (B) the following new sentence: "Any return information disclosed with respect to section 6402(e) shall only be disclosed to officers and employees of the State agency requesting such information.".

(3) The matter preceding subparagraph (A) of section 6103(p)(4) of such Code is amended—

(A) by striking "(5), (10)" and inserting "(5)"; and

(B) by striking "(9), or (12)" and inserting "(9), (10), or (12)".

(4) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking "section 464 or 1137 of the Social Security Act" and inserting "section 418, 464, or 1137 of the Social Security Act."

COHEN AMENDMENT NO. 2502

Mr. GRASSLEY (for Mr. COHEN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 78, line 18, insert after "subsection (a)(2)" the following:

"So long as the programs are implemented consistent with the Establishment Clause of the United States Constitution.".

On page 80, line 13, add ";" after "governance" and delete lines 14–16.

WELLSTONE AMENDMENTS NOS. 2503–2506

Mr. WELLSTONE proposed four amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2503

On page 229, between lines 13 and 14, insert the following:

"(4) SUNSET OF ELECTION UPON INCREASE IN NUMBER OF HUNGRY CHILDREN.—

"(A) FINDINGS.—The Congress finds that—

"(i) on March 29, 1995 the Senate adopted a resolution stating that Congress should not enact or adopt any legislation that will increase the number of children who are hungry;

"(ii) it is not the intent of this bill to cause more children to be hungry;

"(iii) the Food Stamp Program serves to prevent child hunger;

"(iv) a State's election to participate in the optional state food assistance block grant program should not serve to increase the number of hungry children in that State; and

"(v) one indicator of hunger among children is the child poverty rate.

"(B) SUNSET.—If the Secretary of Health and Human Services makes two successive findings that the poverty rate among children in a State is significantly higher in a State that has elected to participate in a program established under subsection (a)

than it would have been had there been no such election, 180 days after the second such finding such election shall be permanently and irreversibly revoked and the provisions of paragraphs (1) and (2) shall not be applicable to that State.

"(C) PROCEDURE FOR FINDING BY SECRETARY.—In making the finding described in subparagraph (B), the Secretary shall adhere to the following procedure:

"(i) Every three years, the Secretary shall develop data and report to Congress with respect to each State that has elected to participate in a program established under subsection (a) whether the child poverty rate in such State is significantly higher than it would have been had the State not made such election.

"(ii) The Secretary shall provide the report required under clause (i) to all States that have elected to participate in a program established under subsection (a), and the Secretary shall provide each State for which the Secretary determined that the child poverty rate is significantly higher than it would have been had the State not made such election with an opportunity to respond to such determination.

"(iii) If the response by a State under clause (ii) does not result in the Secretary reversing the determination that the child poverty rate in that State is significantly higher than it would have been had the State not made such election, then the Secretary shall publish a finding as described in subparagraph (B)

AMENDMENT NO. 2504

On page 124, between lines 12 and 13, insert the following:

"SEC. 113. SUNSET UPON OF INCREASE IN NUMBER OF HUNGRY OR HOMELESS CHILDREN.

"(a) FINDINGS.—The Congress finds that—

"(1) on March 29, 1995 the Senate adopted a resolution stating that Congress should not enact or adopt any legislation that will increase the number of children who are hungry or homeless;

"(2) it is not the intent of this bill to cause more children to be hungry or homeless;

"(3) the Aid to Families with Dependent Children program, which is repealed by this title, has helped prevent hunger and homelessness among children;

"(4) the operation of block grants for temporary assistance for needy families under this title should not serve to increase significantly the number of hungry or homeless children in any State; and

"(5) one indicator of hunger and homelessness among children is the child poverty rate.

"(b) SUNSET.—If the Secretary of Health and Human Services makes two successive findings that the poverty rate among children in a State is significantly higher in the State than it would have been had this title not been implemented, then all of the provisions of this title shall cease to be effective with regard to that State 180 days after the second such finding, making effective any provisions of law repealed by this title.

"(c) PROCEDURE FOR FINDING BY SECRETARY.—In making the finding described in subsection (b), the Secretary shall adhere to the following procedure:

"(1) Every three years, the Secretary shall develop data and report to Congress with respect to each State whether the child poverty rate in that State is significantly higher than it would have been had this title not been implemented.

"(2) The Secretary shall provide the report required under paragraph (1) to all States, and the Secretary shall provide each State for which the Secretary determined that the child poverty rate is significantly higher than it would have been had this title not been implemented with an opportunity to respond to such determination.

"(3) If the response by a State under paragraph (2) does not result in the Secretary reversing the determination that the child poverty rate in that State is significantly higher than it would have been had this title not been implemented, then the Secretary shall publish a finding as described in subsection (b), and the State must implement a plan to decrease the child poverty rate."

AMENDMENT NO. 2505

On page 86, between lines 3 and 4, insert the following:

SEC. 104A. SENSE OF THE SENATE REGARDING CONTINUING MEDICAID COVERAGE.

(a) FINDINGS.—The Senate finds that—

(1) the potential loss of medicaid coverage represents a large disincentive for recipients of welfare benefits to accept jobs that offer no health insurance;

(2) thousands of the Nation's employers continue to find the cost of health insurance out of reach;

(3) the percentage of working people who receive health insurance from their employer has dipped to its lowest point since the early 1980s; and

(4) children have accounted for the largest proportion of the increase in the number of uninsured in recent years.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any medicaid reform enacted by the Senate this year should require that States continue to provide medicaid for 12 months to families who lose eligibility for welfare benefits because of more earnings or hours of employment.

AMENDMENT NO. 2506

On page 86; between lines 3 and 4, insert the following:

SEC. 104A. EXTENSION OF TRANSITIONAL MEDICAID BENEFITS.

(a) FINDINGS.—THE SENATE FINDS THAT—

(1) the potential loss of Medicaid coverage represents a large disincentive for recipients of welfare benefits to accept jobs that offer no health insurance;

(2) thousands of the Nation's employers continue to find the cost of health insurance out of reach;

(3) the percentage of working people who receive health insurance from their employer has dipped to its lowest point since the early 1980s; and

(4) children have accounted for the largest proportion of the increase in the number of uninsured in recent years.

(b) EXTENSION OF MEDICAID ENROLLMENT FOR FORMER TEMPORARY EMPLOYMENT ASSISTANCE RECIPIENTS FOR 1 ADDITIONAL YEAR.—

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r-6(b)(1)) is amended by striking the period at the end and inserting the following: ", and shall provide that the State shall offer to each such family the option of extending coverage under this subsection for an additional 2 succeeding 6-month periods in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.".

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 1925 (42 U.S.C. 1396r-6) is amended—

(i) in subsection (b)—

(I) in the heading, by striking "EXTENSION" and inserting "EXTENSIONS";

(II) in the heading of paragraph (1), by striking "REQUIREMENT" and inserting "IN GENERAL";

(III) in paragraph (2)(B)(ii)—

(aa) in the heading, by striking "PERIOD" and inserting "PERIODS"; and

(bb) by striking "in the period" and inserting "in each of the 6-month periods";

(IV) in paragraph (3)(A), by striking "the 6-month period" and inserting "any 6-month period";

(V) in paragraph (4)(A), by striking "the extension period" and inserting "any extension period"; and

(VI) in paragraph (5)(D)(i), by striking "is a 3-month period" and all that follows and inserting the following: "is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the first or fourth month of such extension period."; and

(ii) by striking subsection (f).

(B) FAMILY SUPPORT ACT.—Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(i) by striking "(A)"; and

(ii) by striking subparagraphs (B) and (C).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

WELLSTONE (AND FEINGOLD) AMENDMENT NO. 2507

Mr. WELLSTONE (for himself and Mr. FEINGOLD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 161, strike line 7 and all that follows through page 163, line 1, and insert the following:

SEC. 308. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(11)) is amended by striking "any payments or allowances" and inserting the following: "a one-time payment or allowance for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device.".

(b) CONFORMING AMENDMENT.—Section 5(k)(1)(A) of the Act (7 U.S.C. 2014(k)(1)(A)) is amended by striking "plan for aid to families with dependent children approved" and inserting "program funded".

BROWN AMENDMENT NO. 2508

Mr. BROWN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 25, strike line 4 and insert the following:

1, 1995;

except that not more than 15 percent of the grant may be used for administrative purposes.

SIMON AMENDMENTS NOS. 2509–2510

Mr. SIMON proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2509

On page 289, lines 2 through 5, strike ", or for a period of 5 years beginning on the day such individual was first lawfully in the

United States after the execution of such affidavit or agreement, whichever period is longer".

AMENDMENT NO. 2510

In title VII, strike chapters 1 and 2 of subtitle C and insert the following:

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. DEFINITIONS.

As used in this subtitle:

(1) AT-RISK YOUTH.—The term "at-risk youth" means an individual who—

(A) is not less than age 15 and not more than age 24;

(B) is low-income (as defined in section 723(e));

(C) is 1 or more of the following:

(i) Basic skills deficient.

(ii) A school dropout.

(iii) Homeless or a runaway.

(iv) Pregnant or parenting.

(v) Involved in the juvenile justice system.

(vi) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

(2) ENROLLEE.—The term "enrollee" means an individual enrolled in the Job Corps.

(3) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(4) JOB CORPS.—The term "Job Corps" means the Job Corps described in section 743.

(5) JOB CORPS CENTER.—The term "Job Corps center" means a center described in section 743.

(6) OPERATOR.—The term "operator" means an individual selected under this chapter to operate a Job Corps center.

(7) SECRETARY.—The term "Secretary" means the Secretary of Labor.

CHAPTER 2—JOB CORPS

SEC. 742. PURPOSES.

The purposes of this chapter are—

(1) to maintain a national Job Corps program, carried out in partnership with States and communities, to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of Job Corps centers in which enrollees will participate in intensive programs of workforce development activities; and

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps.

SEC. 743. ESTABLISHMENT.

There shall be established in the Department of Labor a Job Corps program, to carry out activities described in this chapter for individuals enrolled in the Job Corps and assigned to a center.

SEC. 744. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 745. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps, after considering recommendations from the Governors, State workforce development boards established under section 715, local partnerships and local workforce development boards established under section 728, and other interested parties.

(2) METHODS.—In prescribing standards and procedures under paragraph (1) for the screening and selection of Job Corps applicants, the Secretary shall—

(A) require enrollees to take drug tests within 30 days of enrollment in the Job Corps;

(B) allocate, where necessary, additional resources to increase the applicant pool;

(C) establish performance standards for outreach to and screening of Job Corps applicants;

(D) where appropriate, take measures to improve the professional capability of the individuals conducting such screening; and

(E) require Job Corps applicants to pass behavorial background checks, conducted in accordance with procedures established by the Secretary.

(3) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) one-stop career centers;

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(4) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual considered for selection can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

SEC. 746. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—After the Secretary has determined that an enrollee is to be assigned to a Job Corps center, the enrollee shall be assigned to the center that is closest to the residence of the enrollee, except that the Secretary may waive this requirement for good cause, including to ensure an equitable opportunity for at-risk youth from various sections of the Nation to participate in the Job Corps program, to prevent undue delays in assignment of an enrollee, to adequately meet the educational or other needs of an enrollee, and for efficiency and economy in the operation of the program.

(c) PERIOD OF ENROLLMENT.—No individual may be enrolled in the Job Corps for more than 2 years, except—

(1) in a case in which completion of an advanced career training program under section 748(d) would require an individual to participate for more than 2 years; or

(2) as the Secretary may authorize in a special case.

SEC. 747. JOB CORPS CENTERS.

(a) OPERATORS.—

(1) ELIGIBLE ENTITIES.—The Secretary shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the operation of each Job Corps center. The Secretary shall enter into an agreement with an appropriate entity to provide services for a Job Corps center.

(2) SELECTION PROCESS.—Except as provided in subsection (c)(2), the Secretary shall select an entity to operate a Job Corps center on a competitive basis, after reviewing the operating plans described in section 750. In selecting a private organization to serve as an operator, the Secretary may convene and obtain the recommendation of a selection panel described in section 752(b). In selecting an entity to serve as an operator or to provide services for a Job Corps center, the Secretary shall take into consideration the previous performance of the entity, if any, relating to operating or providing services for a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 748. In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.

(c) CIVILIAN CONSERVATION CENTERS.—

(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(2) SELECTION PROCESS.—The Secretary may select an entity to operate a Civilian Conservation Center on a competitive basis, if the center fails to meet such national performance standards as the Secretary shall establish.

SEC. 748. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 716(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment, participating successfully in secondary education or postsecondary education programs, enrolling in other suitable training programs, or satisfying Armed Forces requirements, on completion of their enrollment.

(b) ARRANGEMENTS.—The Secretary shall arrange for enrollees assigned to Job Corps centers to receive workforce development activities through the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—Each Job Corps center shall be connected to the

job placement accountability system described in section 731(d) in the State in which the center is located.

(d) ADVANCED CAREER TRAINING PROGRAMS.—

(1) IN GENERAL.—The Secretary may arrange for programs of advanced career training for selected enrollees in which the enrollees may continue to participate for a period of not to exceed 1 year in addition to the period of participation to which the enrollees would otherwise be limited.

(2) POSTSECONDARY EDUCATIONAL INSTITUTIONS.—The advanced career training may be provided through a postsecondary educational institution for an enrollee who has obtained a secondary school diploma or its recognized equivalent, has demonstrated commitment and capacity in previous Job Corps participation, and has an identified occupational goal.

(3) COMPANY-SPONSORED TRAINING PROGRAMS.—The Secretary may enter into contracts with private for-profit businesses and labor unions to provide the advanced career training through intensive training in company-sponsored training programs, combined with internships in work settings.

(4) BENEFITS.—

(A) IN GENERAL.—During the period of participation in an advanced career training program, an enrollee shall be eligible for full Job Corps benefits, or a monthly stipend equal to the average value of the residential support, food, allowances, and other benefits provided to enrollees assigned to residential Job Corps centers.

(B) CALCULATION.—The total amount for which an enrollee shall be eligible under subparagraph (A) shall be reduced by the amount of any scholarship or other educational grant assistance received by such enrollee for advanced career training.

(5) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate that participants in such program have achieved a reasonable rate of completion and placement in training-related jobs before the operator may carry out such additional enrollment.

SEC. 749. SUPPORT.

The Secretary shall provide enrollees assigned to Job Corps centers with such personal allowances, including readjustment allowances, as the Secretary may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 750. OPERATING PLAN.

(a) IN GENERAL.—To be eligible to operate a Job Corps center, an entity shall prepare and submit an operating plan to the Secretary for approval. Prior to submitting the plan to the Secretary, the entity shall submit the plan to the Governor of the State in which the center is located for review and comment. The entity shall submit any comments prepared by the Governor on the plan to the Secretary with the plan. Such plan shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan submitted under section 714 for the State in which the center is located;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the region in which the center is located;

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) by the State; and

(4) an implementation strategy to ensure that the curricula of all such enrollees is integrated into the school-to-work activities of the State, including work-based learning, work experience, and career-building activities, and that such enrollees have the opportunity to obtain secondary school diplomas or their recognized equivalent.

(b) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities carried out through the statewide system of the State in which the center is located.

SEC. 751. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The Secretary shall provide, and directors of Job Corps center shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding the actions described in subsection (b)(2)(A).

(b) DISCIPLINARY MEASURES.—

(1) IN GENERAL.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Job Corps if the director determines that the retention of the enrollee in the Job Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

(2) ZERO TOLERANCE POLICY.—

(A) GUIDELINES.—The director shall adopt guidelines establishing a zero tolerance policy for an act of violence, for use, sale, or possession of a controlled substance, for abuse of alcohol, or for another illegal or disruptive activity, as determined by the Secretary.

(B) DEFINITIONS.—As used in this paragraph:

(i) CONTROLLED SUBSTANCE.—The term "controlled substance" has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(ii) ZERO TOLERANCE POLICY.—The term "zero tolerance policy" means a policy under which an enrollee shall be automatically dismissed from the Job Corps after a determination by the director that the enrollee has carried out an action described in subparagraph (A).

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the Secretary.

SEC. 752. COMMUNITY PARTICIPATION.

(a) ACTIVITIES.—The Secretary shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities shall include the use of any local partnerships or local workforce development boards established in the State under section 728 to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

(b) SELECTION PANELS.—The Governor may recommend individuals to serve on a selection panel convened by the Secretary to provide recommendations to the Secretary regarding any competitive selection of a private organization to serve as an operator for a center in the State. In recommending individuals to serve on the panel, the Governor may recommend members of State workforce development boards established under section 715, if any, members of any local partnerships or local workforce development boards established in the State under section 728, or other representatives selected by the Governor.

(c) ACTIVITIES.—Each Job Corps center director shall—

(1) give officials of nearby communities appropriate advance notice of changes in the rules, procedures, or activities of the Job Corps center that may affect or be of interest to the communities;

(2) afford the communities a meaningful voice in the affairs of the Job Corps center that are of direct concern to the communities, including policies governing the issuance and terms of passes to enrollees; and

(3) encourage the participation of enrollees in programs for improvement of the communities, with appropriate advance consultation with business, labor, professional, and other interested groups, in the communities.

SEC. 753. COUNSELING AND PLACEMENT.

The Secretary shall ensure that enrollees assigned to Job Corps centers receive academic and vocational counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 716(a)(2).

SEC. 754. ADVISORY COMMITTEES.

The Secretary is authorized to make use of advisory committees in connection with the operation of the Job Corps program, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.

SEC. 755. APPLICATION OF PROVISIONS OF FEDERAL LAW.

(a) ENROLLEES NOT CONSIDERED TO BE FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees shall not be considered to be Federal employees and shall not be subject to the provisions of law relating to Federal employment, including such provisions regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(2) PROVISIONS RELATING TO TAXES AND SOCIAL SECURITY BENEFITS.—For purposes of the Internal Revenue Code of 1986 and title II of the Social Security Act (42 U.S.C. 401 et seq.), enrollees shall be deemed to be employees of the United States and any service performed by an individual as an enrollee shall be deemed to be performed in the employ of the United States.

(3) PROVISIONS RELATING TO COMPENSATION TO FEDERAL EMPLOYEES FOR WORK INJURIES.—For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed to be civil employees of the Government of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of such subchapter shall apply as specified in section 8143(a) of title 5, United States Code.

(4) FEDERAL TORT CLAIMS PROVISIONS.—For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered to be employees of the Government.

(b) ADJUSTMENTS AND SETTLEMENTS.—Whenever the Secretary finds a claim for damages to a person or property resulting from the operation of the Job Corps to be a proper charge against the United States, and the claim is not cognizable under section 2672 of title 28, United States Code, the Secretary may adjust and settle the claim in an amount not exceeding $1,500.

(c) PERSONNEL OF THE UNIFORMED SERVICES.—Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Job Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade in such services.

SEC. 756. SPECIAL PROVISIONS.

(a) ENROLLMENT OF WOMEN.—The Secretary shall immediately take steps to achieve an enrollment of 50 percent women in the Job Corps program, consistent with the need to—

(1) promote efficiency and economy in the operation of the program;

(2) promote sound administrative practice; and

(3) meet the socioeconomic, educational, and training needs of the population to be served by the program.

(b) STUDIES, EVALUATIONS, PROPOSALS, AND DATA.—The Secretary shall assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the course of carrying out the Job Corps program shall become the property of the United States.

(c) GROSS RECEIPTS.—Transactions conducted by a private for-profit contractor or a nonprofit contractor in connection with the operation by the contractor of a Job Corps center or the provision of services by the contractor for a Job Corps center shall not be considered to be generating gross receipts. Such a contractor shall not be liable, directly or indirectly, to any State or subdivision of a State (nor to any person acting on behalf of such a State or subdivision) for any gross receipts taxes, business privilege taxes measured by gross receipts, or any similar taxes imposed on, or measured by, gross receipts in connection with any payments made to or by such contractor for operating or providing services for a Job Corps center. Such a contractor shall not be liable to any State or subdivision of a State to collect or pay any sales, excise, use, or similar tax imposed on the sale to or use by such contractor of any property, service, or other item in connection with the operation of or provision of services for a Job Corps center.

(d) MANAGEMENT FEE.—The Secretary shall provide each operator or entity providing services for a Job Corps center with an equitable and negotiated management fee of not less than 1 percent of the contract amount.

(e) DONATIONS.—The Secretary may accept on behalf of the Job Corps or individual Job Corps centers charitable donations of cash or other assistance, including equipment and materials, if such donations are available for appropriate use for the purposes set forth in this chapter.

SEC. 757. REVIEW OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS REVIEW.—Not later than March 31, 1997, an advisory committee established by the Secretary shall conduct a review of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the review, including—

(1) information on the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part, information on the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses;

(5) information on the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report;

(6) a summary of the information described in paragraphs (2) through (5) for all Job Corps centers;

(7) an assessment of the need to serve at-risk youth in the Job Corps program, including—

(A) a cost-benefit analysis of the residential component of the Job Corps program;

(B) the need for residential education and training services for at-risk youth, analyzed for each State and for the United States; and

(C) the distribution of training positions in the Job Corps program, as compared to the need for the services described in subparagraph (B), analyzed for each State;

(8) an overview of the Job Corps program as a whole and an analysis of individual Job Corps centers, including a 5-year performance measurement summary that includes information, analyzed for the program and for each Job Corps center, on—

(A) the number of enrollees served;

(B) the number of former enrollees who entered employment, including the number of former enrollees placed in a position related to the job training received through the program and the number placed in a position not related to the job training received;

(C) the number of former enrollees placed in jobs for 32 hours per week or more;

(D) the number of former enrollees who entered employment and were retained in the employment for more than 13 weeks;

(E) the number of former enrollees who entered the Armed Forces;

(F) the number of former enrollees who completed vocational training, and the rate of such completion, analyzed by vocation;

(G) the number of former enrollees who entered postsecondary education;

(H) the number and percentage of early dropouts from the Job Corps program;

(I) the average wage of former enrollees, including wages from positions described in subparagraph (B);

(J) the number of former enrollees who obtained a secondary school diploma or its recognized equivalent;

(K) the average level of learning gains for former enrollees; and

(L) the number of former enrollees that did not—

(i) enter employment or postsecondary education;

(ii) complete a vocational education program; or

(iii) make identifiable learning gains;

(9) information regarding the performance of all existing Job Corps centers over the 3 years preceding the date of submission of the report; and

(10) job placement rates for each Job Corps center and each entity providing services to a Job Corps center.

(b) RECOMMENDATIONS OF ADVISORY COMMITTEE.—

(1) RECOMMENDATIONS.—The advisory committee shall, based on the results of the review described in subsection (a), make recommendations to the Secretary of Labor, regarding improvements in the operation of the Job Corps program, including—

(A) closing Job Corps centers described in paragraph (2) in cases in which prospects for performance improvement are poor or facility rehabilitation, renovation, or repair is not cost-effective;

(B) relocating Job Corps centers described in paragraph (2)(A)(iii) in cases in which facility rehabilitation, renovation, or repair is not cost-effective; and

(C) taking any other action that would improve the operation of a Job Corps center.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the advisory committee shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the review described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the review described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the advisory committee may determine to be appropriate.

(B) COVERAGE OF STATES AND REGIONS.—Notwithstanding subparagraph (A), the advisory committee shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) ALLOWANCE FOR NEW JOB CORPS CENTERS.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the advisory committee shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) REPORT.—Not later than June 30, 1997, the advisory committee shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the advisory committee resulting from the review described in subsection (a) together with the recommendations described in paragraph (1).

(c) IMPLEMENTATION OF PERFORMANCE IMPROVEMENTS.—The Secretary shall, after reviewing the report submitted under subsection (b)(3), implement improvements in the operation of the Job Corps program, including the appropriate closings of individual Job Corps centers by September 30, 1997. Funds saved through the implementation of such improvements shall be used to maintain overall Job Corps program service levels, improve facilities at existing Job Corps centers, relocate Job Corps centers, initiate new Job Corps centers, and make other performance improvements in the Job Corps program.

(d) REPORT TO CONGRESS.—The Secretary shall annually report to Congress the information specified in paragraphs (8), (9), and (10) of subsection (a) and such additional information relating to the Job Corps program as the Secretary may determine to be appropriate.

SEC. 758. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) REPORT.—Section 757 shall take effect on the date of enactment of this Act.

In section 759(a), strike "to States to assist the States in paying for the cost of carrying out" and insert "for States, to enable the Secretary of Labor to carry out in the States, and to assist the States in paying for the cost of carrying out,".

In section 759(b)(1), strike "The State shall use a portion of the funds made available to the State through an allotment received under subsection (c)" and insert "The Secretary of Labor shall use the funds made available for a State through an allotment made under subsection (c)(2), and, at the election of the State, a portion of the funds made available to the State through an allotment received under subsection (c)(3),".

In section 759(b)(1), strike "section 755" and insert "section 757".

In section 759(b)(2), strike "the funds described in paragraph (1)" and insert "the funds made available to a State through an allotment received under subsection (c)(3)".

In section 759(c)(1), in the matter preceding subparagraph (A), strike "allot to" and insert "allot for".

In section 759(c)(1)(A), strike "available to" and insert "available for".

In section 759(c)(2), strike "to each State" and insert "for each State".

In section 759(c)(2), strike "to carry out" and insert "to enable the Secretary of Labor to carry out".

In section 759(c)(2), strike "section 755(a)(2)" and insert "section 757(a)(2)".

In section 759(d)(1), strike "subsection (c)" and insert "subsection (c)(3)".

In section 771(b), strike "this title" and insert "this title (other than subtitle C)".

In section 772(a)(4)(B), strike "this title" and insert "this title (other than subtitle C)".

In section 776(c)(2)(H), strike "this title" and insert "this title (other than subtitle C)".

In the first sentence of section 776(c)(5)(A), strike "this title" and insert "this title (other than subtitle C)".

In the second sentence of section 776(c)(5)(A), strike "this title" and insert "this title (other than subtitle C)".

ABRAHAM (AND LIEBERMAN) AMENDMENT NO. 2511

Mr. ABRAHAM (for himself and Mr. LIEBERMAN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place in the bill, add the following new section:

"SEC. ——. SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that—

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase entrepreneurial growth, capital formation, job creation, educational opportunities, and home ownership in the designated communities and zones;

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Home ownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-income parents with new and expanded educational options for their children's elementary and secondary schooling.

ABRAHAM AMENDMENT NO. 2512

Mr. ABRAHAM proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 46, after line 24, insert the following:

"(a) GRANT INCREASED TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

"(1) IN GENERAL.—The amount of the grant payable to a State under section 403(a)(1)(A) for fiscal years 1998, 1999, and 2000 shall be increased by—

"(A) 5 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations in the State for the same fiscal year is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

"(B) 10 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations in the State for the same fiscal year is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(2) DETERMINATION OF THE SECRETARY.—The Secretary shall not increase the grant amount under paragraph (1) if the Secretary determines that the relevant difference between the illegitimacy ratio of a State for an applicable fiscal year and the illegitimacy ratio of such State for fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the illegitimacy ratio or if the Secretary determines that the relevant non-increase in the rate of induced pregnancy terminations for an applicable fiscal year as compared to fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the rate of induced pregnancy terminations.

"(3) ILLEGITIMACY RATIO.—For purposes of this subsection, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(A) the number of out-of-wedlock births that occurred in the State during the fiscal year; divided by

"(B) the number of births that occurred in the State during the same fiscal year

"(4) AVAILABILITY OF AMOUNTS.—There are authorized to be appropriated and there are appropriated such sums as may be necessary for fiscal years 1998, 1990, and 2000 for the purpose of increasing the amount of the grant payable to a State under section 403(a)(1) in accordance with this subsection.

FEINSTEIN AMENDMENT NO. 2513

Mrs. FEINSTEIN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 276, line 22, strike "or".

On page 276, line 23, insert ", or (VI)" after "(V)".

On page 277, line 10, strike "and".

On page 277, line 16, strike the period and insert a semicolon.

On page 277, between lines 16 and 17, insert the following:

(F) assistance or services provided to abused or neglected children and their families; and

(G) assistance or benefits under other Federal non-cash programs.

On page 278, line 22, strike "or".

On page 278, line 25, insert "; or (VI) an alien lawfully admitted to the United States for permanent residence who has been subjected to domestic violence, or whose household members have been subjected to domestic violence, by the alien's sponsor or by members of the sponsor's household" after "title II".

LIEBERMAN (AND OTHERS) AMENDMENT NO. 2514

Mr. MOYNIHAN (for Mr. LIEBERMAN for himself, Mr. BREAUX, and Mr. CONRAD) proposed an amendment to amendment NO. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 17, line 8, insert "and for each of fiscal years 1998, 1999, and 2000, the amount of the State's job placement performance bonus determined under subsection (f)(1) for the fiscal year" after "year".

On page 17, line 22, insert "and the applicable percent specified under subsection (f)(2)(B)(ii) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) JOB PLACEMENT PERFORMANCE BONUS.—

"(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the job placement performance fund determined in accordance with the formula developed under paragraph (2).

"(2) ALLOCATION FORMULA; BONUS FUND.—

"(A) ALLOCATION FORMULA.—

"(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.

"(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

"(I) provide a greater financial bonus for individuals in families described in clause (i) who remain employed for greater periods of time or are at greater risk of long-term welfare dependency; and

"(II) take into account the unemployment conditions of each State or geographic area.

"(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

"(i) IN GENERAL.—The amount in the job placement performance bonus fund for a fiscal year shall be an amount equal to—

"(I) the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

"For fiscal year:

	The applicable percentage is:
1998	3
1999	4
2000 and each fiscal year thereafter	5

On page 29, line 16, strike "(f)" and insert "(g)".

On page 66, line 13, insert "and a preliminary assessment of the job placement performance bonus established under section 403(f)" before the end period.

LIEBERMAN AMENDMENT NO. 2515

Mr. MOYNIHAN (for Mr. LIEBERMAN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. —. ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 5 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. —. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

HATCH (AND KOHL) AMENDMENT NO. 2516

Mr. HATCH (for himself and Mr. KOHL) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 10, strike line 13 and all that follows through line 4 on page 69, and insert the following:

"for such families; and

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies; and

"(4) provide child care assistance to eligible parents and providers.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that has submitted to the Secretary a plan that includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—A written document that outlines how the State intends to do the following:

"(A) Conduct a program designed to serve all political subdivisions in the State to—

"(i) provide assistance to needy families with not less than 1 minor child; and

"(ii) provide a parent or caretaker in such families with work experience, assistance in finding employment, and other work preparation activities and support services that the State considers appropriate to enable such families to leave the program and become self-sufficient.

"(B) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) when the State determines the parent or caretaker is ready to engage in work, or after 24 months (whether or not consecutive) of receiving assistance under the program, whichever is earlier.

"(C) Satisfy the minimum participation rates specified in section 404.

"(D) Treat—

"(i) families with minor children moving into the State from another State; and

"(ii) noncitizens of the United States.

"(E) Safeguard and restrict the use and disclosure of information about individuals and families receiving assistance under the program.

"(F) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies.

"(G) With respect to a State that desires to receive a grant under section 403(b)(6), conduct a program designed to serve all political subdivisions in the State to provide child

care assistance to eligible parents and providers and safeguard and restrict the use and disclosure of information about individuals receiving assistance under the program.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child protection program under the State plan approved under part B.

"(4) CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program under the State plan approved under part E.

"(5) CERTIFICATION THAT THE STATE WILL PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will participate in the income and eligibility verification system required by section 1137.

"(6) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—A certification by the chief executive officer of the State specifying which State agency or agencies are responsible for the administration and supervision of the State program for the fiscal year.

"(7) CERTIFICATION THAT REQUIRED REPORTS WILL BE SUBMITTED.—A certification by the chief executive officer of the State that the State shall provide the Secretary with any reports required under this part.

"(8) ESTIMATE OF FISCAL YEAR STATE AND LOCAL EXPENDITURES.—An estimate of the total amount of State and local expenditures under the State program for the fiscal year.

"(b) CERTIFICATION THAT THE STATE WILL PROVIDE ACCESS TO INDIANS.—

"(1) IN GENERAL.—In recognition of the Federal Government's trust responsibility to, and government-to-government relationship with, Indian tribes, the Secretary shall ensure that Indians receive at least their equitable share of services under the State program, by requiring a certification by the chief executive officer of each State described in paragraph (2) that, during the fiscal year, the State shall provide Indians in each Indian tribe that does not have a tribal family assistance plan approved under section 414 for a fiscal year with equitable access to assistance under the State program funded under this part.

"(2) STATE DESCRIBED.—For purposes of paragraph (1), a State described in this paragraph is a State in which there is an Indian tribe that does not have a tribal family assistance plan approved under section 414 for a fiscal year.

"(c) DEFINITIONS.—For purposes of this part, the following definitions shall apply:

"(1) ADULT.—The term 'adult' means an individual who is not a minor child.

"(2) MINOR CHILD.—The term 'minor child' means an individual—

"(A) who—

"(i) has not attained 18 years of age; or

"(ii) has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training); and

"(B) who resides with such individual's custodial parent or other caretaker.

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(5) STATE.—Except as otherwise specifically provided, the term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"(6) CHILD CARE CERTIFICATE.—The term 'child care certificate' means a certificate (that may be a check or other disbursement) that is issued by a State or local government under this title directly to a parent who may use such certificate only as payment for child care services. Nothing in this title shall preclude the use of such certificates for sectarian child care services if freely chosen by the parent. For purposes of this title, child care certificates shall not be considered to be grants or contracts.

"(7) ELIGIBLE CHILD.—The term 'eligible child' means an individual—

"(A) who is less than 13 years of age; and

"(B) who—

"(i) resides with a parent or parents who are working or attending a job training or educational program; or

"(ii) is receiving, or needs to receive, protective services and resides with a parent or parents not described in clause (i).

"(8) ELIGIBLE CHILD CARE PROVIDER.—The term 'eligible child care provider' means—

"(A) a center-based child care provider, a group home child care provider, a family child care provider, or other provider of child care services for compensation that—

"(i) is licensed, regulated, or registered under State law; and

"(ii) satisfies the State and local requirements;

applicable to the child care services it provides; or

"(B) a child care provider that is 18 years of age or older who provides child care services only to eligible children who are, by affinity or consanguinity, or by court decree, the grandchild, niece, or nephew of such provider, if such provider is registered and complies with any State requirements that govern child care provided by the relative involved.

"(9) FAMILY CHILD CARE PROVIDER.—The term 'family child care provider' means one individual who provides child care services for fewer than 24 hours per day, as the sole caregiver, and in a private residence.

"(10) PARENT.—The term 'parent' includes a legal guardian or other person standing in loco parentis.

"SEC. 403. PAYMENTS TO STATES AND INDIAN TRIBES.

"(a) GRANT AMOUNT.—

"(1) IN GENERAL.—Subject to the provisions of paragraph (3), section 407 (relating to penalties), and section 414(g), for each of fiscal years 1996, 1997, 1998, 1999, and 2000, the Secretary shall pay—

"(A) each eligible State a grant in an amount equal to the State family assistance grant for the fiscal year; and

"(B) each Indian tribe with an approved tribal family assistance plan a tribal family assistance grant in accordance with section 414.

"(2) STATE FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—For purposes of paragraph (1)(A), a State family assistance grant for any State for a fiscal year is an amount equal to the total amount of the Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect during such fiscal year and as such payments were reported by the State on February 14, 1995), reduced by the amount (if any) determined under subparagraph (B).

"(B) AMOUNT ATTRIBUTABLE TO CERTAIN INDIAN FAMILIES SERVED BY INDIAN TRIBES.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the amount determined under this subparagraph is an amount equal to the Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year) attributable to expenditures by the State under parts A and F of this title (as so in effect) for Indian families described in clause (ii).

"(ii) INDIAN FAMILIES DESCRIBED.—For purposes of clause (i), Indian families described in this clause are Indian families who reside in a service area or areas of an Indian tribe receiving a tribal family assistance grant under section 414.

"(C) NOTIFICATION.—Not later than 3 months prior to the payment of each quarterly installment of a State grant under subsection (a)(1), the Secretary shall notify the State of the amount of the reduction determined under subparagraph (B) with respect to the State.

"(3) SUPPLEMENTAL GRANT AMOUNT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—The amount of the grant payable under paragraph (1) to a qualifying State for each of fiscal years 1997, 1998, 1999, and 2000 shall be increased by an amount equal to 2.5 percent of the amount that the State received under this section in the preceding fiscal year.

"(B) INCREASE TO REMAIN IN EFFECT EVEN IF STATE FAILS TO QUALIFY IN LATER YEARS.—Subject to section 407, in no event shall the amount of a grant payable under paragraph (1) to a State for any fiscal year be less than the amount the State received under this section for the preceding fiscal year.

"(C) QUALIFYING STATE.—

"(i) IN GENERAL.—For purposes of this paragraph, the term 'qualifying State', with respect to any fiscal year, means a State that—

"(I) had an average level of State welfare spending per poor person in the preceding fiscal year that was less than the national average level of State welfare spending per poor person in the preceding fiscal year; and

"(II) had an estimated rate of State population growth as determined by the Bureau of the Census for the most recent fiscal year for which information is available that was greater than the average rate of population growth for all States as determined by the Bureau of the Census for such fiscal year.

"(ii) CERTAIN STATES DEEMED QUALIFYING STATES.—For purposes of this paragraph, a State shall be deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if the level of State welfare spending per poor person in fiscal year 1996 was less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996.

"(iii) STATE MUST QUALIFY IN FISCAL YEAR 1997.—A State shall not be eligible to be a qualifying State under clause (i) for fiscal years after 1997 if the State was not a qualifying State under clause (i) in fiscal year 1997.

"(D) DEFINITIONS.—For purposes of this paragraph:

"(i) LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'level of State welfare spending per poor person' means, with respect to a State for any fiscal year—

"(I) the amount of the grant received by the State under this section (prior to the application of section 407); divided by

"(II) the number of the individuals in the State who had an income below the poverty line according to the 1990 decennial census.

"(ii) NATIONAL AVERAGE LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'national average level of State welfare spending per poor person' means an amount equal to—

"(I) the amount paid in grants under this section (prior to the application of section 407); divided by

"(II) the number of individuals in all States with an income below the poverty line according to the 1990 decennial census.

"(iii) POVERTY LINE.—The term 'poverty line' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(iv) STATE.—The term 'State' means each of the 50 States of the United States.

"(4) APPROPRIATION.—

"(A) STATES.—There are authorized to be appropriated and there are appropriated $16,795,323,000 for each fiscal year described in paragraph (1) for the purpose of paying—

"(i) grants to States under paragraph (1)(A); and

"(ii) tribal family assistance grants under paragraph (1)(B).

"(B) ADJUSTMENT FOR QUALIFYING STATES.—For the purpose of increasing the amount of the grant payable to a State under paragraph (1) in accordance with paragraph (3), there are authorized to be appropriated and there are appropriated—

"(i) for fiscal year 1997, $85,860,000;

"(ii) for fiscal year 1998, $173,276,000;

"(iii) for fiscal year 1999, $263,468,000; and

"(iv) for fiscal year 2000, $355,310,000.

"(5) CHILD CARE GRANT.—

"(A) IN GENERAL.—Subject to the provisions of section 406, the Secretary shall pay to each eligible State submitting a State plan that complies with section 402(a)(1)(G) for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the State child care grant for the fiscal year.

"(B) FUNDING.—

"(i) STATES.—Of the amounts appropriated under paragraph (4)(A) for a fiscal year, the Secretary shall make available $979,877,626 for each such fiscal year for the purpose of paying State child care grants to States under subsection (b)(6).

"(ii) INDIAN TRIBES.—The Secretary shall make available ___ percent of the amount made available under clause (i) for each such fiscal year for the purpose of paying State child care grants to Indian tribes under such paragraph.

"(b) USE OF GRANT.—

"(1) IN GENERAL.—Subject to this part, a State to which a grant is made under this section may use the grant—

"(A) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(B) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(2) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State to which a grant is made under this section may apply to a family the rules of the program operated under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(3) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program operated under this part.

"(4) AUTHORITY TO OPERATE EMPLOYMENT PLACEMENT PROGRAM.—A State to which a grant is made under this section may use a portion of the grant to make payments (or provide job placement vouchers) to State-approved public and private job placement agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

"(5) TRANSFERABILITY OF GRANT AMOUNTS.—A State may use up to 30 percent of amounts received from a grant under this part for a fiscal year to carry out State activities under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) (relating to child care block grants).

"(6) STATE CHILD CARE GRANT.—

"(A) IN GENERAL.—For purposes of subsection (a)(5)(A), a State child care grant for any State for a fiscal year is an amount equal to the total amount of the Federal payments to the State under section—

"(i) 402(g)(3)(A) of the Social Security Act (as such section was in effect before October 1, 1995) for amounts expended for child care pursuant to paragraph (1) of such section;

"(ii) 403(l)(1)(A) of the Social Security Act (as such section was in effect before October 1, 1995) for amounts expended for child care pursuant to section 402(g)(1)(A) of such Act, in the case of a State with respect to which section 1108 of such Act applies; and

"(iii) 403(n) of the Social Security Act (as such section was in effect before October 1, 1995) for child care services pursuant to section 402(i) of such Act.

"(B) USE OF FUNDS.—Subject to this title, a State to which a State child care grant is made under subsection (a)(5)(A), may use the grant in any manner that is reasonably calculated to accomplish the purpose of this title, including making child care services available through—

"(i) the provision of child care certificates to parents on behalf of an eligible child;

"(ii) the reimbursement of, or contracting with, eligible child care providers; and

"(iii) any other activities to increase child care access or affordability as determined appropriate by the State.

"(c) TIMING OF PAYMENTS.—The Secretary shall pay each grant payable to a State under this section in quarterly installments.

"(d) FEDERAL LOAN FUND FOR STATE WELFARE PROGRAMS.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a revolving loan fund which shall be known as the 'Federal Loan Fund for State Welfare Programs' (hereafter for purposes of this section referred to as the 'fund').

"(2) DEPOSITS INTO FUND.—

"(A) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, $1,700,000,000 are hereby appropriated for fiscal year 1996 for payment to the fund.

"(B) LOAN REPAYMENTS.—The Secretary shall deposit into the fund any principal or interest payment received with respect to a loan made under this subsection.

"(3) AVAILABILITY.—Amounts in the fund are authorized to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest on such loans, in accordance with this subsection.

"(4) USE OF FUND.—

"(A) LOANS TO STATES.—The Secretary shall make loans from the fund to any loan-eligible State, as defined in subparagraph (D), for a period to maturity of not more than 3 years.

"(B) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under subparagraph (A) at a rate equal to the Federal short-term rate, as defined in section 1274(d) of the Internal Revenue Code of 1986.

"(C) MAXIMUM LOAN.—The cumulative amount of any loans made to a State under subparagraph (A) during fiscal years 1996 through 2000 shall not exceed 10 percent of the State family assistance grant under subsection (a)(2) for a fiscal year.

"(D) LOAN-ELIGIBLE STATE.—For purposes of subparagraph (A), a loan-eligible State is a State which has not had a penalty described in section 407(a)(1) imposed against it at any time prior to the loan being made.

"(5) LIMITATION ON USE OF LOAN.—A State shall use a loan received under this subsection only for any purpose for which grant amounts received by the State under subsection (a) may be used including—

"(A) welfare anti-fraud activities; and

"(B) the provision of assistance under the State program to Indian families that have moved from the service area of an Indian tribe with a tribal family assistance plan approved under section 414.

"(e) SPECIAL RULE FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—

"(1) IN GENERAL.—The Secretary shall pay to each eligible Indian tribe for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the amount received by such Indian tribe in fiscal year 1995 under section 482(i) (as in effect during such fiscal year) for the purpose of operating a program to make work activities available to members of the Indian tribe.

"(2) ELIGIBLE INDIAN TRIBE.—For purposes of paragraph (1), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during such fiscal year).

"(3) APPROPRIATION.—There are authorized to be appropriated and there are hereby appropriated $7,638,474 for each fiscal year described in paragraph (1) for the purpose of paying grants in accordance with such paragraph.

"(f) SECRETARY.—For purposes of this section, the term 'Secretary' means the Secretary of the Treasury.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following tables for the fiscal year with respect to—

"(1) all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	**The minimum participation rate for all families is:**
1996	25
1997	30
1998	35
1999	40
2000 or thereafter	50; and

"(2) with respect to 2-parent families receiving such assistance:

"If the fiscal year is:	The minimum participation rate is:
1996	60
1997 or 1998	75
1999 or thereafter	90.

"(b) CALCULATION OF PARTICIPATION RATES.—

"(1) FOR ALL FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(1), the participation rate for all families of a State for a fiscal year is the average of the participation rates for all families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for all families of the State for a month, expressed as a percentage, is—

"(i) the sum of—

"(I) the number of all families receiving assistance under the State program funded under this part that include an adult who is engaged in work for the month;

"(II) the number of all families receiving assistance under the State program funded under this part that are subject in such month to a penalty described in paragraph (1)(A) or (2)(A) of subsection (d) but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive);

"(III) the number of all families receiving assistance under the State program funded under this part that have become ineligible for assistance under the State program within the previous 6-month period because of employment and that include an adult who is employed for the month; and

"(IV) beginning in the first month beginning after the promulgation of the regulations described in paragraph (3) and in accordance with such regulations, the average monthly number of all families that are not receiving assistance under the State program funded under this part as a result of the State's diversion of such families from the State program prior to such families receipt of assistance under the program; divided by

"(ii) the total number of all families receiving assistance under the State program funded under this part during the month that include an adult.

"(2) 2-PARENT FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(2), the participation rate for 2-parent families of a State for a fiscal year is the average of the participation rates for 2-parent families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for 2-parent families of the State for a month, expressed as a percentage, is—

"(i) the total number of 2-parent families described in paragraph (1)(B)(i); divided by

"(ii) the total number of 2-parent families receiving assistance under the State program funded under this part during the month that include an adult.

"(3) REGULATIONS RELATING TO CALCULATION OF FAMILIES DIVERTED FROM ASSISTANCE.—

"(A) IN GENERAL.—Not later than 1 year after the date of the enactment of the Work Opportunity Act of 1995, the Secretary shall consult with the States and establish, by regulation, a method to measure the number of families diverted by a State from the State program funded under this part prior to such families receipt of assistance under the program.

"(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under such State's plan under the aid to families with dependent children program, as such plan was in effect on the day before the date of the enactment of the Work Opportunity Act of 1995.

"(4) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN.—For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families receiving assistance under a tribal family assistance plan approved under section 414. For purposes of the previous sentence, an individual who receives assistance under a tribal family assistance plan approved under section 414 shall be treated as being engaged in work if the individual is participating in work under standards that are comparable to State standards for being engaged in work.

"(c) ENGAGED IN WORK.—

"(1) ALL FAMILIES.—For purposes of subsection (b)(1)(B)(i)(I), an adult is engaged in work for a month in a fiscal year if the adult is participating in work for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to a work activity:

"If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

"(2) 2-PARENT FAMILIES.—For purposes of subsection (b)(2)(A), an adult is engaged in work for a month in a fiscal year if the adult is participating in work for at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to work activities described in paragraph (3).

"(3) DEFINITION OF WORK ACTIVITIES.—For purposes of this subsection, the term 'work activities' means—

"(A) unsubsidized employment;

"(B) subsidized employment;

"(C) on-the-job training;

"(D) community service programs; and

"(E) job search (only for the first 4 weeks in which an individual is required to participate in work activities under this section).

"(d) PENALTIES AGAINST INDIVIDUALS.—If an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required under subsection (c)(1) or (c)(2), a State to which a grant is made under section 403 shall—

"(1) reduce the amount of assistance that would otherwise be payable to the family; or

"(2) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(e) NONDISPLACEMENT IN WORK ACTIVITIES.—

"(1) IN GENERAL.—Subject to paragraph (2), an adult in a family receiving assistance under this part may fill a vacant employment position in order to engage in a work activity described in subsection (c)(3).

"(2) NO FILLING OF CERTAIN VACANCIES.—No adult described in paragraph (1) shall be employed, or job opening filled, by such an adult—

"(A) when any other individual is on layoff from the same or any substantially equivalent job; or

"(B) when the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring an adult described in paragraph (1).

"(f) SENSE OF THE CONGRESS.—It is the sense of the Congress that in complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities.

"(g) DELIVERY THROUGH STATEWIDE SYSTEM.—

"(1) IN GENERAL.—Each work program carried out by the State to provide work activities in order to comply with this section shall be delivered through the statewide workforce development system established in section 711 of the Work Opportunity Act of 1995 unless a required work activity is not available locally through the statewide workforce development system.

"(2) EFFECTIVE DATE.—The provisions of paragraph (1) shall take effect—

"(A) in a State described in section 815(b)(1) of the Work Opportunity Act of 1995; and

"(B) in any other State, on July 1, 1998.

"SEC. 405. REQUIREMENTS AND LIMITATIONS.

"(a) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY CONTRACT WITH EACH FAMILY RECEIVING ASSISTANCE.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to have entered into a personal responsibility contract (as developed by the State) with the State.

"(b) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(1) IN GENERAL.—Except as provided under paragraphs (2) and (3), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family that includes an adult who has received assistance under the program operated under this part for the lesser of—

"(A) the period of time established at the option of the State; or

"(B) 60 months (whether or not consecutive) after September 30, 1995.

"(2) MINOR CHILD EXCEPTION.—If an individual received assistance under the State program operated under this part as a minor child in a needy family, any period during which such individual's family received assistance shall not be counted for purposes of applying the limitation described in paragraph (1) to an application for assistance under such program by such individual as the head of a household of a needy family with minor children.

"(3) HARDSHIP EXCEPTION.—

"(A) IN GENERAL.—The State may exempt a family from the application of paragraph (1) by reason of hardship.

"(B) LIMITATION.—The number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(c) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—An individual shall not be considered an eligible

individual for the purposes of this part during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

"(d) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(1) IN GENERAL.—An individual shall not be considered an eligible individual for the purposes of this part if such individual is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.

"(2) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Notwithstanding any other provision of law, a State shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of assistance under this part, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) such recipient—

"(i) is described in subparagraph (A) or (B) of paragraph (1); or

"(ii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within such officer's official duties.

"SEC. 406. PROMOTING RESPONSIBLE PARENTING.

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

"(1) Marriage is the foundation of a successful society.

"(2) Marriage is an essential institution of a successful society which promotes the interests of children.

"(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the wellbeing of children.

"(4) In 1992, only 54 percent of single-parent families with children had a child support order established and, of that 54 percent, only about one half received the full amount due. Of the cases enforced through the public child support enforcement system, only 18 percent of the caseload has a collection.

"(5) The number of individuals receiving aid to families with dependent children (hereafter in this subsection referred to as 'AFDC') has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

"(A)(i) The average monthly number of children receiving AFDC benefits—

"(I) was 3,300,000 in 1965;

"(II) was 6,200,000 in 1970;

"(III) was 7,400,000 in 1980; and

"(IV) was 9,300,000 in 1992.

"(ii) While the number of children receiving AFDC benefits increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

"(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within 10 years.

"(C) The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women. Between 1970 and 1991, the percentage of live births to unmarried women increased nearly threefold, from 10.7 percent to 29.5 percent.

"(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

"(A) It is estimated that the rate of nonmarital teen pregnancy rose 23 percent from 54 pregnancies per 1,000 unmarried teenagers in 1976 to 66.7 pregnancies in 1991. The overall rate of nonmarital pregnancy rose 14 percent from 90.8 pregnancies per 1,000 unmarried women in 1980 to 103 in both 1991 and 1992. In contrast, the overall pregnancy rate for married couples decreased 7.3 percent between 1980 and 1991, from 126.9 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

"(B) The total of all out-of-wedlock births between 1970 and 1991 has risen from 10.7 percent to 29.5 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock.

"(7) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented as follows:

"(A) Young women 17 and under who give birth outside of marriage are more likely to go on public assistance and to spend more years on welfare once enrolled. These combined effects of 'younger and longer' increase total AFDC costs per household by 25 percent to 30 percent for 17-year olds.

"(B) Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight.

"(C) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect.

"(D) Children born out-of-wedlock were more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

"(E) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage.

"(F) Children born out-of-wedlock are 3 more times likely to be on welfare when they grow up.

"(8) Currently 35 percent of children in single-parent homes were born out-of-wedlock, nearly the same percentage as that of children in single-parent homes whose parents are divorced (37 percent). While many parents find themselves, through divorce or tragic circumstances beyond their control, facing the difficult task of raising children alone, nevertheless, the negative consequences of raising children in single-parent homes are well documented as follows:

"(A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 46 percent of female-headed households with children under 18 years of age are below the national poverty level.

"(B) Among single-parent families, nearly ½ of the mothers who never married received AFDC while only ⅛ of divorced mothers received AFDC.

"(C) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children not born into families receiving welfare.

"(D) Mothers under 20 years of age are at the greatest risk of bearing low birth-weight babies.

"(E) The younger the single parent mother, the less likely she is to finish high school.

"(F) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time.

"(G) Between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000.

"(H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

"(I) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

"(J) Children of single-parent homes are 3 times more likely to fail and repeat a year in grade school than are children from intact two-parent families.

"(K) Children from single-parent homes are almost 4 times more likely to be expelled or suspended from school.

"(L) Neighborhoods with larger percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

"(M) Of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62,800,000 children in the Nation's resident population were living with both parents.

"(9) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important Government interests and the policy contained in provisions of this title is intended to address the crisis.

"(b) STATE OPTION TO DENY ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—At the option of the State, a State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(c) STATE OPTION TO DENY ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—At the option of the State, a State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a minor child who is born to—

"(1) a recipient of assistance under the program funded under this part; or

"(2) an individual who received such benefits at any time during the 10-month period ending with the birth of the child.

"(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN AN ADULT-SUPERVISED SETTING AND ATTEND SCHOOL.—

"(1) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual described in paragraph (2) if—

"(A) the individual and the minor child of the individual do not reside in—

"(i) a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home; or

"(ii) another adult-supervised setting; and

"(B) the individual does not participate in—

"(i) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(ii) an alternative educational or training program that has been approved by the State.

"(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who—

"(A) is under the age of 18 and is not married; and

"(B) has a minor child in his or her care.

"SEC. 407. STATE PENALTIES.

"(a) IN GENERAL.—Subject to the provisions of subsection (b), the Secretary shall deduct from the grant otherwise payable under section 403 the following penalties:

"(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—If an audit conducted under section 408 finds that an amount paid to a State under section 403 for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant otherwise payable to the State under such section for the immediately succeeding fiscal year quarter by the amount so used, plus 5 percent of such grant (determined without regard to this section).

"(2) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State has not, within 6 months after the end of a fiscal year, submitted the report required by section 409 for the fiscal year, the Secretary shall reduce by 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(3) FOR FAILURE TO SATISFY MINIMUM PARTICIPATION RATES.—

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the minimum participation rates specified in section 404(a) for a fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) on the basis of the degree of noncompliance.

"(4) FOR FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(5) FOR FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS UNDER PART D.—Notwithstanding any other provision of this Act, if the Secretary determines that the State agency that administers a program funded under this part does not enforce the penalties requested by the agency administering part D against recipients of assistance under the State program who fail to cooperate in establishing paternity in accordance with such part, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(6) FOR FAILURE TO TIMELY REPAY A FEDERAL LOAN FUND FOR STATE WELFARE PROGRAMS.—If the Secretary determines that a State has failed to repay any amount borrowed from the Federal Loan Fund for State Welfare Programs established under section 403(d) within the period of maturity applicable to such loan, plus any interest owed on such loan, then the Secretary shall reduce the amount of the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year quarter by the outstanding loan amount, plus the interest owed on such outstanding amount.

"(b) REQUIREMENTS.—

"(1) LIMITATION ON AMOUNT OF PENALTY.—

"(A) IN GENERAL.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

"(B) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (A) prevents the Secretary from recovering during a fiscal year the full amount of all penalties imposed on a State under subsection (a) for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year.

"(2) STATE FUNDS TO REPLACE REDUCTIONS IN GRANT.—A State which has a penalty imposed against it under subsection (a) shall expend additional State funds in an amount equal to the amount of the penalty for the purpose of providing assistance under the State program under this part.

"(3) REASONABLE CAUSE FOR NONCOMPLIANCE.—The Secretary may not impose a penalty on a State under subsection (a) if the Secretary determines that the State has reasonable cause for failing to comply with a requirement for which a penalty is imposed under such subsection.

"(c) CERTIFICATION OF AMOUNT OF PENALTIES.—If the Secretary is required to reduce the amount of any grant under this section, the Secretary shall certify the amount of such reduction to the Secretary of the Treasury and the Secretary of the Treasury shall reduce the amount paid to the State under section 403 by such amount.

"(d) EFFECTIVE DATES.—

"(1) IN GENERAL.—The penalties described in paragraphs (2) through (6) of subsection (a) shall apply with respect to fiscal years beginning on or after October 1, 1996.

"(2) MISUSE OF FUNDS.—The penalties described in subsection (a)(1) shall apply with respect to fiscal years beginning on or after October 1, 1995.

"SEC. 408. AUDITS.

"(a) IN GENERAL.—Each State shall, not less than annually, audit the State expenditures from amounts received under this part. Such audit shall—

"(1) determine the extent to which such expenditures were or were not expended in accordance with this part; and

"(2) be conducted by an approved entity (as defined in subsection (b)) in accordance with generally accepted auditing principles.

"(b) APPROVED ENTITY.—For purposes of subsection (a), the term 'approved entity' means an entity that—

"(1) is approved by the Secretary of the Treasury;

"(2) is approved by the chief executive officer of the State; and

"(3) is independent of any agency administering activities funded under this part.

"(c) AUDIT REPORT.—Not later than 30 days following the completion of an audit under this subsection, a State shall submit a copy of the audit to the State legislature, the Secretary of the Treasury, and the Secretary of Health and Human Services.

"(d) ADDITIONAL ACCOUNTING REQUIREMENTS.—The provisions of chapter 75 of title 31, United States Code, shall apply to the audit requirements of this section.

"SEC. 409. DATA COLLECTION AND REPORTING.

"(a) IN GENERAL.—Each State to which a grant is made under section 403 for a fiscal year shall, not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, transmit to the Secretary the following aggregate information on families to which assistance was provided during the fiscal year under the State program operated under this part:

"(1) The number of adults receiving such assistance.

"(2) The number of children receiving such assistance and the average age of the children.

"(3) The employment status of such adults, and the average earnings of employed adults receiving such assistance.

"(4) The age, race, and educational attainment at the time of application for assistance of the adults receiving such assistance.

"(5) The average amount of cash and other assistance provided to the families under the program.

"(6) The number of months, since the most recent application for assistance under the program, for which such assistance has been provided to the families.

"(7) The total number of months for which assistance has been provided to the families under the program.

"(8) Any other data necessary to indicate whether the State is in compliance with the plan most recently submitted by the State pursuant to section 402.

"(9) The components of any program carried out by the State to provide work activities in order to comply with section 404, and the average monthly number of adults in each such component.

"(10) The number of part-time job placements and the number of full-time job placements made through the program referred to in paragraph (9), the number of cases with reduced assistance, and the number of cases closed due to employment.

"(11) The number of cases closed due to section 405(b).

"(12) The increase or decrease in the number of children born out of wedlock to recipients of assistance under the State program funded under this part and the State's success in meeting its goals established under section 402(a)(1)(F).

"(13) With respect to a State child care grant under section 403(a)(5), information concerning—

"(A) the number of eligible parents and children receiving assistance under such grant;

"(B) the number of individuals described in section 402(a)(19)(C)(iii)(II) of the Social Security Act (as such section was in effect on September 30, 1995) not participating in work activities due to the unavailability of child care; and

"(C) other data described in paragraphs (1) through (12) relevant to the State child care grant.

"(b) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with the requirement to provide precise numerical information described in subsection (a) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(c) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by subsection (a) for a fiscal year shall include a statement of—

"(1) the total amount and percentage of the Federal funds paid to the State under this part for the fiscal year that are used to cover administrative costs or overhead; and

"(2) the total amount of State funds that are used to cover such costs or overhead.

"(d) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by subsection (a) for a fiscal year shall include a statement of the total amount expended by the State during the fiscal year on the program under this part and the purposes for which such amount was spent.

"(e) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by subsection (a) for a fiscal year shall include the number of noncustodial parents in the State who participated in work activities during the fiscal year.

"(f) REPORT ON CHILD SUPPORT COLLECTED.—The report required by subsection (a) for a fiscal year shall include the total amount of child support collected by the State agency administering the State program under part D on behalf of a family receiving assistance under this part.

"(g) REPORT ON CHILD CARE.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for child care under the program under this part, along with a description of the types of child care provided, including child care provided in the case of a family that—

"(1) has ceased to receive assistance under this part because of employment; or

"(2) is not receiving assistance under this part but would be at risk of becoming eligible for such assistance if child care was not provided.

"(h) REPORT ON TRANSITIONAL SERVICES.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for providing transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

"(i) SECRETARY'S REPORT ON DATA PROCESSING.—

"(1) IN GENERAL.—Not later than 6 months after the date of the enactment of the Work Opportunity Act of 1995, the Secretary shall prepare and submit to the Congress a report on—

"(A) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under this part (whether in effect before or after October 1, 1995); and

"(B) what would be required to establish a system capable of—

"(i) tracking participants in public programs over time; and

"(ii) checking case records of the States to determine whether individuals are participating in public programs in 2 or more States.

"(2) PREFERRED CONTENTS.—The report required by paragraph (1) should include—

"(A) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in paragraph (1)(B); and

"(B) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

"SEC. 410. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) RESEARCH.—The Secretary may conduct research on the effects and costs of State programs funded under this part.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING WELFARE RECIPIENTS.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of assistance under programs funded under this part. In performing such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

"(c) STUDIES OF WELFARE CASELOADS.—The Secretary may conduct studies of the caseloads of States operating programs funded under this part.

"(d) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"(e) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

"(1) ANNUAL RANKING OF STATES.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in moving recipients of assistance under the State program funded under this part into long-term private sector jobs.

"(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(f) STUDY ON ALTERNATIVE OUTCOMES MEASURES.—

"(1) STUDY.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of a State in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 404. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis.

"(2) REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study described in paragraph (1).

"SEC. 411. STUDY BY THE CENSUS BUREAU.

"(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Work Opportunity Act of 1995 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low-income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock births, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out subsection (a).

"SEC. 412. WAIVERS.

"(a) CONTINUATION OF WAIVERS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part is in effect or approved by the Secretary as of October 1, 1995, the amendments made by the Work Opportunity Act of 1995 shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the terms of the waiver.

"(2) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall receive the payment described for such State for such fiscal year under section 403, in lieu of any other payment provided for in the waiver.

"(b) STATE OPTION TO TERMINATE WAIVER.—

"(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

"(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of such waiver.

"(3) HOLD HARMLESS PROVISION.—

"(A) IN GENERAL.—A State that, not later than the date described in subparagraph (B), submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the terms and conditions of such waiver.

"(B) DATE DESCRIBED.—The date described in this subparagraph is the later of—

"(i) January 1, 1996; or

"(ii) 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue such waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of such waiver.

"SEC. 413. STATE DEMONSTRATION PROGRAMS.

Nothing in this part shall be construed as limiting a State's ability to conduct demonstration projects for the purpose of identifying innovative or effective program designs in 1 or more political subdivisions of the State.

"SEC. 414. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

"(a) PURPOSE.—The purpose of this section is—

"(1) to strengthen and enhance the control and flexibility of local governments over local programs; and

"(2) in recognition of the principles contained in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.)—

"(A) to provide direct Federal funding to Indian tribes for the tribal administration of the program funded under this part; or

"(B) to enable Indian tribes to enter into agreements, contracts, or compacts with intertribal consortia, States, or other entities for the administration of such program on behalf of the Indian tribe.

"(b) GRANT AMOUNTS FOR INDIAN TRIBES.—

"(1) IN GENERAL.—For each of fiscal years 1996, 1997, 1998, 1999, and 2000, the Secretary shall pay to each Indian tribe that has an approved tribal family assistance plan a tribal family assistance grant for the fiscal year in an amount equal to the amount determined under paragraph (2).

"(2) AMOUNT DETERMINED.—

"(A) IN GENERAL.—The amount determined under this paragraph is an amount equal to the total amount of the Federal payments to a State or States under section 403 for fiscal year 1994 (as in effect during such fiscal year) attributable to expenditures by the State or States under part A and part F of this title (as so in effect) in such year for Indian families residing in the service area or areas identified by the Indian tribe in subsection (c)(1)(C).

"(B) USE OF STATE SUBMITTED DATA.—

"(i) IN GENERAL.—The Secretary shall use State submitted data to make each determination under subparagraph (A).

"(ii) DISAGREEMENT WITH DETERMINATION.—If an Indian tribe or tribal organization disagrees with State submitted data described under clause (i), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under subparagraph (A) and the Secretary may consider such information before making such determination.

"(c) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(1) IN GENERAL.—Any Indian tribe that desires to receive a tribal family assistance grant shall submit to the Secretary a 3-year tribal family assistance plan that—

"(A) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with the purposes of this section;

"(B) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(C) identifies the population and service area or areas to be served by such plan;

"(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

"(2) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (1).

"(3) CONSORTIUM OF TRIBES.—Nothing in this section shall preclude the development and submission of a single plan by the participating Indian tribes of an intertribal consortium.

"(d) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under such grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 404(d).

"(e) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(f) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(g) TRIBAL PENALTIES.—For the purpose of ensuring the proper use of tribal family assistance grants, the following provisions shall apply to an Indian tribe with an approved tribal assistance plan:

"(1) The provisions of subsections (a)(1), (a)(6), and (b) of section 407, in the same manner as such subsections apply to a State.

"(2) The provisions of section 407(a)(3), except that such subsection shall be applied by substituting 'the minimum requirements established under subsection (d) of section 414' for 'the minimum participation rates specified in section 404'.

"(h) DATA COLLECTION AND REPORTING.—For the purpose of ensuring uniformity in data collection, section 409 shall apply to an Indian tribe with an approved tribal family assistance plan.".

"SEC. 415. ADMINISTRATION.

"(a) ASSISTANT SECRETARY.—The programs under this part and part D of this title shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

"(b) STATE CHILD CARE GRANT.—A State may administer the programs under the State child care grant under section 403(a)(5) in conjunction with the programs administered under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 et seq.).

"(c) TRANSFER OF FUNDS.—

"(1) AUTHORITY.—Of the aggregate amount of payments received by a State under this part in each fiscal year, the State may transfer not more than 30 percent of the amounts received under any such program under this part for use by the State to carry out State programs under this title, except that such funds may only be transferred if the program out of which such funds will be transferred continues to provide services at a level that is adequate under the requirements applicable under such program.

"(2) REQUIREMENTS.—Funds transferred under paragraph (1) to carry out a State program operated under this part shall be subject to the same requirements that apply to Federal funds provided directly under the program into which such funds are transferred.".

DEWINE AMENDMENTS NOS. 2517–2519

Mr. HATCH (for Mr. DEWINE) proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2517

On page 712, between lines 9 and 10, insert the following:

SEC. ___. QUARTERLY REPORTS WITH RESPECT TO COMMON TRUST FUNDS.

(a) IN GENERAL.—Section 6032 of the Internal Revenue Code of 1986 (relating to returns of banks with respect to common trust funds) is amended by striking "each taxable year" and inserting "each quarter of the taxable year".

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

AMENDMENT NO. 2518

On page 31, line 15, insert "and" after the semicolon.

On page 31, line 23, strike "and" and insert "divided by".

Beginning on page 31, line 24, strike all through page 32, line 10.

Beginning on page 33, line 10, strike all through page 34, line 5, and insert the following:

"(3) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—

"(A) IN GENERAL.—The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which—

"(i) the number of families receiving assistance during the fiscal year under the State program funded under this part is less than

"(ii) the number of families that received aid under the State plan approved under part A of this title (as in effect before October 1, 1995) during the fiscal year immediately preceding such effective date.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

"(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under such State's plan under the aid to families with dependent children program, as such plan was in effect on the day before the date of the enactment of the Work Opportunity Act of 1995.

AMENDMENT NO. 2519

On page 29, between lines 17 and 18, insert the following:

"(g) RAINY DAY CONTINGENCY FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Rainy Day Contingency Fund' (hereafter in this section referred to as the 'Rainy Day Fund').

"(2) DEPOSITS INTO FUND.—Out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated for fiscal years 1996, 1997, 1998, 1999, and 2000 such sums as are necessary for payment to the Rainy Day Fund in a total amount not to exceed $525,000,000.

"(3) COMPUTATION OF GRANT.—

"(A) IN GENERAL.—The Secretary of the Treasury shall pay to each State for each quarter in a fiscal year following the quarter in which such State becomes an eligible State under this subsection, an amount equal to the Federal medical assistance percentage for such State for such fiscal year (as defined in section 1905(b)) of so much of the expenditures by the State in such year under the State program funded under this part as exceed the historic State expenditures for such State.

"(B) METHOD OF COMPUTATION, PAYMENT, AND RECONCILIATION.—

"(i) METHOD OF COMPUTATION.—The method of computing and paying such amounts shall be as follows:

"(I) The Secretary of Health and Human Services shall estimate the amount to be paid to the State for such quarter under the provisions of subparagraph (A), such estimate to be based on a report filed by the State containing its estimate of the total sum to be expended in such quarter and such other information as the Secretary may find necessary.

"(II) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services.

"(ii) METHOD OF PAYMENT.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(iii) METHOD OF RECONCILIATION.—If at the end of each fiscal year, the Secretary of Health and Human Services finds that a State which received amounts from the Rainy Day Fund in such fiscal year did not meet the maintenance of effort requirement under paragraph (5)(B) for such fiscal year, the Secretary shall reduce the State family assistance grant for such State for the succeeding fiscal year by such amounts.

"(4) USE OF GRANT.—

"(A) IN GENERAL.—An eligible State may use the grant—

"(i) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(ii) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(B) REFUND OF UNUSED PORTION.—Any amount of a grant under this subsection not used during the fiscal year shall be returned to the Rainy Day Fund.

"(5) ELIGIBLE STATE.—

"(A) IN GENERAL.—For purposes of this subsection, a State is an eligible State with respect to any quarter in a fiscal year, if such State—

"(i) has an average total unemployment rate for such quarter which exceeds by at least 2 percentage points such average total rate for the same quarter of either the preceding or second preceding fiscal year; and

"(ii) has met the maintenance of effort requirement under subparagraph (B) for the State program funded under this part for the preceding fiscal year.

"(B) MAINTENANCE OF EFFORT.—

"(i) IN GENERAL.—The maintenance of effort requirement for any State under this subparagraph for any fiscal year is the expenditure of an amount at least equal to 100 percent of the level of historic State expenditures for such State.

"(ii) HISTORIC STATE EXPENDITURES.—For purposes of this subparagraph, the term 'historic State expenditures' means payments of cash assistance to recipients of aid to families with dependent children under the State plan under part A of title IV for fiscal year 1994, as in effect during such fiscal year.

"(iii) DETERMINING STATE EXPENDITURES.—For purposes of this subparagraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

BURNS AMENDMENT NO. 2520

Mr. HATCH (for Mr. BURNS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Amend section 105 (a) to read:

(a) IN GENERAL.—The Secretary of Health and Human Services shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that at least 50 percent of the personnel in positions that relate to a covered activity are separated from service. Where possible, reductions should come from headquarters before reductions are made in the field. In the case of a program that is repealed, 100% of the positions shall be eliminated.

Elimination of positions may begin upon passage of this Act but shall be completed no later than six (6) months following the date of implementation.

SIMPSON AMENDMENT NO. 2521

Mr. HATCH (for Mr. SIMPSON) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 287, strike lines 13–17 and insert the following:

"(a) IN GENERAL.—(1) Subject to paragraph (2) and subsection (b), a State may, at its option, limit or restrict the eligibility of noncitizens of the United States for any means-tested public assistance program, whether funded by the Federal Government or by the State.

"(2)(A) The authority under subsection (a) may be exercised only to the extent that any prohibitions, limitations, or restrictions are not more restrictive or of a longer duration than comparable Federal programs.

"(B) For the purposes of this subsection, attribution to a noncitizen of the income or resources of any person who (as a sponsor of such noncitizen's entry into the United States) executed an affidavit of support or similar agreement with respect to such noncitizen, for purposes of determining the eligibility for or amount of benefits of such noncitizen, shall not be considered more restrictive than a prohibition of eligibility."

KASSEBAUM AMENDMENT NO. 2522

Mr. HATCH (for Mrs. KASSEBAUM) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 313, strike line 13 and all that follows through line 5 on page 314, and insert the following new subsection:

(1) APPLICATION OF SUBCHAPTER.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 658T. APPLICATION TO OTHER PROGRAMS.

"Notwithstanding any other provision of law, a State that uses funding for child care services under any Federal program shall ensure that activities carried out using such funds meet the requirements, standards, and criteria of this subchapter, except for the quality set-aside provisions of section 658G, and the regulations promulgated under this subchapter. Such sums shall be administered through a uniform State plan. To the maximum extent practicable, amounts provided to a State under such programs shall be transferred to the lead agency and integrated into the program established under this subchapter by the State.".

HELMS (AND OTHERS) AMENDMENT NO. 2523

Mr. HELMS (for himself, Mr. FAIRCLOTH, Mr. SHELBY, and Mr. GRAMS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 195, strike line 22 and all that follows through page 198, line 14, and insert the following:

SEC. 319. WORK REQUIREMENT.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 318) is further amended by inserting after subsection (m) the following:

"(n) WORK REQUIREMENT.—

"(1) IN GENERAL.—Subject to paragraph (3), no individual shall be eligible to participate in the food stamp program as a member of any household if the individual did not work at least 40 hours during the preceding 4-week period.

"(2) WORK PROGRAM.—For purposes of paragraph (1), an individual may perform community service or work for a State or political subdivision of a State through a program established by the State or political subdivision.

"(3) EXEMPTIONS.—Paragraph (1) shall not apply to an individual if the individual is—

"(A) a parent residing with a dependent child under 18 years of age;

"(B) a member of a house with responsibility for the care of an incapacitated person;

"(C) mentally or physically unfit;

"(D) under 18 years of age; or

"(E) 55 years of age or older.".

CRAIG (AND SHELBY) AMENDMENT NO. 2524

Mr. CRAIG (for himself and Mr. SHELBY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 643, line 16, insert ", subject to such good cause and other exceptions as the State shall establish and taking into account

the best interests of the child" before the end period.

EXON AMENDMENT NO. 2525

Mr. EXON proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 302, between lines 5 and 6, insert the following:

SEC. 506. PROHIBITION ON PAYMENT OF FEDERAL BENEFITS TO CERTAIN PERSONS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), Federal benefits shall not be paid or provided to any person who is not a person lawfully present within the United States.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following benefits:

(1) Emergency medical services under title XIX of the Social Security Act.

(2) Short-term emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5) Public health assistance for immunizations and, if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of a serious communicable disease, for testing and treatment of such disease.

(c) DEFINITIONS.—For purposes of this section:

(1) FEDERAL BENEFIT.—The term "Federal benefit" means—

(A) the issuance of any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, Social Security, health, disability, veterans benefit, public housing, education, food stamps, unemployment benefit, or any other similar benefit for which payments or assistance are provided by an agency of the United States or by appropriated funds of the United States.

(2) VETERANS BENEFIT.—The term "veterans benefit" means all benefits provided to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States.

(3) PERSON LAWFULLY PRESENT WITHIN THE UNITED STATES.—The term "person lawfully present within the United States" means a person who, at the time the person applies for, receives, or attempts to receive a Federal benefit, is a United States citizen, a permanent resident alien, an alien whose deportation has been withheld under section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)), an asylee, a refugee, a parolee who has been paroled for a period of at least 1 year, a national, or a national of the United States for purposes of the immigration laws of the United States (as defined in section 101(a)(17) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(17)).

(d) STATE OBLIGATION.—Notwithstanding any other provision of law, a State that administers a program that provides a Federal benefit (described in section 506(c)(1)) or provides State benefits pursuant to such a program shall not be required to provide such benefit to a person who is not a person lawfully present within the United States (as defined in section 506(c)(3)) through a State agency or with appropriated funds of such State.

(e) VERIFICATION OF ELIGIBILITY.

(1) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal benefit, including a benefit described in section 506(b), is a person lawfully present within the United States and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(2) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (1) are adopted, a State that administers a program that provides a Federal benefit described in such subsection shall have in effect a verification system that complies with the regulations.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

(f) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SHELBY (AND OTHERS) AMENDMENT NO. 2526

Mr. SHELBY (for himself, Mr. CRAIG, Mr. HATFIELD, Mr. GRAMS, and Mr. SANTORUM) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place, insert:

SEC. ___. REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. ADOPTION EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds $60,000, bears to

"(B) $40,000.

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

"(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(d) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ", or from section 35 of such Code".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

"Sec. 35. Adoption expenses.

"Sec. 36. Overpayments of tax.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. ___. EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. ADOPTION ASSISTANCE.

"(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

"(b) DEFINITIONS.—For purposes of this section—

"(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

"(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such terms by section 127(c).

"(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1052 of title 10, United States Code, or section 514 of title 14, United States Code.

"(4) QUALIFIED ADOPTION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

"(i) which are directly related to, and the principal purpose of which is for, the legal and finalized adoption of an eligible child by the taxpayer, and

"(ii) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

"(B) ELIGIBLE CHILD.—The term 'eligible child' means any individual—

"(i) who has not attained age 18 as of the time of the adoption, or

"(ii) who is physically or mentally incapable of caring for himself.

"(c) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

"Sec. 137. Adoption assistance.

"Sec. 138. Cross references to other Acts."

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1995.

SEC. ___. WITHDRAWAL FROM IRA FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(8) QUALIFIED ADOPTION EXPENSES.—

"(A) IN GENERAL.—Any amount which is paid or distributed out of an individual retirement plan of the taxpayer, and which would (but for this paragraph) be includible in gross income, shall be excluded from gross income to the extent that—

"(i) such amount exceeds the sum of—

"(I) the amount excludable under section 137, and

"(II) any amount allowable as a credit under this title with respect to qualified adoption expenses; and

"(ii) such amount does not exceed the qualified adoption expenses paid or incurred by the taxpayer during the taxable year.

"(B) QUALIFIED ADOPTION EXPENSES.—For purposes of this paragraph, the term 'qualified adoption expenses' has the meaning given such term by section 137, except that such term shall not include any expense in connection with the adoption by an individual of a child who is the child of such individual's spouse."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

SHELBY AMENDMENT NO. 2527

Mr. SHELBY proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 216, strike lines 4 through 6 and insert the following:

"(3) at the option of a State, funds to—

"(A) operate an employment and training program for needy individuals under the program; or

"(B) operate a work program under section 404 of the Social Security Act;

"(4) at the option of a State, funds to provide benefits to individuals with incomes below 185 percent of the poverty line under subsection (d)(3)(B)(v); and

On page 216, line 7, strike "(4)" and insert "(5)".

On page 216, strike lines 13 through 17 and insert the following:

"(2) FOUR-YEAR ELECTION.—

"(A) PERIOD.—A State may elect to participate in the program established under subsection (a) for a period of not less than 4 years.

"(B) ELECTION.—At the end of each 4-year period, a State may elect to participate in the program established under subsection (a) or in the food stamp program in accordance with the other sections of this Act.

On page 219, strike lines 11 through 13 and insert the following:

"(iii) at the option of a State—

"(I) to operate an employment and training program for needy individuals under the program; or

"(II) to operate a work program under section 404 of the Social Security Act;

On page 219, line 15, strike the period at the end and insert "; and".

On page 219, between lines 15 and 16, insert the following:

"(v) to provide other forms of benefits to individuals with incomes below 185 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), except that not more than 20 percent of the amount allotted to a State under subsection (1)(2) may be used under this clause.

On page 220, strike line 14 and insert the following:

"(E) NOTICE AND HEARINGS.—

"(i) IN GENERAL.—The State

On page 220, between lines 20 and 21, insert the following:

"(ii) LIMITATION.—Clause (i) shall not impede the ability of the State to promptly and efficiently alter or reduce benefits in response to a failure by a recipient to perform work or other required activities.

On page 223, strike lines 7 and 8 and insert the following:

"(g) EMPLOYMENT AND TRAINING.—No individual or

On page 223, strike lines 14 through 17.

On page 227, strike line 8 and insert the following:

"(5) PROVISION OF FOOD ASSISTANCE.—

"(A) IN GENERAL.—A

On page 227, strike lines 14 and 15 and insert the following:

to food purchases, direct provision of commodities or cash aid in lieu of coupons under subparagraph (B).

"(B) CASH AID IN LIEU OF COUPONS.—

"(i) ELIGIBLE INDIVIDUALS.—An individual shall be eligible under this subparagraph if the individual is—

"(I) receiving benefits under this Act;

"(II) receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(III) participating in unsubsidized employment, subsidized employment, on-the-job training, or a community service program under section 404 of the Social Security Act.

"(ii) STATE OPTION.—In the case of an individual described in clause (i), a State may—

"(I) convert the food stamp benefits of the household in which the individual is a member to cash, and provide the cash in a single integrated payment with cash aid under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(II) sanction an individual, or a household that contains an individual, or reduce the benefits of the individual or household under the same rules and procedures as the State uses under part A of title IV of the Act (42 U.S.C. 601 et seq.).

On page 229, strike line 24 and all that follows through page 231, line 2, and insert the following:

97 percent of the federal funds the Director of the Office of Management and Budget estimates would have been expended under the food stamp program in the State for the fiscal year if the State had not elected to participate in the program under this section.

CONRAD (AND LIBERMAN) AMENDMENT NO. 2528

Mr. MOYNIHAN (for Mr. CONRAD for himself and Mr. LIEBERMAN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 50, strike line 6 and all that follows through page 51, line 11, and insert the following:

"(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN ADULT-SUPERVISED SETTINGS.—

"(1) IN GENERAL.—

"(A) REQUIREMENT.—Except as provided in paragraph (2), if a State provides assistance under the State program funded under this part to an individual described in subparagraph (B), such individual may only receive assistance under the program if such individual and the child of the individual reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home.

"(B) INDIVIDUAL DESCRIBED.— For purposes of subparagraph (A), an individual described in this subparagraph is an individual who is—

"(i) under the age of 18; and

"(ii) not married and has a minor child in his or her care.

"(2) EXCEPTION.—

"(A) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in subparagraph (B), the State agency shall provide, or assist such individual in locating, an appropriate adult-supervised supportive living arrangement, including a second chance home, another responsible adult, or a foster home, taking into consideration the needs and concerns of the such individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that such parent and the child of such parent reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual is described in this subparagraph if the individual is described in paragraph (1)(B) and—

"(ii) such individual has no parent or legal guardian of his or her own who is living or whose whereabouts are known;

"(iii) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(iv) the State agency determines that the physical or emotional health of such individual or any minor child of the individual would be jeopardized if such individual and such minor child lived in the same residence with such individual's own parent or legal guardian; or

"(v) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of paragraph (1) with respect to such individual.

"(C) SECOND-CHANCE HOME.—For purposes of this paragraph, the term 'second-chance home' means an entity that provides individuals described in subparagraph (B) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their

long-term economic independence and the well-being of their children.

"(3) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—

"(A) IN GENERAL.—For each of fiscal years 1998 through 2002, each State that provides assistance under the State program to individuals described in paragraph (1)(B) shall be entitled to receive a grant in an amount determined under subparagraph (B) for the purpose of providing or locating adult-supervised supportive living arrangements for individuals described in paragraph (1)(B) in accordance with this subsection.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount that bears the same ratio to the amount specified under clause (ii) as the amount of the State family assistance grant for the State for such fiscal year (described in section 403(a)(2)) bears to the amount appropriated for such fiscal year in accordance with section 403(a)(4)(A).

"(ii) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(I) for fiscal year 1998, $20,000,000;

"(II) for fiscal year 1999, $40,000,000; and

"(III) for each of fiscal years 2000, 2001, and 2002, $80,000,000.

"(C) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—There are authorized to be appropriated and there are appropriated for fiscal years 1998, 1999, and 2000 such sums as may be necessary for the purpose of paying grants to States in accordance with the provisions of this paragraph.

"(e) REQUIREMENT THAT TEENAGE PARENTS ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—If a State provides assistance under the State program funded under this part to an individual described in subsection (d)(1)(B) who has not successfully completed a high-school education (or its equivalent) and whose minor child is at least 12 weeks of age, the State shall not provide such individual with assistance under the program (or, at the option of the State, shall provide a reduced level of such assistance) if the individual does not participate in—

"(1) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(2) an alternative educational or training program that has been approved by the State.

On page 51, strike "(e)" and insert "(f)".

At the appropriate place, insert the following:

SEC. ___. NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. ___. ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 of the Social Security Act (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. ___. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

CONRAD (AND BRADLEY) AMENDMENT NO. 2529

Mr. MOYNIHAN (for Mr. CONRAD, for himself and Mr. BRADLEY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 9, between lines 9 and 10, insert the following:

SEC. 100A. ELECTION OF STATE PROGRAM.

(a) INITIAL ELECTION.—Not later than the effective date under section 112, and prior to the expiration of any election under this section thereafter, each State shall elect whether it chooses to participate in—

(1) the State program funded under part A of title IV of the Social Security Act, as amended by title I of this Act; or

(2) the transitional aid program and the work and gainful employment program under the Work and Gainful Employment Act, as added by title XIII of this Act.

A State may receive Federal funds for operating either the program described in paragraph (1) or the programs described in paragraph (2), but not both.

(b) EFFECT OF ELECTION.—An election made under subsection (a) shall remain in effect for a period of 4 years beginning on the date that the State begins participation in the programs elected by the State.

(c) INFORMATION AND ADMINISTRATION.—The Secretary shall—

(1) provide the States with information about the programs described in subsection (a); and

(2) coordinate and administer the election process described under subsection (a).

(d) ELECTING TO PARTICIPATE IN TAP AND WAGE.—If, after having elected under this section to participate in the program described in subsection (a)(1) during the preceding 4-year period, a State elects under subsection (a) to participate in the programs described in subsection (a)(2), the State shall provide that total State and Federal expenditures in each fiscal year under the programs described in subsection (a)(2) shall not be less than the grant amount that the State received under section 403 of the Social Security Act for operating the program described in subsection (a)(1).

On page 792, after line 22, add the following:

TITLE XIII—TRANSITIONAL AID PROGRAM AND WAGE PROGRAM

SEC. 1300. SHORT TITLE.

This title may be cited as the "Work and Gainful Employment Act".

Subtitle A—Transitional Aid Program

SEC. 1301. PURPOSE AND APPROPRIATION.

(a) PURPOSE.—It is the purpose of this subtitle to provide a program of transitional aid to families with needy children to enhance the well-being of such needy children, and to enable parents of children in such families to obtain and retain work and to become self-sufficient.

(b) APPROPRIATIONS.—There is hereby authorized to be appropriated and are appropriated for each fiscal year such sums as may be necessary to carry out the purposes of this subtitle. The sums made available under this subsection shall be used for making payments to States which have submitted, and had approved by the Secretary, State plans for providing a program of transitional aid.

SEC. 1302. STATE PLANS FOR, AND GENERAL REQUIREMENTS OF, TRANSITIONAL AID PROGRAM.

(a) STATE PLANS.—A State plan for a transitional aid program shall meet the requirements of the following paragraphs:

(1) ELECTION OF OPTIONS IN PROGRAM DESIGN.—The State plan shall describe the

State's policies regarding eligibility, services, assistance amounts, and program requirements, including a description of:

(A) The support and benefits (including benefit levels) provided to individuals eligible to participate and whether such support is in the form of wages in subsidized public or nonprofit employment or direct subsidies to employers.

(B) The extent to which earned or unearned income is disregarded in determining eligibility for, and amount of, assistance.

(C) The State's policy for determining the extent to which child support received on behalf of a member of the family is disregarded in determining eligibility for, and the amount of, assistance.

(D) The treatment of earnings of a child living in the home.

(E) The State's resource limit, including a description of the policy determined by the State regarding any exclusion allowed for vehicles owned by family members, resources set aside for future needs of a child, individual development accounts, or other policies established by the State to encourage savings.

(F) Any restrictions the State elects to impose relating to eligibility for assistance of two-parent families.

(G) The criteria for participating in the program including requirements that a family must comply with as a condition of receiving aid, such as school attendance, participation in appropriate preemployment activities, and receipt of appropriate childhood immunizations. The plan shall specify whether the State elects to provide incentives for compliance with the requirements, sanctions for noncompliance, or a combination of incentives and sanctions that the State determines appropriate.

(H) The sanctions imposed on individuals who fail to comply with the State's program requirements without good cause, including the amount and length of time of such sanctions, provided that if the sanction results in complete elimination of aid to the family, the State plan shall describe the procedures used to ensure the well-being of children.

(I) Whether payment is made or denied for a child conceived during a period in which such child's parent was receiving aid under the program.

(J) Whether the State elects to establish a time limit after which an individual must comply with continuous or additional work requirements under subtitle B as a condition for receiving aid under the State plan approved under this subtitle.

(2) PARENTAL RESPONSIBILITY AGREEMENTS AND WAGE PLANS.—

(A) IN GENERAL.—The State plan shall provide that the State require the parent or caretaker relative to enter into—

(i) a Parental Responsibility Agreement in accordance with subparagraph (B), or

(ii) a Parental Responsibility Agreement in accordance with subparagraph (B) and a Wage Plan in accordance with section 1391(b) if such parent or caretaker relative is required to participate in the WAGE program.

(B) DESCRIPTION OF PARENTAL RESPONSIBILITY AGREEMENT.—A Parental Responsibility Agreement is a statement signed by the applicant for aid that—

(i) specifies that the transitional aid program is a privilege,

(ii) the transitional aid program is a transitional program to move recipients into work and self-sufficiency, and

(iii) the individual must abide by any requirements of the State or risk forfeiting eligibility for transitional aid.

(3) STATEWIDE PLAN.—The State plan shall be in effect in all political subdivisions of the State. If such plan is not administered uniformly throughout the State, the plan shall describe the variations.

(4) GENERAL ELIGIBILITY REQUIREMENT.—

(A) IN GENERAL.—The State plan shall ensure that transitional aid is provided to all families with needy children and that such aid is furnished with reasonable promptness to individuals found eligible under the State plan. In providing such assistance, States will take into account the income and needs of a parent of a needy child if the parent is living in the same home as the child.

(B) NEEDY CHILD.—For purposes of subparagraph (A), a needy child shall be determined by the State, but shall be a child who—

(i) is under the age of 18, or

(ii) at the option of the State, under the age of 19 and a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

(C) PREGNANT WOMAN.—At the option of the State, the State may provide transitional aid to an individual who does not have a needy child if such individual is pregnant, and such transitional aid is provided—

(i) in order to meet the needs of the individual occasioned by or resulting from her pregnancy, and

(ii) not more than 3 months before and after the date the woman's child is expected to be born.

(D) PERSONS OTHER THAN PARENTS.—For purposes of this paragraph, a State may provide that the following individuals shall constitute a family with a needy child if such individuals are living in the same home as the child:

(i) Any relative or legal guardian of the child.

(ii) Any person who participates in the Food Stamp program with the child.

(iii) Any other person who provides—

(I) care for an incapacitated family member (which, for purposes of this subparagraph only, may include a child receiving supplemental security income benefits under title XVI of the Social Security Act; or

(II) child care to enable a caretaker relative to work outside the home or to participate in the WAGE program.

(5) CHILD CARE SERVICES.—The State plan shall provide that no individual shall be sanctioned for failure to comply with the State's WAGE program requirements if such individual needs child care assistance in order to participate, and the State fails to provide such assistance.

(6) VERIFICATION SYSTEM.—The State plan shall provide that information is requested and exchanged for purposes of income and eligibility verification in accordance with a State system which meets the requirements of section 1137 of the Social Security Act, unless the State has established an alternative system under section 1310 of this Act to prevent fraud and abuse.

(7) ALIEN ELIGIBILITY.—The State plan shall provide that in order for an individual to be eligible for transitional aid under this subtitle, the individual shall be—

(A) a citizen or national of the United States, or

(B) an individual described in subclause (II), (III), (IV), or (V) of section 1614(a)(1)(B)(i) of the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(i)).

(8) DETECTION OF FRAUD.—

(A) IN GENERAL.—The State plan shall provide (in accordance with regulations issued by the Secretary) for appropriate measures to detect fraudulent applications for transitional aid to families with needy children before establishing eligibility for such aid.

(B) DESCRIPTION OF FRAUD CONTROL PROGRAM.—If the State has elected to establish and operate a fraud control program under section 1310, the State shall submit to the Secretary (with such revisions as may from time to time be necessary) a description of such program and will operate such program in full compliance with such section 1310.

(9) PARTICIPATION IN CHILD SUPPORT ENFORCEMENT.—The State plan shall provide—

(A) that the State has in effect a plan approved under part D of title IV of the Social Security Act and operates a child support enforcement program in substantial compliance with such plan, and

(B) that, as a condition of eligibility for aid, each applicant or recipient will be required (subject to subparagraph (D))—

(i) to assign the State any rights to support from any other person such applicant may have in such applicant's own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid; and

(ii) to cooperate with the State—

(I) in establishing the paternity of a child born out of wedlock with respect to whom aid is claimed, and

(II) in obtaining support payments for such applicant and for a child with respect to whom such aid is claimed;

(C) that the State agency will immediately refer each applicant requiring paternity establishment, award establishment, or child support enforcement services to the State agency administering the program under part D of title IV of the Social Security Act;

(D) that an individual shall be required to cooperate with the State, as provided under subparagraph (B), unless the individual is found to have good cause for refusing to cooperate, as determined in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the child on whose behalf aid is claimed to the satisfaction of the State agency administering the program under part D of title IV of the Social Security Act, as determined in accordance with section 454(29) of such Act;

(E) that—

(i) (except as provided in clause (ii)) an applicant requiring services provided under part D of title IV of the Social Security Act shall not be eligible for any aid under this subtitle until such applicant—

(I) has furnished to the agency administering the State plan under part D of such title the information specified in section 454(29) of such Act; or

(II) has been determined by such agency to have good cause not to cooperate; and

(ii) that the provisions of clause (i) shall not apply—

(I) if the agency specified in clause (i) has not within 10 days after such individual was referred to such agency, provided the notification required by section 454(29)(D)(iii) of such Act, until such notification is received; and

(II) if such individual appeals a determination that the individual lacks good cause for noncooperation, until after such determination is affirmed after notice and opportunity for a hearing; and

(F) that, if the relative with whom a child is living is found to be ineligible because of failure to comply with the requirements of subparagraph (B), the State may authorize protective payments as provided for in section 1305.

(10) AUTOMATED DATA PROCESSING SYSTEM.—The State plan may, at the option of

the State, provide for the establishment and operation, in accordance with an (initial and annually updated) advance automated data processing planning document approved under subsection (c), of an automated statewide management information system designed effectively and efficiently to assist management in the administration of the State plan for transitional aid to families with needy children approved under this subtitle, so as—

(A) to control and account for—

(i) all the factors in the total eligibility determination process under such plan for aid (including but not limited to (I) identifiable correlation factors (such as social security numbers, names, dates of birth, home addresses, and mailing addresses (including postal ZIP codes) of all applicants and recipients of such aid and the relative with whom any child who is such an applicant or recipient is living) to assure sufficient compatibility among the systems of different jurisdictions to permit periodic screening to determine whether an individual is or has been receiving benefits from more than one jurisdiction, (II) checking records of applicants and recipients of such aid on a periodic basis with other agencies, both intra- and inter-State, for determination and verification of eligibility and payment pursuant to requirements imposed by other provisions of this title or title IV of the Social Security Act),

(ii) the costs, quality, and delivery of funds and services furnished to applicants for and recipients of such aid;

(B) to notify the appropriate officials of child support, food stamp, social service, and medical assistance programs approved under title XIX of the Social Security Act whenever the recipient becomes ineligible or the amount of aid or services is changed; and

(C) to provide for security against unauthorized access to, or use of, the data in such system.

(11) PARTICIPATION IN WAGE.—The State plan shall provide—

(A) that the State operate a WAGE program in accordance with subtitle B, and

(B) a description of individuals required to participate in the WAGE program in the State; such individuals may not include the following:

(i) Parents of children under 12 weeks of age or, at the State's option, up to 1 year.

(ii) Individuals who are ill or incapacitated, as defined by the State.

(iii) Individuals who are needed in the home on a full-time basis to care for a disabled child or other household member.

(iv) Individuals who are over 60 years of age.

(v) Individuals under age 16 other than teenage parents.

(12) REPORT OF CHILD ABUSE.—The State plan shall provide that the State agency will—

(A) report to an appropriate agency or official, known or suspected instances of physical or mental injury, sexual abuse or exploitation, or negligent treatment or maltreatment of a child receiving aid under this subtitle under circumstances which indicate that the child's health or welfare is threatened thereby; and

(B) provide such information with respect to a situation described in subparagraph (A) as the State agency may have.

(b) APPROVAL OF STATE PLANS.—

(1) IN GENERAL.—Not later than 60 days after the date a State submits to the Secretary a plan that provides for the establishment and operation of a program or an amendment to such plan that meets the requirements of subsection (a), the Secretary shall approve the plan.

(2) AUTHORITY TO EXTEND DEADLINE.—The 60-day deadline established in paragraph (1) with respect to a State may be extended in accordance with an agreement between the Secretary and the State.

(c) APPROVAL OF AUTOMATIC DATA PROCESSING PLANNING DOCUMENT; REVIEW OF MANAGEMENT INFORMATION SYSTEMS; FAILURE TO COMPLY; REDUCTION OF PAYMENTS.—

(1) APPROVAL OF AUTOMATED DATA PROCESSING PLANNING DOCUMENT.—The Secretary shall not approve the initial and annually updated advance automated data processing planning document, referred to in paragraph (2), unless the Secretary finds that such document, when implemented, will generally carry out the objectives of the statewide management system referred to in such paragraph, and such document—

(A) provides for the conduct of, and reflects the results of, requirements analysis studies, which include consideration of the program mission, functions, organization, services, constraints, and current support, of, in, or relating to, such system,

(B) contains a description of the proposed statewide management system, including a description of information flows, input data, and output reports and uses,

(C) sets forth the security and interface requirements to be employed in such statewide management system,

(D) describes the projected resource requirements for staff and other needs, and the resources available or expected to be available to meet such requirements,

(E) includes cost-benefit analyses of each alternative management system, data processing services and equipment, and a cost allocation plan containing the basis for rates, both direct and indirect, to be in effect under such statewide management system,

(F) contains an implementation plan with charts of development events, testing descriptions, proposed acceptance criteria, and backup and fallback procedures to handle possible failure of contingencies, and

(G) contains a summary of proposed improvements of such statewide management system in terms of qualitative and quantitative benefits.

(2) SECRETARIAL REVIEW.—

(A) IN GENERAL.—The Secretary shall, on a continuing basis, review, assess, and inspect the planning, design, and operation of, statewide management information systems referred to in section 1303(a)(2), with a view to determining whether, and to what extent, such systems meet and continue to meet requirements imposed under such section and the conditions specified under paragraph (10) of subsection (a).

(B) SUSPENSION OF APPROVAL.—If the Secretary finds with respect to any statewide management information system referred to in section 1303(a)(2) that there is a failure substantially to comply with criteria, requirements, and other undertakings, prescribed by the advance automated data processing planning document previously approved by the Secretary with respect to such system, then the Secretary shall suspend his approval of such document until there is no longer any such failure of such system to comply with such criteria, requirements, and other undertakings so prescribed.

(C) REDUCTION OF PAYMENTS UNDER SECTION 1303.—If the Secretary determines that such a system has not been implemented by the State by the date specified for implementation in the State's advance automated data processing planning document, then the Secretary shall reduce payments to such State, in accordance with section 1303(b), in an amount equal to 40 percent of the expenditures referred to in section 1303(a)(2) with respect to which payments were made to the State under section 1303(a)(2). The Secretary may extend the deadline for implementation if the State demonstrates to the satisfaction of the Secretary that the State cannot implement such system by the date specified in such planning document due to circumstances beyond the State's control.

(d) IMPACT ON MEDICAID BENEFITS OF NONCOMPLIANCE WITH CERTAIN TAP AND WAGE REQUIREMENTS.—If a family becomes ineligible to receive transitional aid under the State transitional aid program because an individual in such family fails to comply with the requirements of this subtitle—

(1) a needy child of such family shall remain eligible for medical assistance under the State's plan approved under title XIX of the Social Security Act, and

(2) the family shall be appropriately notified of such extension (in the State agency's notice to the family of the termination of its eligibility for such aid) as required by section 1925(a)(2) of the Social Security Act.

SEC. 1303. PAYMENTS TO STATES.

(a) COMPUTATION OF AMOUNTS.—From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for a transitional aid program, for each quarter, beginning with the quarter commencing October 1, 1995, an amount equal to—

(1) the Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act) of the expenditures by the State for benefits and assistance under such plan, and

(2) 50 percent of so much of the sums expended during such quarter as are attributable to the planning, design, development, or installation of such statewide mechanized claims processing and information retrieval systems as—

(A) meet the conditions of section 1302(a)(10), and

(B) the Secretary determines are likely to provide more efficient, economical, and effective administration of the plan and to be compatible with the claims processing and information retrieval systems utilized in the administration of State plans approved under title XIX of the Social Security Act, and State programs with respect to which there is Federal financial participation under title XX of the Social Security Act.

(b) METHOD OF COMPUTATION AND PAYMENT.—The method of computing and paying such amounts shall be as follows:

(1) ESTIMATES.—The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a) of this section, such estimate to be based on—

(A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived,

(B) records showing the number of needy children in the State, and

(C) such other information as the Secretary may find necessary.

(2) ADJUSTMENTS FOR PRIOR QUARTERS.—The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services—

(A) reduced or increased, as the case may be, by any sum by which the Secretary finds that the Secretary's estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter,

(B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Secretary of Health and Human Services, of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to transitional aid to families with needy children furnished under the State plan, and

(C) reduced by such amount as is necessary to provide the "appropriate reimbursement of the Federal Government" that the State is required to make under section 457 of the Social Security Act out of that portion of child support collections retained by the State pursuant to such section,

except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health and Human Services for such prior quarter.

(3) PAYMENT OF THE AMOUNT CERTIFIED.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

(c) UNIFORM REPORTING REQUIREMENTS.—In order to assist in obtaining the information needed to carry out subsection (b)(1) and otherwise to perform the Secretary's duties under this subtitle, the Secretary shall establish uniform reporting requirements under which each State will be required to furnish data regarding—

(1) the monthly number of families assisted under this subtitle;

(2) the types of such families;

(3) the monthly number of children assisted under this subtitle;

(4) the amounts expended to serve such families and children;

(5) the length of time for which such families and children are assisted;

(6) the number of families and children receiving child care assistance;

(7) the number of families receiving transitional medicaid assistance; and

(8) in what form the amounts of assistance are being spent (the amount spent on wage subsidies compared to the amount spent on cash benefits).

(d) BONUS AMOUNT.—

(1) IN GENERAL.—For fiscal year 1997 and each fiscal year thereafter, a State operating a transitional aid program under subtitle A in the preceding fiscal year meeting the requirements of paragraph (2) shall receive a bonus amount equal to 10 percent of the base payment amount determined for such State under section 1381(b).

(2) REQUIREMENTS.—A transitional aid program meets the requirements of this paragraph if the program—

(A) provides for disregards of earned income for families receiving transitional aid to ensure that a family in which a family member worked part-time in a minimum wage job did not have a lower monthly income after calculation of reasonable work-related expenses than a family of the same size in which a family member did not work;

(B) provides that calculation of the level of transitional aid under the program for a family is based only on the needs of needy children and the caretaker relatives of such children; and

(C) provides for equal treatment of one-parent and two-parent families.

SEC. 1304. DEVIATION FROM PLAN.

(a) STOPPAGE OF PAYMENTS.—In the case of any State plan for transitional aid to families with needy children which has been approved by the Secretary, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 1302(a) to be included in the plan, the Secretary shall notify such State agency that further payments will not be made to the State (or in the Secretary's discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure) until the Secretary is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until the Secretary is so satisfied the Secretary shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

(b) MISUSE OF FUNDS.—In any case in which the Secretary finds that a State has misappropriated or misused funds appropriated pursuant to section 1303, the Secretary shall reduce the payment to which the State would otherwise be entitled under this subtitle for the fiscal year following the fiscal year in which such finding is made by an amount equal to two times the amount of funds found to be misused or misappropriated.

SEC. 1305. USE OF PAYMENTS FOR BENEFIT OF CHILDREN.

Whenever the State agency has reason to believe that any payments of transitional aid to families with needy children made with respect to a child are not being or may not be used in the best interests of the child, the State agency may provide for such counseling and guidance services with respect to the use of such payments and the management of other funds by the relative receiving such payments as it deems advisable in order to assure use of such payments in the best interests of such child, and may provide for advising such relative that continued failure to so use such payments will result in substitution therefor of such protective payments as the State may authorize, or in seeking appointment of a guardian or legal representative as provided in section 1111 of the Social Security Act, or in the imposition of criminal or civil penalties authorized under State law if it is determined by a court of competent jurisdiction that such relative is not using or has not used for the benefit of the child any such payments made for that purpose; and the provision of such services or advice by the State agency (or the taking of the action specified in such advice) shall not serve as a basis for withholding funds from such State under section 1304 and shall not prevent such payments with respect to such child from being considered transitional aid to families with needy children.

SEC. 1306. SPECIAL RULE.

Each needy child, and each relative with whom such a child is living (including the spouse of such relative), who becomes ineligible for transitional aid to families with needy children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of title IV of the Social Security Act, and who has received such aid in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, shall be deemed to be a recipient of transitional aid to families with needy children for purposes of title XIX of such Act for an additional 4 calendar months beginning with the month in which such ineligibility begins.

SEC. 1307. PERFORMANCE MEASUREMENT SYSTEM.

(a) IN GENERAL.—Not later than July 1, 1996, the Secretary, in consultation with the States, shall submit recommendations to Congress to streamline the system for monitoring the accuracy of payments made for transitional aid to families with needy children and for transforming the transitional aid program into a system that measures a State's performance in moving recipients of such aid into permanent employment.

(b) DETAILS OF RECOMMENDATIONS.—The recommendations required by subsection (a) shall—

(1) be based on a system which replaces the AFDC quality control system (described in section 408 of the Social Security Act as in effect on the day before the date of the enactment of the Work and Gainful Employment Act),

(2) include an effort to ensure the continuity of recipient data collected under the AFDC quality control system and the new streamlined system, and

(3) integrate the performance measurements under the WAGE program and any other applicable performance measurements that are designed to measure the effectiveness of States in promoting work.

SEC. 1308. EXCLUSION FROM TRANSITIONAL AID PROGRAM UNIT OF INDIVIDUALS FOR WHOM CERTAIN PAYMENTS ARE MADE.

(a) EXCLUSION OF CHILDREN RECEIVING FOSTER CARE, ETC.—Notwithstanding any other provision of this title (other than subsection (b))—

(1) a child with respect to whom foster care maintenance payments or adoption assistance payments are made under part E of title IV of the Social Security Act or under State or local law, or a child or parent receiving benefits under title XVI of such Act, shall not, for the period for which such payments are made, be regarded as a member of a family for purposes of determining the amount of benefits of the family under this subtitle; and

(2) the income and resources of such child or parent shall be excluded from the income and resources of a family under this subtitle.

(b) LIMITATION.—Subsection (a) of this section shall not apply in the case of a child with respect to whom adoption assistance payments are made under part E of title IV of the Social Security Act or under State or local law, if application of such subsection would reduce the benefits under this subtitle of the family of which the child would otherwise be regarded as a member.

SEC. 1309. TECHNICAL ASSISTANCE FOR DEVELOPING MANAGEMENT INFORMATION SYSTEMS.

The Secretary shall provide such technical assistance to States as the Secretary determines necessary to assist States to plan, design, develop, or install and provide for the security of, the management information systems referred to in section 1303(a)(2).

SEC. 1310. FRAUD CONTROL.

(a) ELECTION FOR FRAUD CONTROL PROGRAM.—Any State, in the administration of its State plan approved under section 1302, may elect to establish and operate a fraud control program in accordance with this section.

(b) PENALTY FOR FALSE OR MISLEADING STATEMENT OR MISREPRESENTATION OF FACT.—Under any such program, if an individual who is a member of a family applying for or receiving aid under the State plan approved under section 1302 is found by a Federal or State court or pursuant to an administrative hearing meeting requirements determined in regulations of the Secretary, on the basis of a plea of guilty or nolo contendere or otherwise, to have intentionally—

(1) made a false or misleading statement or misrepresented, concealed, or withheld facts, or

(2) committed any act intended to mislead, misrepresent, conceal, or withhold facts or propound a falsity, for the purpose of establishing or maintaining the family's eligibility for aid under such State plan or of increasing (or preventing a reduction in) the amount of such aid, then the needs of such individual shall not be taken into account by the State in determining eligibility for transitional aid under this subtitle with respect to his or her family—

(A) for a period of 6 months upon the first occasion of any such offense,

(B) for a period of 12 months upon the second occasion of any such offense, and

(C) permanently upon the third or a subsequent occasion of any such offense.

(c) PROCEEDINGS AGAINST VIOLATORS BY STATE AGENCY.—The State agency involved shall proceed against any individual alleged to have committed an offense described in subsection (b) either by way of administrative hearing or by referring the matter to the appropriate authorities for civil or criminal action in a court of law. The State agency shall coordinate its actions under this section with any corresponding actions being taken under the food stamp program in any case where the factual issues involved arise from the same or related circumstances.

(d) DURATION OF PERIOD OF SANCTIONS; REVIEW.—Any period for which sanctions are imposed under subsection (b) shall remain in effect, without possibility of administrative stay, unless and until the finding upon which the sanctions were imposed is subsequently reversed by a court of appropriate jurisdiction; but in no event shall the duration of the period for which such sanctions are imposed be subject to review.

(e) ADDITIONAL SANCTIONS PROVIDED BY LAW.—The sanctions provided under subsection (b) shall be in addition to, and not in substitution for, any other sanctions which may be provided for by law with respect to the offenses involved.

(f) WRITTEN NOTICE OF PENALTIES FOR FRAUD.—Each State which has elected to establish and operate a fraud control program under this section must provide all applicants for transitional aid to families with needy children under its approved State plan, at the time of their application for such aid, with a written notice of the penalties for fraud which are provided for under this section.

SEC. 1311. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

The programs under this title and part D of title IV of the Social Security Act shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

SEC. 1312. TRANSITION FROM AFDC TO TRANSITIONAL AID PROGRAM.

In the case of any individual who is an applicant for or recipient of aid to families with dependent children under part A of title IV of the Social Security Act, as in effect on the day before the effective date of this title, the State may, at the State's option, provide that—

(1) such individual be treated as an applicant for or recipient of (as the case may be) transitional aid to families with needy children under this subtitle as in effect on such effective date, or

(2) such individual submit an application for transitional aid in accordance with the provisions of the State plan approved under this subtitle as so in effect.

Subtitle B—Work And Gainful Employment (Wage) Program

SEC. 1380. PURPOSE.

It is the purpose of this subtitle to provide States with flexibility to design programs to ensure that needy families with children obtain employment and avoid long-term welfare dependence.

PART 1—BLOCK GRANT

SEC. 1381. BLOCK GRANT.

(a) BLOCK GRANT AMOUNT.—Subject to section 1382, each State that operates a WAGE program in accordance with part 2 shall be entitled to receive for each fiscal year a block grant amount equal to—

(1) the base payment amount determined under subsection (b) and the additional amount described in subsection (b)(3); plus

(2) the performance award amount (if any) determined under subsection (c).

(b) BASE PAYMENT AMOUNT.—

(1) IN GENERAL.—Subject to the limitation of paragraph (3), the base payment amount determined under this subsection with respect to each State is—

(A) for fiscal year 1996, an amount equal to the base amount determined under paragraph (2); and

(B) for fiscal year 1997 and each subsequent fiscal year, an amount equal to 103 percent of the base payment amount determined under this subsection for the prior fiscal year.

(2) BASE AMOUNT.—The base amount determined under this paragraph with respect to each State is an amount equal to the greater of—

(A) 103 percent of the Federal payments made to the State in fiscal year 1995—

(i) for child care services described in clause (i) or (ii) of section 402(g)(1)(a) (relating to AFDC–JOBS child care and transitional child care);

(ii) under section 403(a)(3) (relating to administrative costs of operating the AFDC program), other than any payments made under such section for automated data processing systems; and

(iii) under section 403(a)(5) (relating to emergency assistance); or

(B) 103 percent of the average of the Federal payments described in clauses (i), (ii), and (iii) of subparagraph (A) made to the State in fiscal years 1993, 1994, and 1995.

(3) ADDITIONAL PAYMENTS.—

(A) IN GENERAL.—In addition to the amounts specified in paragraph (2), each State operating a program under the subtitle shall be entitled to receive an amount that bears the same ratio to the amount specified in subparagraph (B) for such fiscal year as the average monthly number of families with needy children receiving transitional aid in the State in the preceding fiscal year bears to the average monthly number of families receiving transitional aid or cash assistance under the State program funded under part A of title IV of the Social Security Act in all the States for such preceding year.

(B) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

(i) for fiscal year 1996, $1,200,000,000;

(ii) for fiscal year 1997, $1,700,000,000;

(iii) for fiscal year 1998, $2,100,000,000;

(iv) for fiscal year 1999, $2,700,000,000; and

(v) for fiscal year 2000, $3,200,000,000.

(c) PERFORMANCE AWARD.—

(1) IN GENERAL.—Subject to the limitation of paragraph (4), the performance award determined under this subsection for a fiscal year for a State is an amount equal to the sum of—

(A) the full-time employment savings of the State, plus

(B) the part-time employment savings of the State.

(2) FULL-TIME EMPLOYMENT SAVINGS.—For purposes of this subsection—

(A) IN GENERAL.—The full-time employment savings of a State for any fiscal year is an amount equal to the product of—

(i) the total number of full-time performance award employees, and

(ii) an amount equal to 6 times the Federal share of the average monthly transitional aid paid to individuals in accordance with the State plan under subtitle A for the preceding fiscal year.

(B) FULL-TIME PERFORMANCE AWARD EMPLOYEES.—The term 'full-time performance award employees' means, with respect to any fiscal year, a number of employees equal to the applicable percentage of the average monthly number of individuals who, during the preceding fiscal year, received transitional aid under the program operated in accordance with the State plan under subtitle A.

(C) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means, with respect to any fiscal year, the number of whole percentage points (if any) by which—

(i) the percentage which—

(I) the average monthly number of individuals who became ineligible during the preceding fiscal year to receive transitional aid under the program operated in accordance with the State plan under subtitle A by reason of earnings from employment, bears to

(II) the number of individuals receiving transitional aid under the program operated in accordance with the State plan under subtitle A for such preceding fiscal year, exceeds

(ii) the percentage determined under clause (i) for fiscal year 1996.

(D) SPECIAL RULE FOR SHORT-TERM EMPLOYEES.—An individual shall not be taken into account under subclause (I) of subparagraph (C)(i) unless the employment described in such subclause has continued for 6 consecutive months. If an individual is not taken into account for a fiscal year by reason of this subparagraph, such individual shall be taken into account in the following fiscal year if such 6-month period ends in such following fiscal year.

(3) PART-TIME EMPLOYMENT SAVINGS.—For purposes of this subsection—

(A) IN GENERAL.—The part-time employment savings of a State for any fiscal year is an amount equal to the product of—

(i) the total number of part-time performance award employees, and

(ii) an amount equal to 6 times the Federal share of the average monthly transitional aid (weighted for family size) which would otherwise be paid to individuals described in subparagraph (C)(i)(I) in accordance with the State plan under subtitle A for the preceding fiscal year but for the fact the individual worked at least 20 hours per week.

(B) PART-TIME PERFORMANCE AWARD EMPLOYEES.—The term 'part-time performance award employees' means, with respect to any fiscal year, a number of employees equal to the applicable percentage of the average monthly number of individuals who, during the preceding fiscal year, received transitional aid under the program operated in accordance with the State plan under subtitle A.

(C) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means, with respect to any fiscal year, the number of whole percentage points (if any) by which—

(i) the percentage which—

(I) the average monthly number of individuals who were eligible to receive transitional aid under the program operated in accordance with the State plan under subtitle A during the preceding fiscal year, and worked at least 20 hours a week in a position which was not subsidized by the State, bears to

(II) the number of individuals receiving transitional aid under the program operated in accordance with the State plan under subtitle A for such preceding fiscal year, exceeds

(ii) the percentage determined under clause (i) for fiscal year 1996.

(D) SPECIAL RULE FOR AREAS OF HIGH UNEMPLOYMENT.—In the case of any State (or any area of a State) which has an average monthly unemployment rate which is more than 6.5 percent (as determined by the Secretary of Labor) for the fiscal year for which the percentage described in subparagraph (C)(i) is being determined, such State may, in applying subparagraph (C)(i)(I), include individuals residing in such State (or area) who worked at least 20 hours a week in positions fully subsidized by the State.

(4) LIMITATION.—

(A) IN GENERAL.—The performance award under paragraph (1) for a State for any fiscal year shall not exceed the amount that bears the same ratio to the amount specified in clause (ii) for such fiscal year as the amount of full-time and part-time performance award employees of the State for a fiscal year bears to the amount of such employees for all States participating in the program under this subtitle for such fiscal year.

(B) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

(i) for fiscal year 1998, $200,000,000;

(ii) for fiscal year 1999, $400,000,000; and

(iii) for fiscal year 2000 and each fiscal year thereafter, $600,000,000.

(5) AWARD BEGINNING WITH FISCAL YEAR 1998.—No amount shall be paid to a State as a performance award determined under this subsection before October 1, 1997.

(d) PAYMENTS TO INDIAN TRIBES.—The Secretary shall reserve for payment to Indian tribes and Alaska Native organizations with an application approved under section 1392(a)(1)(A) an amount equal to not more than 2 percent of the amount appropriated under subsection (a). Such amounts shall be distributed to each tribe and Alaska Native organization in an amount that bears the same ratio to the total amount reserved under this subsection as the number of the participants required to be served in the preceding fiscal year in the tribe's or Alaska Native organization's service area bears to the number of participants to be served by all tribes and Alaska Native organizations in such preceding year. In making such distributions, the Secretary shall take into account such other factors as the Secretary deems appropriate, including unique geographic, economic, demographic, and administrative conditions of individual Indian tribes and Alaska Native organizations.

SEC. 1382. PARTICIPATION RATES.

(a) PARTICIPATION RATE REQUIREMENT.—

(1) IN GENERAL.—Notwithstanding section 1381, the Secretary shall pay to a State an amount equal to 95 percent of the base payment amount determined for the State for a fiscal year if the State's participation rate determined under subsection (c) for the preceding fiscal year does not exceed or equal the following percentage:

"Fiscal year:	Percentage:
1996	35
1997	40
1998	45
1999	50
2000	55.

(2) REQUIRED WORK ACTIVITY.—A State shall not be treated as having a participation rate meeting the requirements of this subsection if the number of individuals described in subsection (c)(1) engaged in work activities is not at least 50 percent of the total number of individuals described in subsection (c)(1).

(b) ELECTION BY THE STATE.—In lieu of the reduction described in subsection (a), a State that does not meet the participation rate requirements described in subsection (a), may elect to receive the full amount of the payments described in section 1381(a)(1) to which the State is otherwise entitled for the fiscal year if the State makes available non-Federal contributions for the fiscal year in an amount equal to not less than 5 percent of the State's non-Federal contributions for the preceding fiscal year.

(c) DETERMINATION OF PARTICIPATION RATE.—The State's participation rate for a fiscal year shall be the number, expressed as a percentage, equal to—

(1) the sum of—

(A) the average monthly number of individuals in the State who have participated in work activities or work preparation activities under the WAGE program under part 2 for an average of at least 20 hours a week,

(B) the average monthly number of individuals who within the previous 6-month period have become ineligible for transitional aid under subtitle A or the WAGE program because the individuals are employed, and

(C) the average monthly number of individuals under sanctions for failing to comply with a WAGE Plan, divided by

(2) the average monthly number of families with an adult recipient, not including those who are exempt under section 1302(a)(11).

(d) DEFINITION OF WORK ACTIVITIES.—For purposes of this section, the term 'work activities' means—

(1) unsubsidized employment;

(2) subsidized private sector employment;

(3) subsidized public sector employment or work experience (including work associated with the refurbishing of publicly assisted housing) only if sufficient private sector employment is not available;

(4) on-the-job training; and

(5) microenterprise employment.

(e) TWO-YEAR LIMIT.—For purposes of subsection (c)(1)(A), an individual who has participated in the WAGE program for 2 years may not be counted in determining the State's participation rate unless such individual is engaged in a work activity.

PART 2—ESTABLISHMENT AND OPERATION OF WAGE PROGRAM

SEC. 1390. REQUIREMENT TO ESTABLISH A WAGE PROGRAM.

A State shall establish a work and gainful employment program (hereafter in this part referred to as the 'WAGE program') in accordance with section 1391.

SEC. 1391. ESTABLISHMENT AND OPERATION OF FLEXIBLE STATE PROGRAMS.

(a) PROGRAM REQUIREMENTS.—Any State with a State plan approved under subsection (c) shall establish and operate a program that meets the following requirements:

(1) OBJECTIVE.—The objective of the program is for each program participant to find and hold a full-time unsubsidized paid job, and for this goal to be achieved in a cost-effective fashion.

(2) METHODS OF OBTAINING OBJECTIVE.—The objective of the program under paragraph (1) shall be achieved by connecting recipients of transitional aid with the private sector labor market as soon as possible and offering them the support and skills necessary to remain in the labor market. Each component of the program should seek to attain the objective by emphasizing employment and conveying an understanding that minimum wage jobs are a stepping stone to more highly paid employment. The program is intended to provide recipients with job search and placement, education, training, wage supplementation, temporary subsidized jobs, or such other services as the State deems necessary to help a recipient obtain private sector employment.

(3) JOB CREATION.—The creation of jobs, with an emphasis on private sector jobs, shall be a component of the program and shall be a priority for each State office that has responsibility under the program.

(4) ASSISTANCE.—The State may provide assistance to participants in the program in the following forms:

(A) State job placement services, which may include employment opportunity centers that act as one-stop placement entities through which the State makes available to each program participant services under programs carried out under one or more of the following provisions of law:

(i) Part A of title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.) (relating to the adult training program).

(ii) Part B of title II of such Act (29 U.S.C. 1630 et seq.) (relating to the summer youth employment and training programs).

(iii) Part C of title II of such Act (29 U.S.C. 1641 et seq.) (relating to the youth training program).

(iv) Title III of such Act (29 U.S.C. 1651 et seq.) (relating to employment and training assistance for dislocated workers).

(v) Part B of title IV of such Act (29 U.S.C. 1691 et seq.) (relating to the Job Corps).

(vi) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(vii) The Adult Education Act (20 U.S.C. 1201 et seq.).

(viii) Part B of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2741 et seq.) (relating to Even Start family literacy programs).

(ix) Subtitle A of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421) (relating to adult education for the homeless).

(x) Subtitle B of title VII of such Act (42 U.S.C. 11431 et seq.) (relating to education for homeless children and youth).

(xi) Subtitle C of title VII of such Act (42 U.S.C. 11441) (relating to job training for the homeless).

(xii) The School-to-Work Opportunities Act of 1994.

(xiii) The National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.).

(xiv) The National Skill Standards Act of 1994.

(B) Private placement company services, which may include contracts the State enters into with private companies (whether operated for profit or not for profit) or community action agencies for placement of participants in the program in positions of full-time or part-time employment, preferably in the private sector, for wages sufficient to eliminate the need of such participants for cash assistance.

(C) Microenterprise programs, including programs under which the State makes grants and loans to public and private organizations, agencies, and other entities (whether operated for profit or not for profit) to enable such entities to facilitate economic development by—

(i) providing technical assistance, advice, and business support services (including assistance, advice, and support relating to business planning, financing, marketing, and other microenterprise development activities) to owners of microenterprises and persons developing microenterprises; and

(ii) providing general support (such as peer support and self-esteem programs) to owners of microenterprises and persons developing microenterprises.

(D) Work supplementation programs, under which the State may use part or all of the sums that would otherwise be payable to participants in the program as transitional aid under subtitle A for the purpose of providing and subsidizing jobs for such participants as an alternative to the transitional aid that would otherwise be so payable to them.

(E) Innovative JOBS programs, including programs similar to—

(i) the program known as the 'GAIN Program' that has been operated by Riverside County, California, under Federal law in effect immediately before the date this section first applies to the State of California;

(ii) the program known as 'JOBS Plus' that has been operated by the State of Oregon under Federal law in effect immediately before the date this section first applies to the State of Oregon; and

(iii) the program known as 'JOBS' that has been operated by Kenosha County, Wisconsin, under Federal law in effect immediately before the date this section first applies to the State of Wisconsin.

(F) Temporary subsidized job creation, which may include workfare programs.

(G) Education or training services.

(H) Any other service which provides individuals with the support and skills necessary to obtain and keep employment in the private sector.

For purposes of subparagraph (C), the term 'microenterprise' means a commercial enterprise which has 5 or fewer employees, one or more of whom owns the enterprise.

(5) WAGE PLAN.—The State agency shall develop a WAGE Plan in accordance with subsection (b) with each program participant.

(6) HOURS OF PARTICIPATION REQUIREMENT.—The State shall provide that each participant in the program under this section shall participate in activities in accordance with this section for at least 20 hours per week (or, at the State's option, a greater number of hours per week), including job search in cases where the individual is not employed in an unsubsidized job in the private sector.

(7) TIME LIMIT.—A State may establish a time limit of any duration for participation by an individual in the WAGE program. A State shall not terminate any participant subject to such time limit if the participant has complied with the requirements set forth in the WAGE Plan established in accordance with paragraph (5).

(8) CHILD CARE SERVICES.—The State shall offer each individual participating in the program child care services (as determined by the State) if such individual requires child care services in order to participate.

(9) NONDISPLACEMENT.—The program shall comply with the requirements of subsection (g).

(10) NONCUSTODIAL PARENTS.—

(A) IN GENERAL.—The State may provide services under the program, on a voluntary or mandatory basis, to noncustodial parents of needy children who are recipients of transitional aid.

(B) PARTICIPATION RATE.—Noncustodial parents who participate in the WAGE program shall be treated as participants for purposes of determining the participation rate under section 1382.

(b) WAGE PLAN.—

(1) IN GENERAL.—On the basis of an initial assessment of the skills, prior work experience, and employability of each individual who the State requires to participate in the WAGE program, the State agency shall, together with the individual, develop a WAGE Plan, which—

(A) sets forth an employment goal for the individual and contains an individualized comprehensive plan developed by the State agency with the participant for moving the individual into the workforce;

(B) provides that the participant shall spend at least 20 hours per week (or, at the option of the State, a greater number of hours per week) in activities provided for in the WAGE Plan, including job search in cases where the individual is not employed in an unsubsidized job in the private sector;

(C) sets forth the obligations of the individual, which may include a requirement that the individual attend school, maintain certain grades and attendance, keep school age children of the individual in school, immunize children, attend parenting and money management classes, or do other things that will help the individual become and remain employed in the private sector;

(D) provides that the participant shall accept any bona fide offer of unsubsidized full-time employment, unless the participant has good cause for not doing so;

(E) describes the child care and other social services and assistance which the State will provide in order to allow the individual to take full advantage of the activities under the program operated in accordance with this section;

(F) at the option of the State, provides that aid under the transitional aid program is to be paid to the participant based on the number of hours that the participant spends in activities provided for in the agreement; and

(G) at the option of the State, requires the participant to undergo appropriate substance abuse treatment.

(2) TIMING.—The State agency shall comply with paragraph (1) with respect to an individual—

(A) within 90 days (or, at the option of the State, 180 days) after the effective date of this part, in the case of an individual who, as of such effective date, is a recipient of aid under the State plan approved under subtitle A; or

(B) within 30 days (or, at the option of the State, 90 days) after the individual is determined to be eligible for such aid, in the case of any other individual.

(c) STATE PLANS.—

(1) IN GENERAL.—Within 60 days after the date a State submits to the Secretary a plan that provides for the establishment and operation of a program that meets the requirements of subsection (a), the Secretary shall approve the plan.

(2) AUTHORITY TO EXTEND DEADLINE.—The 60-day deadline established in paragraph (1) with respect to a State may be extended in accordance with an agreement between the Secretary and the State.

(d) ANNUAL REPORTS.—

(1) COMPLIANCE WITH PERFORMANCE MEASURES.—Each State that operates a program under this section shall submit to the Secretary annual reports that compare the achievements of the program with the performance-based measures established under subsection (e).

(2) COMPLIANCE WITH PARTICIPATION RATES.—Each State that operates a program under this section for a fiscal year shall submit to the Secretary a report on the participation rate determined under section 1382 of the State for the fiscal year.

(e) PERFORMANCE-BASED MEASURES.—The Secretary shall, by regulation, establish measures of the effectiveness of the State's program established under this section in moving recipients of transitional aid under the State plan approved under subtitle A into full-time unsubsidized employment, based on the performance of such programs.

(f) EFFECT OF FAILURE TO MEET PARTICIPATION RATES.—

(1) IN GENERAL.—If a State fails to achieve the participation rate required by section 1382(a) for the fiscal year, the Secretary may make recommendations for changes in the program. The State may elect to follow such recommendations, and shall demonstrate to the Secretary how the State will achieve the required participation rates.

(2) SECOND CONSECUTIVE FAILURE.—Notwithstanding paragraph (1), if the State has failed to achieve the participation rates required by section 1382(a) for 2 consecutive fiscal years, the Secretary may require the State to make changes in the State program established under this section.

(g) NO DISPLACEMENT.—No work assignment under the program shall result in—

(1) the displacement of any currently employed worker or position (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits), or result in the impairment of existing contracts for services or collective bargaining agreements;

(2) the employment or assignment of a participant of the filling of a position when—

(A) any other individual is on layoff from the same or any equivalent position, or

(B) the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the effect of filling the vacancy so created with a participant subsidized under the program; or

(3) any infringement of the promotional opportunities of any currently employed individual.

No participant may be assigned under work supplementation programs or under workfare programs to fill any established unfilled position vacancy.

SEC. 1392. SPECIAL PROVISIONS RELATING TO INDIAN TRIBES AND ALASKA NATIVE ORGANIZATIONS.

(a) SPECIAL PROVISIONS RELATING TO TRIBES AND NATIVE ORGANIZATIONS.—

(1) IN GENERAL.—

(A) WAGE PROGRAMS.—An Indian tribe or Alaska Native organization may apply to the Secretary to conduct a WAGE program under this part. An application to conduct a WAGE program in a fiscal year shall be submitted not later than July 1 of the preceding fiscal year. Upon approval of the application, payment in the amount determined in accordance with section 1382(d) shall be made directly to the tribe or organization involved.

(B) WAIVER OF CERTAIN REQUIREMENTS.—The Secretary may waive any requirements of this part with respect to a WAGE program conducted under this part by an Indian tribe or Alaska Native organization as the Secretary determines to be appropriate.

(C) TERMINATION.—The WAGE program conducted by any Indian tribe or Alaska Native organization may be terminated voluntarily by such tribe or organization or may be terminated by the Secretary upon a finding that such program is not being conducted in substantial conformity with the terms of the application approved under subparagraph (A). If a WAGE program of an Indian tribe or Alaska Native organization is terminated, such tribe or organization shall not be eligible to submit a new application under subparagraph (A) with respect to any year before the 6th year following such termination.

(D) CONSORTIUM OF TRIBES.—An Indian tribe may enter into an agreement with other Indian tribes for the provision of WAGE program services by a tribal consortium providing for centralized administration of WAGE program services for the region served by the Indian tribes so agreeing. In the case of such an agreement, a single application under this part may be submitted by the tribal consortium and the consortium shall be entitled to receive an amount equal to the aggregate amount that all of the tribes in the consortium would have been entitled to receive if each tribe applied separately. In any case in which an application is submitted by a tribal consortium, the approval of each Indian tribe included in the consortium shall be a prerequisite to the distribution of funds to the tribal consortium.

(2) DETERMINATION OF EXEMPT INDIVIDUAL.—An application under this section shall provide that upon approval the Indian tribe or Alaska Native organization, as the case may be, will be responsible for determining whether an individual (within the service area of the tribe or organization) is exempt under section 1302(a)(11).

(b) OTHER REQUIREMENTS.—

(1) CHILD CARE.—Each Indian tribe and Alaska Native organization submitting an application under this section may also submit to the Secretary (as a part of the application) a description of the program that the tribe or organization will implement to meet the child care needs of WAGE program participants and may request funds to provide such child care. The Secretary may waive any other requirement of this part with respect to child care services as the Secretary determines inappropriate for such child care program, other than the requirement described in section 1391(a)(8).

(2) PAYMENT FOR CHILD CARE.—The Secretary shall adjust the payment for a fiscal year under section 1381(d) to reflect the cost of child care for the number of required participants in need of such care in the preceding fiscal year (and other recipients in need of such care) in the tribe's or Alaska Native organization's service area, subject to the limitation on total funding for tribes and Alaska Native organizations.

(3) DATA COLLECTION.—The Secretary shall establish data collection and reporting requirements with respect to child care services implemented under this subsection.

(c) DEFINITIONS.—For purposes of this section—

(1) TRIBAL CONSORTIUM.—The term 'tribal consortium' means any group, association, partnership, corporation, or other legal entity which is controlled, sanctioned, or chartered by the governing body of more than 1 Indian tribe.

(2) INDIAN TRIBE.—The term 'Indian tribe' means any tribe, band, nation, or other organized group or community of Indians that—

(A) is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and

(B) for which a reservation exists.

For purposes of subparagraph (B), a reservation includes Indian reservations, public domain Indian allotments, and former Indian reservations in Oklahoma.

(3) ALASKA NATIVE ORGANIZATION.—

(A) IN GENERAL.—The term 'Alaska Native organization' means any organized group of Alaska Natives eligible to operate a Federal program under Public Law 93-638 or such group's designee.

(B) BOUNDARIES.—The boundaries of an Alaska Native organization shall be those of the geographical region, established pursuant to section 7(a) of the Alaska Native Claims Settlement Act, within which the Alaska Native organization is located (without regard to the ownership of the land within the boundaries).

(C) LIMITS ON APPLICATIONS.—The Secretary may approve only one application from an Alaska Native organization for each of the 12 geographical regions established pursuant to section 7(a) of the Alaska Native Claims Settlement Act.

Nothing in this paragraph shall be construed to grant or defer any status or powers other than those expressly granted in this paragraph or to validate or invalidate any claim by Alaska Natives of sovereign authority over lands or people.

Subtitle C—Miscellaneous Provisions

SEC. 1395. DEFINITIONS.

For purposes of this title:

(1) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(2) STATE.—the term "State" has the meaning given such term by section 402(c)(4) of the Social Security Act.

SEC. 1396. REGULATIONS.

The Secretary shall prescribe such regulations as may be necessary to implement this title.

SEC. 1397. APPLICABILITY TO STATES.

(a) STATE OPTION TO ACCELERATE APPLICABILITY.—If a State formally notifies the Secretary that the State desires to accelerate the applicability to the State of this title, this title shall apply to the State on and after such earlier date as the State may select.

(b) STATE OPTION TO DELAY APPLICABILITY UNTIL WAIVERS EXPIRE.—This title shall not apply to a State with respect to which there is in effect a waiver issued under section 1115 of the Social Security Act for the State program established under part F of title IV of such Act until the waiver expires, if the State formally notifies the Secretary that the State desires to so delay such effective date.

(c) AUTHORITY OF THE SECRETARY OF HEALTH AND HUMAN SERVICES TO DELAY APPLICABILITY TO A STATE.—If a State formally notifies the Secretary that the State desires to delay the applicability to the State of this title, this title shall apply to the State on and after any later date agreed upon by the Secretary and the State.

CONRAD AMENDMENT NO. 2530

Mr. MOYNIHAN (for Mr. CONRAD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 50, strike line 6 and all that follows through page 51, line 11, and insert the following:

"(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN ADULT-SUPERVISED SETTINGS.—

"(1) IN GENERAL.—

"(A) REQUIREMENT.—Except as provided in paragraph (2), if a State provides assistance under the State program funded under this part to an individual described in subparagraph (B), such individual may only receive assistance under the program if such individual and the child of the individual reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home.

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual described in this subparagraph is an individual who is—

"(i) under the age of 18; and

"(ii) not married and has a minor child in his or her care.

"(2) EXCEPTION.—

"(A) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in subparagraph (B), the State agency shall provide, or assist such individual in locating, an appropriate adult-supervised supportive living arrangement, including a second chance home, another responsible adult, or a foster home, taking into consideration the needs and concerns of the such individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that such parent and the child of such parent reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual is described in this subparagraph if the individual is described in paragraph (1)(B) and—

"(ii) such individual has no parent or legal guardian of his or her own who is living or whose whereabouts are known;

"(iii) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(iv) the State agency determines that the physical or emotional health of such individual or any minor child of the individual would be jeopardized if such individual and such minor child lived in the same residence with such individual's own parent or legal guardian; or

"(v) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of paragraph (1) with respect to such individual.

"(C) SECOND-CHANCE HOME.—For purposes of this paragraph, the term 'second-chance home' means an entity that provides individuals described in subparagraph (B) with a

supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

"(3) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—

"(A) IN GENERAL.—For each of fiscal years 1998 through 2002, each State that provides assistance under the State program to individuals described in paragraph (1)(B) shall be entitled to receive a grant in an amount determined under subparagraph (B) for the purpose of providing or locating adult-supervised supportive living arrangements for individuals described in paragraph (1)(B) in accordance with this subsection.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount that bears the same ratio to the amount specified under clause (ii) as the amount of the State family assistance grant for the State for such fiscal year (described in section 403(a)(2)) bears to the amount appropriated for such fiscal year in accordance with section 403(a)(4)(A).

"(ii) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(I) for fiscal year 1998, $20,000,000;

"(II) for fiscal year 1999, $40,000,000; and

"(III) for each of fiscal years 2000, 2001, and 2002, $80,000,000.

"(C) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—There are authorized to be appropriated and there are appropriated for fiscal years 1998, 1999, and 2000 such sums as may be necessary for the purpose of paying grants to States in accordance with the provisions of this paragraph.

"(e) REQUIREMENT THAT TEENAGE PARENTS ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—If a State provides assistance under the State program funded under this part to an individual described in subsection (d)(1)(B) who has not successfully completed a high-school education (or its equivalent) and whose minor child is at least 12 weeks of age, the State shall not provide such individual with assistance under the program (or, at the option of the State, shall provide a reduced level of such assistance) if the individual does not participate in—

"(1) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(2) an alternative educational or training program that has been approved by the State.

On page 51, strike "(e)" and insert "(f)".

CONRAD AMENDMENT NO. 2531

Mr. MOYNIHAN (for Mr. CONRAD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 31, line 23, strike "and".

On page 32, line 10, strike "divided by" and insert "and".

On page 32, between lines 10 and 11, insert the following:

"(V) the number of all families that became ineligible to receive assistance under the State program during the previous 6-month period as a result of section 405(b) that include an adult who is engaged in work (in accordance with subsection (c)) for the month; divided by

On page 32, strike lines 11 through 15, and insert the following:

"(ii) the sum of—

"(I) the total number of all families receiving assistance under the State program funded under this part during the month that include an adult; and

"(II) the number of all families that became ineligible to receive assistance under the State program during the previous 6-month period as a result of section 405(b) that do not include an adult who is engaged in work (in accordance with subsection (c)) for the month.

CONRAD AMENDMENT NO. 2532

Mr. MOYNIHAN (for Mr. CONRAD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 1. SHORT TITLE; REFERENCE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Work and Gainful Employment Act".

(b) REFERENCE.—Except as otherwise specifically provided, wherever in this Act an amendment 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 that section or other provision of the Social Security Act.

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

Sec. 1. Short title; reference; table of contents.

TITLE I—TRANSITIONAL AID PROGRAM

Sec. 101. Transitional aid program.

TITLE II—WORK AND GAINFUL EMPLOYMENT (WAGE) PROGRAM

Sec. 201. WAGE program.
Sec. 202. Regulations.
Sec. 203. Applicability to States.

TITLE III—CHILD CARE FOR WORKING PARENTS

Sec. 301. Purpose.

Subtitle A—Amendments to the Child Care and Development Block Grant Act of 1990

Sec. 311. Amendments to the child care and development block grant act of 1990.
Sec. 312. Sense of the Senate.
Sec. 313. Repeals and technical and conforming amendments.

Subtitle B—At-Risk Child Care

Sec. 321. Provision of child care to certain low-income families.
Sec. 322. Use of funds.
Sec. 323. Payments to States.
Sec. 324. State defined.
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Sec. 831. Vendor payments for transitional housing counted as income.
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Sec. 834. Limiting adjustment of minimum benefit.
Sec. 835. Penalty for failure to comply with work requirements of other programs.
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Sec. 837. Improvement of child and adult care food program operated under the national school lunch act.
Subtitle C—Supplemental Security Income
Sec. 841. Verification of eligibility for certain SSI disability benefits.
Sec. 842. Nonpayment of SSI disability benefits to substance abusers.
TITLE IX—LEGISLATIVE PROPOSALS; EFFECTIVE DATE
Sec. 901. Secretarial submission.
Sec. 902. Effective date.

TITLE I—TRANSITIONAL AID PROGRAM

SEC. 101. TRANSITIONAL AID PROGRAM.

(a) IN GENERAL.—Title IV (42 U.S.C. 601 et seq.) is amended by striking part A and inserting the following:

"PART A—TRANSITIONAL AID PROGRAM

"SEC. 401. PURPOSE AND APPROPRIATION.

"(a) PURPOSE.—It is the purpose of this part to provide a program of transitional aid to families with needy children to enhance the well-being of such needy children, and to enable parents of children in such families to obtain and retain work and to become self-sufficient.

"(b) APPROPRIATIONS.—There is hereby authorized to be appropriated and are appropriated for each fiscal year such sums as may be necessary to carry out the purposes of this part. The sums made available under this subsection shall be used for making payments to States which have submitted, and had approved by the Secretary, State plans for providing a program of transitional aid.

"SEC. 402. STATE PLANS FOR, AND GENERAL REQUIREMENTS OF, TRANSITIONAL AID PROGRAM.

"(a) STATE PLANS.—A State plan for a transitional aid program shall meet the requirements of the following paragraphs:

"(1) ELECTION OF OPTIONS IN PROGRAM DESIGN.—The State plan shall describe the State's policies regarding eligibility, services, assistance amounts, and program requirements, including a description of:

"(A) The support and benefits (including benefit levels) provided to individuals eligible to participate and whether such support is in the form of wages in subsidized public or nonprofit employment or direct subsidies to employers.

"(B) The extent to which earned or unearned income is disregarded in determining eligibility for, and amount of, assistance.

"(C) The State's policy for determining the extent to which child support received on behalf of a member of the family is disregarded in determining eligibility for, and the amount of, assistance.

"(D) The treatment of earnings of a child living in the home.

"(E) The State's resource limit, including a description of the policy determined by the State regarding any exclusion allowed for vehicles owned by family members, resources set aside for future needs of a child, individual development accounts, or other policies established by the State to encourage savings.

"(F) Any restrictions the State elects to impose relating to eligibility for assistance of two-parent families.

"(G) The criteria for participating in the program including requirements that a family must comply with as a condition of receiving aid, such as school attendance, participation in appropriate preemployment activities, and receipt of appropriate childhood immunizations. The plan shall specify whether the State elects to provide incentives for compliance with the requirements, sanctions for noncompliance, or a combination of incentives and sanctions that the State determines appropriate.

"(H) The sanctions imposed on individuals who fail to comply with the State's program requirements without good cause, including the amount and length of time of such sanctions, provided that if the sanction results in complete elimination of aid to the family, the State plan shall describe the procedures used to ensure the well-being of children.

"(I) Whether payment is made or denied for a child conceived during a period in which such child's parent was receiving aid under the program.

"(J) Whether the State elects to establish a time limit after which an individual must comply with continuous or additional work requirements under part F as a condition for receiving aid under the State plan approved under this part.

"(2) PARENTAL RESPONSIBILITY AGREEMENTS AND WAGE PLANS.—

"(A) IN GENERAL.—The State plan shall provide that the State require the parent or caretaker relative to enter into—

"(i) a Parental Responsibility Agreement in accordance with subparagraph (B), or

"(ii) a Parental Responsibility Agreement in accordance with subparagraph (B) and a Wage Plan in accordance with section 491(b) if such parent or caretaker relative is required to participate in the WAGE program.

"(B) DESCRIPTION OF PARENTAL RESPONSIBILITY AGREEMENT.—A Parental Responsibility Agreement is a statement signed by the applicant for aid that—

"(i) specifies that the transitional aid program is a privilege,

"(ii) the transitional aid program is a transitional program to move recipients into work and self-sufficiency, and

"(iii) the individual must abide by any requirements of the State or risk forfeiting eligibility for transitional aid.

"(3) STATEWIDE PLAN.—The State plan shall be in effect in all political subdivisions of the State. If such plan is not administered uniformly throughout the State, the plan shall describe the variations.

"(4) GENERAL ELIGIBILITY REQUIREMENT.—

"(A) IN GENERAL.—The State plan shall ensure that transitional aid is provided to all families with needy children and that such aid is furnished with reasonable promptness to individuals found eligible under the State plan. In providing such assistance, States will take into account the income and needs of a parent of a needy child if the parent is living in the same home as the child.

"(B) NEEDY CHILD.—For purposes of subparagraph (A), a needy child shall be determined by the State, but shall be a child who—

"(i) is under the age of 18, or

"(ii) at the option of the State, under the age of 19 and a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

"(C) PREGNANT WOMAN.—At the option of the State, the State may provide transitional aid to an individual who does not have a needy child if such individual is pregnant, and such transitional aid is provided—

"(i) in order to meet the needs of the individual occasioned by or resulting from her pregnancy, and

"(ii) not more than 3 months before and after the date the woman's child is expected to be born.

"(D) PERSONS OTHER THAN PARENTS.—For purposes of this paragraph, a State may provide that the following individuals shall constitute a family with a needy child if such individuals are living in the same home as the child:

"(i) Any relative or legal guardian of the child.

"(ii) Any person who participates in the Food Stamp program with the child.

"(iii) Any other person who provides—

"(I) care for an incapacitated family member (which, for purposes of this subparagraph only, may include a child receiving supplemental security income benefits under title XVI; or

"(II) child care to enable a caretaker relative to work outside the home or to participate in the WAGE program.

"(5) CHILD CARE SERVICES.—The State plan shall provide that no individual shall be sanctioned for failure to comply with the State's WAGE program requirements if such individual needs child care assistance in order to participate, and the State fails to provide such assistance.

"(6) VERIFICATION SYSTEM.—The State plan shall provide that information is requested and exchanged for purposes of income and eligibility verification in accordance with a State system which meets the requirements of section 1137, unless the State has established an alternative system under section 411 to prevent fraud and abuse.

"(7) ALIEN ELIGIBILITY.—The State plan shall provide that in order for an individual to be eligible for transitional aid under this part, the individual shall be—

"(A) a citizen or national of the United States, or

"(B) a qualified alien (as defined in section 1101(a)(10)), provided that such alien is not disqualified from receiving aid under this part by reason of section 210(f) or 245A(h) of the Immigration and Nationality Act (8 U.S.C. 1160(f) or 1255a(h)) or any other provision of law.

"(8) DETECTION OF FRAUD.—

"(A) IN GENERAL.—The State plan shall provide (in accordance with regulations issued by the Secretary) for appropriate measures to detect fraudulent applications for transitional aid to families with needy children before establishing eligibility for such aid.

"(B) DESCRIPTION OF FRAUD CONTROL PROGRAM.—If the State has elected to establish and operate a fraud control program under section 411, the State shall submit to the Secretary (with such revisions as may from time to time be necessary) a description of such program and will operate such program in full compliance with such section 411.

"(9) PARTICIPATION IN CHILD SUPPORT ENFORCEMENT.—The State plan shall provide—

"(A) that the State has in effect a plan approved under part D and operates a child support enforcement program in substantial compliance with such plan, and

"(B) that, as a condition of eligibility for aid, each applicant or recipient will be required (subject to subparagraph (D))—

"(i) to assign the State any rights to support from any other person such applicant may have in such applicant's own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid; and

"(ii) to cooperate with the State—

"(I) in establishing the paternity of a child born out of wedlock with respect to whom aid is claimed, and

"(II) in obtaining support payments for such applicant and for a child with respect to whom such aid is claimed;

"(C) that the State agency will immediately refer each applicant requiring paternity establishment, award establishment, or child support enforcement services to the State agency administering the program under part D;

"(D) that an individual shall be required to cooperate with the State, as provided under subparagraph (B), unless the individual is found to have good cause for refusing to cooperate, as determined in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the child on whose behalf aid is claimed to the satisfaction of the State agency administering the program under part D, as determined in accordance with section 454(26);

"(E) that—

"(i) (except as provided in clause (ii)) an applicant requiring services provided under part D shall not be eligible for any aid under this part until such applicant—

"(I) has furnished to the agency administering the State plan under part D the information specified in section 454(26)(E); or

"(II) has been determined by such agency to have good cause not to cooperate; and

"(ii) that the provisions of clause (i) shall not apply—

"(I) if the agency specified in clause (i) has not within 10 days after such individual was referred to such agency, provided the notification required by section 454(26)(D)(iii), until such notification is received; and

"(II) if such individual appeals a determination that the individual lacks good cause for noncooperation, until after such determination is affirmed after notice and opportunity for a hearing; and

"(F) that, if the relative with whom a child is living is found to be ineligible because of failure to comply with the requirements of subparagraph (B), the State may authorize protective payments as provided for in section 405.

"(10) AUTOMATED DATA PROCESSING SYSTEM.—The State plan may, at the option of the State, provide for the establishment and operation, in accordance with an (initial and annually updated) advance automated data processing planning document approved under subsection (c) of an automated statewide management information system designed effectively and efficiently, to assist management in the administration of the State plan for transitional aid to families with needy children approved under this part, so as—

"(A) to control and account for—

"(i) all the factors in the total eligibility determination process under such plan for aid (including but not limited to (I) identifiable correlation factors (such as social security numbers, names, dates of birth, home addresses, and mailing addresses (including postal ZIP codes) of all applicants and recipients of such aid and the relative with whom any child who is such an applicant or recipient is living) to assure sufficient compatibility among the systems of different jurisdictions to permit periodic screening to determine whether an individual is or has been receiving benefits from more than one jurisdiction, (II) checking records of applicants and recipients of such aid on a periodic basis with other agencies, both intra- and inter-State, for determination and verification of eligibility and payment pursuant to requirements imposed by other provisions of this title),

"(ii) the costs, quality, and delivery of funds and services furnished to applicants for and recipients of such aid;

"(B) to notify the appropriate officials of child support, food stamp, social service, and medical assistance programs approved under title XIX whenever the recipient becomes ineligible or the amount of aid or services is changed; and

"(C) to provide for security against unauthorized access to, or use of, the data in such system.

"(11) PARTICIPATION IN WAGE.—The State plan shall provide—

"(A) that the State operate a WAGE program in accordance with part F, and

"(B) a description of individuals required to participate in the WAGE program in the State; such individuals may not include the following:

"(i) Parents of children under 12 weeks of age or, at the State's option, up to 1 year.

"(ii) Individuals who are ill or incapacitated, as defined by the State.

"(iii) Individuals who are needed in the home on a full-time basis to care for a disabled child or other household member.

"(iv) Individuals who are over 60 years of age.

"(v) Individuals under age 16 other than teenage parents.

"(12) REPORT OF CHILD ABUSE.—The State plan shall provide that the State agency will—

"(A) report to an appropriate agency or official, known or suspected instances of physical or mental injury, sexual abuse or exploitation, or negligent treatment or maltreatment of a child receiving aid under this part under circumstances which indicate that the child's health or welfare is threatened thereby; and

"(B) provide such information with respect to a situation described in subparagraph (A) as the State agency may have.

"(b) APPROVAL OF STATE PLANS.—

"(1) IN GENERAL.—Not later than 60 days after the date a State submits to the Secretary a plan that provides for the establishment and operation of a program or an amendment to such plan that meets the requirements of subsection (a), the Secretary shall approve the plan.

"(2) AUTHORITY TO EXTEND DEADLINE.—The 60-day deadline established in paragraph (1) with respect to a State may be extended in accordance with an agreement between the Secretary and the State.

"(c) APPROVAL OF AUTOMATIC DATA PROCESSING PLANNING DOCUMENT; REVIEW OF MANAGEMENT INFORMATION SYSTEMS; FAILURE TO COMPLY; REDUCTION OF PAYMENTS.—

"(1) APPROVAL OF AUTOMATED DATA PROCESSING PLANNING DOCUMENT.—The Secretary shall not approve the initial and annually updated advance automated data processing planning document, referred to in paragraph (2), unless the Secretary finds that such document, when implemented, will generally carry out the objectives of the statewide management system referred to in such paragraph, and such document—

"(A) provides for the conduct of, and reflects the results of, requirements analysis studies, which include consideration of the program mission, functions, organization, services, constraints, and current support, of, in, or relating to, such system,

"(B) contains a description of the proposed statewide management system, including a description of information flows, input data, and output reports and uses,

"(C) sets forth the security and interface requirements to be employed in such statewide management system,

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"(D) describes the projected resource requirements for staff and other needs, and the resources available or expected to be available to meet such requirements,

"(E) includes cost-benefit analyses of each alternative management system, data processing services and equipment, and a cost allocation plan containing the basis for rates, both direct and indirect, to be in effect under such statewide management system,

"(F) contains an implementation plan with charts of development events, testing descriptions, proposed acceptance criteria, and backup and fallback procedures to handle possible failure of contingencies, and

"(G) contains a summary of proposed improvements of such statewide management system in terms of qualitative and quantitative benefits.

"(2) SECRETARIAL REVIEW.—

"(A) IN GENERAL.—The Secretary shall, on a continuing basis, review, assess, and inspect the planning, design, and operation of, statewide management information systems referred to in section 403(a)(2), with a view to determining whether, and to what extent, such systems meet and continue to meet requirements imposed under such section and the conditions specified under paragraph (10) of subsection (a).

"(B) SUSPENSION OF APPROVAL.—If the Secretary finds with respect to any statewide management information system referred to in section 403(a)(2) that there is a failure substantially to comply with criteria, requirements, and other undertakings, prescribed by the advance automated data processing planning document previously approved by the Secretary with respect to such system, then the Secretary shall suspend his approval of such document until there is no longer any such failure of such system to comply with such criteria, requirements, and other undertakings so prescribed.

"(C) REDUCTION OF PAYMENTS UNDER SECTION 403.—If the Secretary determines that such a system has not been implemented by the State by the date specified for implementation in the State's advance automated data processing planning document, then the Secretary shall reduce payments to such State, in accordance with section 403(b), in an amount equal to 40 percent of the expenditures referred to in section 403(a)(2) with respect to which payments were made to the State under section 403(a)(2). The Secretary may extend the deadline for implementation if the State demonstrates to the satisfaction of the Secretary that the State cannot implement such system by the date specified in such planning document due to circumstances beyond the State's control.

"(d) TEMPORARY DISQUALIFICATION OF CERTAIN NEWLY LEGALIZED ALIENS.—For temporary disqualification of certain newly legalized aliens from receiving transitional aid to families with needy children, see subsection (h) of section 245A of the Immigration and Nationality Act (8 U.S.C. 1255a), subsection (f) of section 210 of such Act (8 U.S.C. 1160), and subsection (d)(7) of section 210A of such Act (8 U.S.C. 1161).

"(e) IMPACT ON MEDICAID BENEFITS OF NONCOMPLIANCE WITH CERTAIN TAP AND WAGE REQUIREMENTS.—If a family becomes ineligible to receive transitional aid under the State transitional aid program because an individual in such family fails to comply with the requirements of this part—

"(1) a needy child of such family shall remain eligible for medical assistance under the State's plan approved under title XIX, and

"(2) the family shall be appropriately notified of such extension (in the State agency's notice to the family of the termination of its eligibility for such aid) as required by section 1925(a)(2).

"SEC. 403. PAYMENTS TO STATES.

"(a) COMPUTATION OF AMOUNTS.—From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for a transitional aid program, for each quarter, beginning with the quarter commencing October 1, 1995, an amount equal to—

"(1) the Federal medical assistance percentage (as defined in section 1905(b)) of the expenditures by the State for benefits and assistance under such plan, and

"(2) 50 percent of so much of the sums expended during such quarter as are attributable to the planning, design, development, or installation of such statewide mechanized claims processing and information retrieval systems as—

"(A) meet the conditions of section 402(a)(10), and

"(B) the Secretary determines are likely to provide more efficient, economical, and effective administration of the plan and to be compatible with the claims processing and information retrieval systems utilized in the administration of State plans approved under title XIX, and State programs with respect to which there is Federal financial participation under title XX.

"(b) METHOD OF COMPUTATION AND PAYMENT.—The method of computing and paying such amounts shall be as follows:

"(1) ESTIMATES.—The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a) of this section, such estimate to be based on—

"(A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived,

"(B) records showing the number of needy children in the State, and

"(C) such other information as the Secretary may find necessary.

"(2) ADJUSTMENTS FOR PRIOR QUARTERS.—The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services—

"(A) reduced or increased, as the case may be, by any sum by which the Secretary finds that the Secretary's estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter,

"(B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Secretary of Health and Human Services, of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to transitional aid to families with needy children furnished under the State plan, and

"(C) reduced by such amount as is necessary to provide the 'appropriate reimbursement of the Federal Government' that the State is required to make under section 457 out of that portion of child support collections retained by the State pursuant to such section,

except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health and Human Services for such prior quarter.

"(3) PAYMENT OF THE AMOUNT CERTIFIED.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(c) UNIFORM REPORTING REQUIREMENTS.—In order to assist in obtaining the information needed to carry out subsection (b)(1) and otherwise to perform the Secretary's duties under this part, the Secretary shall establish uniform reporting requirements under which each State will be required to furnish data regarding—

"(1) the monthly number of families assisted under this part;

"(2) the types of such families;

"(3) the monthly number of children assisted under this part;

"(4) the amounts expended to serve such families and children;

"(5) the length of time for which such families and children are assisted;

"(6) the number of families and children receiving child care assistance;

"(7) the number of families receiving transitional medicaid assistance; and

"(8) in what form the amounts of assistance are being spent (the amount spent on wage subsidies compared to the amount spent on cash benefits).

"(d) BONUS AMOUNT.—

"(1) IN GENERAL.—For fiscal year 1997 and each fiscal year thereafter, a State operating a transitional aid program under part A in the preceding fiscal year meeting the requirements of paragraph (2) shall receive a bonus amount equal to 10 percent of the base payment amount determined for such State under section 481(b).

"(2) REQUIREMENTS.—A transitional aid program meets the requirements of this paragraph if the program—

"(A) provides for disregards of earned income for families receiving transitional aid to ensure that a family in which a family member worked part-time in a minimum wage job did not have a lower monthly income after calculation of reasonable work-related expenses than a family of the same size in which a family member did not work;

"(B) provides that calculation of the level of transitional aid under the program for a family is based only on the needs of needy children and the caretaker relatives of such children; and

"(C) provides for equal treatment of one-parent and two-parent families.

"SEC. 404. DEVIATION FROM PLAN.

"(a) STOPPAGE OF PAYMENTS.—In the case of any State plan for transitional aid to families with needy children which has been approved by the Secretary, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 402(a) to be included in the plan, the Secretary shall notify such State agency that further payments will not be made to the State (or in the Secretary's discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure) until the Secretary is satisfied that

such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until the Secretary is so satisfied the Secretary shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

"(b) MISUSE OF FUNDS.—In any case in which the Secretary finds that a State has misappropriated or misused funds appropriated pursuant to section 403, the Secretary shall reduce the payment to which the State would otherwise be entitled under this part for the fiscal year following the fiscal year in which such finding is made by an amount equal to two times the amount of funds found to be misused or misappropriated.

"SEC. 405. USE OF PAYMENTS FOR BENEFIT OF CHILDREN.

"Whenever the State agency has reason to believe that any payments of transitional aid to families with needy children made with respect to a child are not being or may not be used in the best interests of the child, the State agency may provide for such counseling and guidance services with respect to the use of such payments and the management of other funds by the relative receiving such payments as it deems advisable in order to assure use of such payments in the best interests of such child, and may provide for advising such relative that continued failure to so use such payments will result in substitution therefor of such protective payments as the State may authorize, or in seeking appointment of a guardian or legal representative as provided in section 1111, or in the imposition of criminal or civil penalties authorized under State law if it is determined by a court of competent jurisdiction that such relative is not using or has not used for the benefit of the child any such payments made for that purpose; and the provision of such services or advice by the State agency (or the taking of the action specified in such advice) shall not serve as a basis for withholding funds from such State under section 404 and shall not prevent such payments with respect to such child from being considered transitional aid to families with needy children.

"SEC. 406. SPECIAL RULE.

"Each needy child, and each relative with whom such a child is living (including the spouse of such relative), who becomes ineligible for transitional aid to families with needy children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title, and who has received such aid in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, shall be deemed to be a recipient of transitional aid to families with needy children for purposes of title XIX for an additional 4 calendar months beginning with the month in which such ineligibility begins.

"SEC. 407. PERFORMANCE MEASUREMENT SYSTEM.

"(a) IN GENERAL.—Not later than July 1, 1996, the Secretary, in consultation with the States, shall submit recommendations to Congress to streamline the system for monitoring the accuracy of payments made for transitional aid to families with needy children and for transforming the transitional aid program into a system that measures a State's performance in moving recipients of such aid into permanent employment.

"(b) DETAILS OF RECOMMENDATIONS.—The recommendations required by subsection (a) shall—

"(1) be based on a system which replaces the AFDC quality control system (described in section 408 of the Social Security Act as in effect on the day before the date of the enactment of the Work and Gainful Employment Act),

"(2) include an effort to ensure the continuity of recipient data collected under the AFDC quality control system and the new streamlined system, and

"(3) integrate the performance measurements under the WAGE program and any other applicable performance measurements that are designed to measure the effectiveness of States in promoting work.

"SEC. 408. EXCLUSION FROM TRANSITIONAL AID PROGRAM UNIT OF INDIVIDUALS FOR WHOM CERTAIN PAYMENTS ARE MADE.

"(a) EXCLUSION OF CHILDREN RECEIVING FOSTER CARE, ETC.—Notwithstanding any other provision of this title (other than subsection (b))—

"(1) a child with respect to whom foster care maintenance payments or adoption assistance payments are made under part E of this title or under State or local law, or a child or parent receiving benefits under title XVI of this Act, shall not, for the period for which such payments are made, be regarded as a member of a family for purposes of determining the amount of benefits of the family under this part; and

"(2) the income and resources of such child or parent shall be excluded from the income and resources of a family under this part.

"(b) LIMITATION.—Subsection (a) of this section shall not apply in the case of a child with respect to whom adoption assistance payments are made under part E of this title or under State or local law, if application of such subsection would reduce the benefits under this part of the family of which the child would otherwise be regarded as a member.

"SEC. 409. TECHNICAL ASSISTANCE FOR DEVELOPING MANAGEMENT INFORMATION SYSTEMS.

"The Secretary shall provide such technical assistance to States as the Secretary determines necessary to assist States to plan, design, develop, or install and provide for the security of, the management information systems referred to in section 403(a)(2).

"SEC. 410. ATTRIBUTION OF INCOME AND RESOURCES OF SPONSOR AND SPOUSE TO ALIEN.

"(a) APPLICABILITY; TIME PERIOD.—For purposes of determining eligibility for and the amount of benefits under a State plan approved under this part for an individual who is a qualified alien described in section 402(a)(7), the income and resources of any person who (as a sponsor of such individual's entry into the United States) executed an affidavit of support or similar agreement with respect to such individual, and the income and resources of the sponsor's spouse, shall be deemed to be the unearned income and resources of such individual (in accordance with subsections (b) and (c) of this section) for a period determined under section 802 of the Work and Gainful Employment Act, except that this section is not applicable if such individual is a needy child and such sponsor (or such sponsor's spouse) is the parent of such child.

"(b) COMPUTATION.—

"(1) AMOUNT DEEMED UNEARNED INCOME.—The amount of income of a sponsor (and his spouse) which shall be deemed to be the unearned income of a qualified alien for any month shall be determined as follows:

"(A) The total amount of earned and unearned income of such sponsor and such sponsor's spouse (if such spouse is living with the sponsor) shall be determined for such month.

"(B) The amount determined under subparagraph (A) shall be reduced by an amount equal to the sum of—

"(i) the lesser of—

"(I) 20 percent of the total of any amounts received by the sponsor and his spouse in such month as wages or salary or as net earnings from self employment, plus the full amount of any costs incurred by them in producing self-employment income in such month, or

"(II) $175;

"(ii) the cash needs standard established by the State under its plan for a family of the same size and composition as the sponsor and those other individuals living in the same household as the sponsor who are claimed by him as dependents for purposes of determining his Federal personal income tax liability but whose needs are not taken into account by the State for the purpose of determining eligibility for transitional aid under this part;

"(iii) any amounts paid by the sponsor (or his spouse) to individuals not living in such household who are claimed by him as dependents for purposes of determining his Federal personal income tax liability; and

"(iv) any payments of alimony or child support with respect to individuals not living in such household.

"(2) AMOUNT DEEMED RESOURCES.—The amount of resources of a sponsor (and his spouse) which shall be deemed to be the resources of a qualified alien for any month shall be determined as follows:

"(A) The total amount of the resources (determined as if the sponsor were applying for aid under the State plan approved under this part) of such sponsor and such sponsor's spouse (if such spouse is living with the sponsor) shall be determined.

"(B) The amount determined under subparagraph (A) shall be reduced by $1,500.

"(c) PROVISION OF INFORMATION BY ALIEN CONCERNING THE ALIEN'S SPONSOR; RECEIPT OF INFORMATION FROM DEPARTMENTS OF STATE AND JUSTICE.—

"(1) INFORMATION REQUIRED.—Any individual who is an alien and whose sponsor was a public or private agency shall be ineligible for aid under a State plan approved under this part during the period determined under section 802 of the Work and Gainful Employment Act, unless the State agency administering such plan determines that such sponsor either no longer exists or has become unable to meet such individual's needs; and such determination shall be made by the State agency based upon such criteria as it may specify in the State plan, and upon such documentary evidence as it may therein require. Any such individual, and any other individual who is a qualified alien (as a condition of his or her eligibility for aid under a State plan approved under this part during the period determined under section 802 of the Work and Gainful Employment Act, shall be required to provide to the State agency administering such plan such information and documentation with respect to his sponsor as may be necessary in order for the State agency to make any determination required under this section, and to obtain any cooperation from such sponsor necessary for any such determination. Such alien shall also be required to provide to the State agency such information and documentation as it may request and which such alien or his sponsor provided in support of such alien's immigration application.

"(2) COOPERATION WITH SECRETARY OF STATE AND ATTORNEY GENERAL.—The Secretary shall enter into agreements with the Secretary of State and the Attorney General whereby any information available to them and required in order to make any determination under this section will be provided by them to the Secretary (who may, in turn, make such information available, upon request, to a concerned State agency), and whereby the Secretary of State and Attorney General will inform any sponsor of an alien, at the time such sponsor executes an affidavit of support or similar agreement, of the requirements imposed by this section.

"(d) JOINT AND SEVERAL LIABILITY OF ALIEN AND SPONSOR FOR OVERPAYMENT OF AID DURING SPECIFIED PERIOD FOLLOWING ENTRY.—Any sponsor of a qualified alien, and such alien, shall be jointly and severally liable for an amount equal to any overpayment of aid under the State plan made to such alien during the period determined under section 802 of the Work and Gainful Employment Act, on account of such sponsor's failure to provide correct information under the provisions of this section, except where such sponsor was without fault, or where good cause of such failure existed. Any such overpayment which is not repaid to the State or recovered in accordance with the procedures generally applicable under the State plan to the recoupment of overpayments shall be withheld from any subsequent payment to which such alien or such sponsor is entitled under any provision of this Act.

"(e) DIVISION OF INCOME AND RESOURCES OF INDIVIDUAL SPONSORING TWO OR MORE ALIENS LIVING IN SAME HOME.—

"(1) IN GENERAL.—In any case where a person is the sponsor of two or more alien individuals who are living in the same home, the income and resources of such sponsor (and his spouse), to the extent they would be deemed the income and resources of any one of such individuals under the preceding provisions of this section, shall be divided into two or more equal shares (the number of shares being the same as the number of such alien individuals) and the income and resources of each such individual shall be deemed to include one such share.

"(2) DEEMED INCOME AND RESOURCES.—Income and resources of a sponsor (and his spouse) which are deemed under this section to be the income and resources of any alien individual in a family shall not be considered in determining the need of other family members except to the extent such income or resources are actually available to such other members.

"(f) ALIENS NOT COVERED.—The provisions of this section shall not apply with respect to any alien who is—

"(1) admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of section 203(a)(7) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(7));

"(2) admitted to the United States as a result of the application, after March 31, 1980, of the provisions of section 207(c) of such Act;

"(3) paroled into the United States as a refugee under section 212(d)(5) of such Act;

"(4) granted political asylum by the Attorney General under section 208 of such Act; or

"(5) a Cuban or Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96–422).

"SEC. 411. FRAUD CONTROL.

"(a) ELECTION FOR FRAUD CONTROL PROGRAM.—Any State, in the administration of its State plan approved under section 402, may elect to establish and operate a fraud control program in accordance with this section.

"(b) PENALTY FOR FALSE OR MISLEADING STATEMENT OR MISREPRESENTATION OF FACT.—Under any such program, if an individual who is a member of a family applying for or receiving aid under the State plan approved under section 402 is found by a Federal or State court or pursuant to an administrative hearing meeting requirements determined in regulations of the Secretary, on the basis of a plea of guilty or nolo contendere or otherwise, to have intentionally—

"(1) made a false or misleading statement or misrepresented, concealed, or withheld facts, or

"(2) committed any act intended to mislead, misrepresent, conceal, or withhold facts or propound a falsity, for the purpose of establishing or maintaining the family's eligibility for aid under such State plan or of increasing (or preventing a reduction in) the amount of such aid, then the needs of such individual shall not be taken into account by the State in determining eligibility for transitional aid under this part with respect to his or her family—

"(A) for a period of 6 months upon the first occasion of any such offense,

"(B) for a period of 12 months upon the second occasion of any such offense, and

"(C) permanently upon the third or a subsequent occasion of any such offense.

"(c) PROCEEDINGS AGAINST VIOLATORS BY STATE AGENCY.—The State agency involved shall proceed against any individual alleged to have committed an offense described in subsection (b) either by way of administrative hearing or by referring the matter to the appropriate authorities for civil or criminal action in a court of law. The State agency shall coordinate its actions under this section with any corresponding actions being taken under the food stamp program in any case where the factual issues involved arise from the same or related circumstances.

"(d) DURATION OF PERIOD OF SANCTIONS; REVIEW.—Any period for which sanctions are imposed under subsection (b) shall remain in effect, without possibility of administrative stay, unless and until the finding upon which the sanctions were imposed is subsequently reversed by a court of appropriate jurisdiction; but in no event shall the duration of the period for which such sanctions are imposed be subject to review.

"(e) ADDITIONAL SANCTIONS PROVIDED BY LAW.—The sanctions provided under subsection (b) shall be in addition to, and not in substitution for, any other sanctions which may be provided for by law with respect to the offenses involved.

"(f) WRITTEN NOTICE OF PENALTIES FOR FRAUD.—Each State which has elected to establish and operate a fraud control program under this section must provide all applicants for transitional aid to families with needy children under its approved State plan, at the time of their application for such aid, with a written notice of the penalties for fraud which are provided for under this section.

"SEC. 412. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

"The programs under this part, part D, and part F of this title shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.".

(b) TRANSITION FROM AFDC TO TRANSITIONAL AID PROGRAM.—In the case of any individual who is an applicant for or recipient of aid to families with dependent children under part A of title IV of the Social Security Act, as in effect on the day before the effective date of this title, the State may, at the State's option, provide that—

(1) such individual be treated as an applicant for or recipient of (as the case may be) transitional aid to families with needy children under part A of title IV of the Social Security Act as in effect on such effective date, or

(2) such individual submit an application for transitional aid in accordance with the provisions of the State plan approved under such part A as so in effect.

TITLE II—WORK AND GAINFUL EMPLOYMENT (WAGE) PROGRAM

SEC. 201. WAGE PROGRAM.

Part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.) is amended to read as follows:

"PART F—WAGE PROGRAM

"SEC. 480. PURPOSE.

"It is the purpose of this part to provide States with flexibility to design programs to ensure that needy families with children obtain employment and avoid long-term welfare dependence.

"Subpart 1—Block Grant

"SEC. 481. BLOCK GRANT.

"(a) BLOCK GRANT AMOUNT.—Subject to section 482, each State that operates a WAGE program in accordance with subpart 2 shall be entitled to receive for each fiscal year a block grant amount equal to—

"(1) the base payment amount determined under subsection (b) and the additional amount described in subsection (b)(3); plus

"(2) the performance award amount (if any) determined under subsection (c).

"(b) BASE PAYMENT AMOUNT.—

"(1) IN GENERAL.—Subject to the limitation of paragraph (3), the base payment amount determined under this subsection with respect to each State is—

"(A) for fiscal year 1996, an amount equal to the base amount determined under paragraph (2); and

"(B) for fiscal year 1997 and each subsequent fiscal year, an amount equal to 103 percent of the base payment amount determined under this subsection for the prior fiscal year.

"(2) BASE AMOUNT.—The base amount determined under this paragraph with respect to each State is an amount equal to the greater of—

"(A) 103 percent of the Federal payments made to the State in fiscal year 1995—

"(i) for child care services described in clause (i) or (ii) of section 402(g)(1)(a) (relating to AFDC–JOBS child care and transitional child care);

"(ii) under section 403(a)(3) (relating to administrative costs of operating the AFDC program), other than any payments made under such section for automated data processing systems; and

"(iii) under section 403(a)(5) (relating to emergency assistance); or

"(B) 103 percent of the average of the Federal payments described in clauses (i), (ii), and (iii) of subparagraph (A) made to the State in fiscal years 1993, 1994, and 1995.

"(3) ADDITIONAL PAYMENTS.—

"(A) IN GENERAL.—In addition to the amounts specified in paragraph (2), each

State shall be entitled to receive an amount that bears the same ratio to the amount specified in subparagraph (B) for such fiscal year as the average monthly number of families with needy children receiving transitional aid in the State in the preceding fiscal year bears to the average monthly number of such families in all the States for such preceding year.

"(B) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(i) for fiscal year 1996, $1,200,000,000;

"(ii) for fiscal year 1997, $1,700,000,000;

"(iii) for fiscal year 1998, $2,100,000,000;

"(iv) for fiscal year 1999, $2,700,000,000; and

"(v) for fiscal year 2000, $3,200,000,000.

"(c) PERFORMANCE AWARD.—

"(1) IN GENERAL.—Subject to the limitation of paragraph (4), the performance award determined under this subsection for a fiscal year for a State is an amount equal to the sum of—

"(A) the full-time employment savings of the State, plus

"(B) the part-time employment savings of the State.

"(2) FULL-TIME EMPLOYMENT SAVINGS.—For purposes of this subsection—

"(A) IN GENERAL.—The full-time employment savings of a State for any fiscal year is an amount equal to the product of—

"(i) the total number of full-time performance award employees, and

"(ii) an amount equal to 6 times the Federal share of the average monthly transitional aid paid to individuals in accordance with the State plan under part A for the preceding fiscal year.

"(B) FULL-TIME PERFORMANCE AWARD EMPLOYEES.—The term 'full-time performance award employees' means, with respect to any fiscal year, a number of employees equal to the applicable percentage of the average monthly number of individuals who, during the preceding fiscal year, received transitional aid under the program operated in accordance with the State plan under part A.

"(C) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means, with respect to any fiscal year, the number of whole percentage points (if any) by which—

"(i) the percentage which—

"(I) the average monthly number of individuals who became ineligible during the preceding fiscal year to receive transitional aid under the program operated in accordance with the State plan under part A by reason of earnings from employment, bears to

"(II) the number of individuals receiving transitional aid under the program operated in accordance with the State plan under part A for such preceding fiscal year, exceeds

"(ii) the percentage determined under clause (i) for fiscal year 1996.

"(D) SPECIAL RULE FOR SHORT-TERM EMPLOYEES.—An individual shall not be taken into account under subclause (I) of subparagraph (C)(i) unless the employment described in such subclause has continued for 6 consecutive months. If an individual is not taken into account for a fiscal year by reason of this subparagraph, such individual shall be taken into account in the following fiscal year if such 6-month period ends in such following fiscal year.

"(3) PART-TIME EMPLOYMENT SAVINGS.—For purposes of this subsection—

"(A) IN GENERAL.—The part-time employment savings of a State for any fiscal year is an amount equal to the product of—

"(i) the total number of part-time performance award employees, and

"(ii) an amount equal to 6 times the Federal share of the average monthly transitional aid (weighted for family size) which would otherwise be paid to individuals described in subparagraph (C)(i)(I) in accordance with the State plan under part A for the preceding fiscal year but for the fact the individual worked at least 20 hours per week.

"(B) PART-TIME PERFORMANCE AWARD EMPLOYEES.—The term 'part-time performance award employees' means, with respect to any fiscal year, a number of employees equal to the applicable percentage of the average monthly number of individuals who, during the preceding fiscal year, received transitional aid under the program operated in accordance with the State plan under part A.

"(C) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means, with respect to any fiscal year, the number of whole percentage points (if any) by which—

"(i) the percentage which—

"(I) the average monthly number of individuals who were eligible to receive transitional aid under the program operated in accordance with the State plan under part A during the preceding fiscal year, and worked at least 20 hours a week in a position which was not subsidized by the State, bears to

"(II) the number of individuals receiving transitional aid under the program operated in accordance with the State plan under part A for such preceding fiscal year, exceeds

"(ii) the percentage determined under clause (i) for fiscal year 1996.

"(D) SPECIAL RULE FOR AREAS OF HIGH UNEMPLOYMENT.—In the case of any State (or any area of a State) which has an average monthly unemployment rate which is more than 6.5 percent (as determined by the Secretary of Labor) for the fiscal year for which the percentage described in subparagraph (C)(i) is being determined, such State may, in applying subparagraph (C)(i)(I), include individuals residing in such State (or area) who worked at least 20 hours a week in positions fully subsidized by the State.

"(4) LIMITATION.—

"(A) IN GENERAL.—The performance award under paragraph (1) for a State for any fiscal year shall not exceed the amount that bears the same ratio to the amount specified in clause (ii) for such fiscal year as the amount of full-time and part-time performance award employees of the State for a fiscal year bears to the amount of such employees for all States for such fiscal year.

"(B) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(i) for fiscal year 1998, $200,000,000;

"(ii) for fiscal year 1999, $400,000,000; and

"(iii) for fiscal year 2000 and each fiscal year thereafter, $600,000,000.

"(5) AWARD BEGINNING WITH FISCAL YEAR 1998.—No amount shall be paid to a State as a performance award determined under this subsection before October 1, 1997.

"(d) PAYMENTS TO INDIAN TRIBES.—The Secretary shall reserve for payment to Indian tribes and Alaska Native organizations with an application approved under section 492(a)(1)(A) an amount equal to not more than 2 percent of the amount appropriated under subsection (a). Such amounts shall be distributed to each tribe and Alaska Native organization in an amount that bears the same ratio to the total amount reserved under this subsection as the number of the participants required to be served in the preceding fiscal year in the tribe's or Alaska Native organization's service area bears to the number of participants to be served by all tribes and Alaska Native organizations in such preceding year. In making such distributions, the Secretary shall take into account such other factors as the Secretary deems appropriate, including unique geographic, economic, demographic, and administrative conditions of individual Indian tribes and Alaska Native organizations.

"SEC. 482. PARTICIPATION RATES.

"(a) PARTICIPATION RATE REQUIREMENT.—

"(1) IN GENERAL.—Notwithstanding section 481, the Secretary shall pay to a State an amount equal to 95 percent of the base payment amount determined for the State for a fiscal year if the State's participation rate determined under subsection (c) for the preceding fiscal year does not exceed or equal the following percentage:

"Fiscal year:	Percentage:
1996	35
1997	40
1998	45
1999	50
2000	55.

"(2) REQUIRED WORK ACTIVITY.—A State shall not be treated as having a participation rate meeting the requirements of this subsection if the number of individuals described in subsection (c)(1) engaged in work activities is not at least 50 percent of the total number of individuals described in subsection (c)(1).

"(b) ELECTION BY THE STATE.—In lieu of the reduction described in subsection (a), a State that does not meet the participation rate requirements described in subsection (a), may elect to receive the full amount of the payments described in section 481(a)(1) to which the State is otherwise entitled for the fiscal year if the State makes available non-Federal contributions for the fiscal year in an amount equal to not less than 5 percent of the State's non-Federal contributions for the preceding fiscal year.

"(c) DETERMINATION OF PARTICIPATION RATE.—The State's participation rate for a fiscal year shall be the number, expressed as a percentage, equal to—

"(1) the sum of—

"(A) the average monthly number of individuals in the State who have participated in work activities or work preparation activities under the WAGE program under subpart 2 for an average of at least 20 hours a week,

"(B) the average monthly number of individuals who within the previous 6-month period have become ineligible for transitional aid under part A or the WAGE program because the individuals are employed, and

"(C) the average monthly number of individuals under sanctions for failing to comply with a WAGE Plan, divided by

"(2) the average monthly number of families with an adult recipient, not including those who are exempt under section 402(a)(11).

"(d) DEFINITION OF WORK ACTIVITIES.—For purposes of this section, the term 'work activities' means—

"(1) unsubsidized employment;

"(2) subsidized private sector employment;

"(3) subsidized public sector employment or work experience (including work associated with the refurbishing of publicly assisted housing) only if sufficient private sector employment is not available;

"(4) on-the-job training; and

"(5) microenterprise employment.

"(e) TWO-YEAR LIMIT.—For purposes of subsection (c)(1)(A), an individual who has participated in the WAGE program for 2 years may not be counted in determining the State's participation rate unless such individual is engaged in a work activity.

"Subpart 2—Establishment and Operation of WAGE Program

"SEC. 490. REQUIREMENT TO ESTABLISH A WAGE PROGRAM.

"A State shall establish a work and gainful employment program (hereafter in this part referred to as the 'WAGE program') in accordance with section 491.

"SEC. 491. ESTABLISHMENT AND OPERATION OF FLEXIBLE STATE PROGRAMS.

"(a) PROGRAM REQUIREMENTS.—Any State with a State plan approved under subsection (c) shall establish and operate a program that meets the following requirements:

"(1) OBJECTIVE.—The objective of the program is for each program participant to find and hold a full-time unsubsidized paid job, and for this goal to be achieved in a cost-effective fashion.

"(2) METHODS OF OBTAINING OBJECTIVE.—The objective of the program under paragraph (1) shall be achieved by connecting recipients of transitional aid with the private sector labor market as soon as possible and offering them the support and skills necessary to remain in the labor market. Each component of the program should seek to attain the objective by emphasizing employment and conveying an understanding that minimum wage jobs are a stepping stone to more highly paid employment. The program is intended to provide recipients with job search and placement, education, training, wage supplementation, temporary subsidized jobs, or such other services as the State deems necessary to help a recipient obtain private sector employment.

"(3) JOB CREATION.—The creation of jobs, with an emphasis on private sector jobs, shall be a component of the program and shall be a priority for each State office that has responsibility under the program.

"(4) ASSISTANCE.—The State may provide assistance to participants in the program in the following forms:

"(A) State job placement services, which may include employment opportunity centers that act as one-stop placement entities through which the State makes available to each program participant services under programs carried out under one or more of the following provisions of law:

"(i) Part A of title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.) (relating to the adult training program).

"(ii) Part B of title II of such Act (29 U.S.C. 1630 et seq.) (relating to the summer youth employment and training programs).

"(iii) Part C of title II of such Act (29 U.S.C. 1641 et seq.) (relating to the youth training program).

"(iv) Title III of such Act (29 U.S.C. 1651 et seq.) (relating to employment and training assistance for dislocated workers).

"(v) Part B of title IV of such Act (29 U.S.C. 1691 et seq.) (relating to the Job Corps).

"(vi) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

"(vii) The Adult Education Act (20 U.S.C. 1201 et seq.).

"(viii) Part B of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2741 et seq.) (relating to Even Start family literacy programs).

"(ix) Subtitle A of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421) (relating to adult education for the homeless).

"(x) Subtitle B of title VII of such Act (42 U.S.C. 11431 et seq.) (relating to education for homeless children and youth).

"(xi) Subtitle C of title VII of such Act (42 U.S.C. 11441) (relating to job training for the homeless).

"(xii) The School-to-Work Opportunities Act of 1994.

"(xiii) The National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.).

"(xiv) The National Skill Standards Act of 1994.

"(B) Private placement company services, which may include contracts the State enters into with private companies (whether operated for profit or not for profit) or community action agencies for placement of participants in the program in positions of full-time or part-time employment, preferably in the private sector, for wages sufficient to eliminate the need of such participants for cash assistance.

"(C) Microenterprise programs, including programs under which the State makes grants and loans to public and private organizations, agencies, and other entities (whether operated for profit or not for profit) to enable such entities to facilitate economic development by—

"(i) providing technical assistance, advice, and business support services (including assistance, advice, and support relating to business planning, financing, marketing, and other microenterprise development activities) to owners of microenterprises and persons developing microenterprises; and

"(ii) providing general support (such as peer support and self-esteem programs) to owners of microenterprises and persons developing microenterprises.

"(D) Work supplementation programs, under which the State may use part or all of the sums that would otherwise be payable to participants in the program as transitional aid under part A for the purpose of providing and subsidizing jobs for such participants as an alternative to the transitional aid that would otherwise be so payable to them.

"(E) Innovative JOBS programs, including programs similar to—

"(i) the program known as the 'GAIN Program' that has been operated by Riverside County, California, under Federal law in effect immediately before the date this section first applies to the State of California;

"(ii) the program known as 'JOBS Plus' that has been operated by the State of Oregon under Federal law in effect immediately before the date this section first applies to the State of Oregon; and

"(iii) the program known as 'JOBS' that has been operated by Kenosha County, Wisconsin, under Federal law in effect immediately before the date this section first applies to the State of Wisconsin.

"(F) Temporary subsidized job creation, which may include workfare programs.

"(G) Education or training services.

"(H) Any other service which provides individuals with the support and skills necessary to obtain and keep employment in the private sector.

For purposes of subparagraph (C), the term 'microenterprise' means a commercial enterprise which has 5 or fewer employees, one or more of whom owns the enterprise.

"(5) WAGE PLAN.—The State agency shall develop a WAGE Plan in accordance with subsection (b) with each program participant.

"(6) HOURS OF PARTICIPATION REQUIREMENT.—The State shall provide that each participant in the program under this section shall participate in activities in accordance with this section for at least 20 hours per week (or, at the State's option, a greater number of hours per week), including job search in cases where the individual is not employed in an unsubsidized job in the private sector.

"(7) TIME LIMIT.—A State may establish a time limit of any duration for participation by an individual in the WAGE program. A State shall not terminate any participant subject to such time limit if the participant has complied with the requirements set forth in the WAGE Plan established in accordance with paragraph (5).

"(8) CHILD CARE SERVICES.—The State shall offer each individual participating in the program child care services (as determined by the State) if such individual requires child care services in order to participate.

"(9) NONDISPLACEMENT.—The program shall comply with the requirements of subsection (g).

"(10) NONCUSTODIAL PARENTS.—

"(A) IN GENERAL.—The State may provide services under the program, on a voluntary or mandatory basis, to noncustodial parents of needy children who are recipients of transitional aid.

"(B) PARTICIPATION RATE.—Noncustodial parents who participate in the WAGE program shall be treated as participants for purposes of determining the participation rate under section 482.

"(b) WAGE PLAN.—

"(1) IN GENERAL.—On the basis of an initial assessment of the skills, prior work experience, and employability of each individual who the State requires to participate in the WAGE program, the State agency shall, together with the individual, develop a WAGE Plan, which—

"(A) sets forth an employment goal for the individual and contains an individualized comprehensive plan developed by the State agency with the participant for moving the individual into the workforce;

"(B) provides that the participant shall spend at least 20 hours per week (or, at the option of the State, a greater number of hours per week) in activities provided for in the WAGE Plan, including job search in cases where the individual is not employed in an unsubsidized job in the private sector;

"(C) sets forth the obligations of the individual, which may include a requirement that the individual attend school, maintain certain grades and attendance, keep school age children of the individual in school, immunize children, attend parenting and money management classes, or do other things that will help the individual become and remain employed in the private sector;

"(D) provides that the participant shall accept any bona fide offer of unsubsidized full-time employment, unless the participant has good cause for not doing so;

"(E) describes the child care and other social services and assistance which the State will provide in order to allow the individual to take full advantage of the activities under the program operated in accordance with this section;

"(F) at the option of the State, provides that aid under the transitional aid program is to be paid to the participant based on the number of hours that the participant spends in activities provided for in the agreement; and

"(G) at the option of the State, requires the participant to undergo appropriate substance abuse treatment.

"(2) TIMING.—The State agency shall comply with paragraph (1) with respect to an individual—

"(A) within 90 days (or, at the option of the State, 180 days) after the effective date of this part, in the case of an individual who, as

of such effective date, is a recipient of aid under the State plan approved under part A; or

"(B) within 30 days (or, at the option of the State, 90 days) after the individual is determined to be eligible for such aid, in the case of any other individual.

"(c) STATE PLANS.—

"(1) IN GENERAL.—Within 60 days after the date a State submits to the Secretary a plan that provides for the establishment and operation of a program that meets the requirements of subsection (a), the Secretary shall approve the plan.

"(2) AUTHORITY TO EXTEND DEADLINE.—The 60-day deadline established in paragraph (1) with respect to a State may be extended in accordance with an agreement between the Secretary and the State.

"(d) ANNUAL REPORTS.—

"(1) COMPLIANCE WITH PERFORMANCE MEASURES.—Each State that operates a program under this section shall submit to the Secretary annual reports that compare the achievements of the program with the performance-based measures established under subsection (e).

"(2) COMPLIANCE WITH PARTICIPATION RATES.—Each State that operates a program under this section for a fiscal year shall submit to the Secretary a report on the participation rate determined under section 482 of the State for the fiscal year.

"(e) PERFORMANCE-BASED MEASURES.—The Secretary shall, by regulation, establish measures of the effectiveness of the State's program established under this section in moving recipients of transitional aid under the State plan approved under part A into full-time unsubsidized employment, based on the performance of such programs.

"(f) EFFECT OF FAILURE TO MEET PARTICIPATION RATES.—

"(1) IN GENERAL.—If a State fails to achieve the participation rate required by section 482(a) for the fiscal year, the Secretary may make recommendations for changes in the program. The State may elect to follow such recommendations, and shall demonstrate to the Secretary how the State will achieve the required participation rates.

"(2) SECOND CONSECUTIVE FAILURE.—Notwithstanding paragraph (1), if the State has failed to achieve the participation rates required by section 482(a) for 2 consecutive fiscal years, the Secretary may require the State to make changes in the State program established under this section.

"(g) NO DISPLACEMENT.—No work assignment under the program shall result in—

"(1) the displacement of any currently employed worker or position (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits), or result in the impairment of existing contracts for services or collective bargaining agreements;

"(2) the employment or assignment of a participant of the filling of a position when—

"(A) any other individual is on layoff from the same or any equivalent position, or

"(B) the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the effect of filling the vacancy so created with a participant subsidized under the program; or

"(3) any infringement of the promotional opportunities of any currently employed individual.

No participant may be assigned under work supplementation programs or under workfare programs to fill any established unfilled position vacancy.

"SEC. 492. SPECIAL PROVISIONS RELATING TO INDIAN TRIBES AND ALASKA NATIVE ORGANIZATIONS.

"(a) SPECIAL PROVISIONS RELATING TO TRIBES AND NATIVE ORGANIZATIONS.—

"(1) IN GENERAL.—

"(A) WAGE PROGRAMS.—An Indian tribe or Alaska Native organization may apply to the Secretary to conduct a WAGE program under this part. An application to conduct a WAGE program in a fiscal year shall be submitted not later than July 1 of the preceding fiscal year. Upon approval of the application, payment in the amount determined in accordance with section 482(d) shall be made directly to the tribe or organization involved.

"(B) WAIVER OF CERTAIN REQUIREMENTS.—The Secretary may waive any requirements of this part with respect to a WAGE program conducted under this part by an Indian tribe or Alaska Native organization as the Secretary determines to be appropriate.

"(C) TERMINATION.—The WAGE program conducted by any Indian tribe or Alaska Native organization may be terminated voluntarily by such tribe or organization or may be terminated by the Secretary upon a finding that such program is not being conducted in substantial conformity with the terms of the application approved under subparagraph (A). If a WAGE program of an Indian tribe or Alaska Native organization is terminated, such tribe or organization shall not be eligible to submit a new application under subparagraph (A) with respect to any year before the 6th year following such termination.

"(D) CONSORTIUM OF TRIBES.—An Indian tribe may enter into an agreement with other Indian tribes for the provision of WAGE program services by a tribal consortium providing for centralized administration of WAGE program services for the region served by the Indian tribes so agreeing. In the case of such an agreement, a single application under this part may be submitted by the tribal consortium and the consortium shall be entitled to receive an amount equal to the aggregate amount that all of the tribes in the consortium would have been entitled to receive if each tribe applied separately. In any case in which an application is submitted by a tribal consortium, the approval of each Indian tribe included in the consortium shall be a prerequisite to the distribution of funds to the tribal consortium.

"(2) DETERMINATION OF EXEMPT INDIVIDUAL.—An application under this section shall provide that upon approval the Indian tribe or Alaska Native organization, as the case may be, will be responsible for determining whether an individual (within the service area of the tribe or organization) is exempt under section 402(a)(11).

"(b) OTHER REQUIREMENTS.—

"(1) CHILD CARE.—Each Indian tribe and Alaska Native organization submitting an application under this section may also submit to the Secretary (as a part of the application) a description of the program that the tribe or organization will implement to meet the child care needs of WAGE program participants and may request funds to provide such child care. The Secretary may waive any other requirement of this part with respect to child care services as the Secretary determines inappropriate for such child care program, other than the requirement described in section 491(a)(8).

"(2) PAYMENT FOR CHILD CARE.—The Secretary shall adjust the payment for a fiscal year under section 481(d) to reflect the cost of child care for the number of required participants in need of such care in the preceding fiscal year (and other recipients in need of such care) in the tribe's or Alaska Native organization's service area, subject to the limitation on total funding for tribes and Alaska Native organizations.

"(3) DATA COLLECTION.—The Secretary shall establish data collection and reporting requirements with respect to child care services implemented under this subsection.

"(c) DEFINITIONS.—For purposes of this section—

"(1) TRIBAL CONSORTIUM.—The term 'tribal consortium' means any group, association, partnership, corporation, or other legal entity which is controlled, sanctioned, or chartered by the governing body of more than 1 Indian tribe.

"(2) INDIAN TRIBE.—The term 'Indian tribe' means any tribe, band, nation, or other organized group or community of Indians that—

"(A) is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and

"(B) for which a reservation exists.

For purposes of subparagraph (B), a reservation includes Indian reservations, public domain Indian allotments, and former Indian reservations in Oklahoma.

"(3) ALASKA NATIVE ORGANIZATION.—

"(A) IN GENERAL.—The term 'Alaska Native organization' means any organized group of Alaska Natives eligible to operate a Federal program under Public Law 93-638 or such group's designee.

"(B) BOUNDARIES.—The boundaries of an Alaska Native organization shall be those of the geographical region, established pursuant to section 7(a) of the Alaska Native Claims Settlement Act, within which the Alaska Native organization is located (without regard to the ownership of the land within the boundaries).

"(C) LIMITS ON APPLICATIONS.—The Secretary may approve only one application from an Alaska Native organization for each of the 12 geographical regions established pursuant to section 7(a) of the Alaska Native Claims Settlement Act.

Nothing in this paragraph shall be construed to grant or defer any status or powers other than those expressly granted in this paragraph or to validate or invalidate any claim by Alaska Natives of sovereign authority over lands or people.".

SEC. 202. REGULATIONS.

The Secretary of Health and Human Services shall prescribe such regulations as may be necessary to implement the amendments made by this title.

SEC. 203. APPLICABILITY TO STATES.

(a) STATE OPTION TO ACCELERATE APPLICABILITY.—If a State formally notifies the Secretary of Health and Human Services that the State desires to accelerate the applicability to the State of the amendments made by this title, the amendments shall apply to the State on and after such earlier date as the State may select.

(b) STATE OPTION TO DELAY APPLICABILITY UNTIL WAIVERS EXPIRE.—The amendments made by this title shall not apply to a State with respect to which there is in effect a waiver issued under section 1115 of the Social Security Act for the State program established under part F of title IV of such Act until the waiver expires, if the State formally notifies the Secretary of Health and Human Services that the State desires to so delay such effective date.

(c) AUTHORITY OF THE SECRETARY OF HEALTH AND HUMAN SERVICES TO DELAY APPLICABILITY TO A STATE.—If a State formally

notifies the Secretary of Health and Human Services that the State desires to delay the applicability to the State of the amendments made by this title, the amendments shall apply to the State on and after any later date agreed upon by the Secretary and the State.

TITLE III—CHILD CARE FOR WORKING PARENTS

SEC. 301. PURPOSE.

It is the purpose of this title to—

(1) eliminate fragmentation of child care programs; and

(2) increase the availability of affordable child care in order to promote self sufficiency and support working families.

Subtitle A—Amendments to the Child Care and Development Block Grant Act of 1990

SEC. 311. AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subchapter $1,000,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.".

(b) LEAD AGENCY.—Section 658D(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "State" and inserting "governmental or nongovernmental"; and

(B) in subparagraph (C), by inserting "with sufficient time and Statewide distribution of the notice of such hearing," after "hearing in the State"; and

(2) in paragraph (2), by striking the second sentence.

(c) APPLICATION AND PLAN.—Section 658E of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c) is amended—

(1) in subsection (b), by striking "implemented—" and all that follows through "plans." and inserting "implemented during a 2-year period.";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (iii) by striking the semicolon and inserting a period; and

(II) by striking "except" and all that follows through "1992."; and

(ii) in subparagraph (E)—

(I) by striking clause (ii) and inserting the following new clause:

"(ii) the State will implement mechanisms to ensure that appropriate payment mechanisms exist so that proper payments under this subchapter will be made to providers within the State and to permit the State to furnish information to such providers."; and

(II) by adding at the end thereof the following new sentence: "In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organization receiving assistance under this subchapter."; and

(iii) by striking subparagraphs (H) and (I); and

(B) in paragraph (3)—

(i) in subparagraph (C)—

(I) in the subparagraph heading, by striking "AND TO INCREASE" and all that follows through "CARE SERVICES";

(II) by striking "25 percent" and inserting "15 percent"; and

(III) by striking "and to provide before-" and all that follows through "658H)"; and

(ii) by adding at the end thereof the following new subparagraph:

"(D) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of payments received under this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all its functions and duties under this subchapter.".

(d) SLIDING FEE SCALE.—

(1) IN GENERAL.—Section 658E(c)(5) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(5)) is amended by inserting before the period the following: "and that ensures a representative distribution of funding among the working poor and recipients of Federal welfare assistance".

(2) ELIGIBILITY.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended by striking "75 percent" and inserting "100 percent".

(e) QUALITY.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "A State" and inserting "(a) IN GENERAL.—A State";

(B) by striking "not less than 20 percent of"; and

(C) by striking "one or more of the following" and inserting "carrying out the resource and referral activities described in subsection (b), and for one or more of the activities described in subsection (c).";

(2) in paragraph (1), by inserting before the period the following: ", including providing comprehensive consumer education to parents and the public, referrals that honor parental choice, and activities designed to improve the quality and availability of child care";

(3) by striking "(1) RESOURCE AND REFERRAL PROGRAMS.—Operating" and inserting the following:

"(b) RESOURCE AND REFERRAL PROGRAMS.—The activities described in this subsection are operating";

(4) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively;

(5) by inserting before paragraph (1) (as so redesignated) the following:

"(c) OTHER ACTIVITIES.—The activities described in this section are the following:"; and

(6) by adding at the end thereof the following:

"(5) BEFORE- AND AFTER-SCHOOL ACTIVITIES.—Increasing the availability of before- and after-school care.

"(6) INFANT CARE.—Increasing the availability of child care for infants under the age of 18 months.

"(7) NONTRADITIONAL WORK HOURS.—Increasing the availability of child care between the hours of 5:00 p.m. and 8:00 a.m.

"(d) NONDISCRIMINATION.—With respect to child care providers that comply with applicable State law but which are otherwise not required to be licensed by the State, the State, in carrying out this section, may not discriminate against such a provider if such provider desires to participate in resource and referral activities carried out under subsection (b).".

(f) REPEAL.—Section 658H of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858f) is repealed.

(g) ENFORCEMENT.—Section 658I(b)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(b)(2)) is amended—

(1) in the matter following clause (ii) of subparagraph (A), by striking "finding and that" and all that follows through the period and inserting "finding and may impose additional program requirements on the State, including a requirement that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options."; and

(2) by striking subparagraphs (B) and (C).

(h) REPORTS.—Section 658K of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i) is amended—

(1) in the section heading, by striking "ANNUAL REPORT" and inserting "REPORTS"; and

(2) in subsection (a)—

(A) in the subsection heading, by striking "ANNUAL REPORT" and inserting "REPORTS";

(B) by striking "December 31, 1992, and annually thereafter" and inserting "December 31, 1996, and every 2 years thereafter";

(C) in paragraph (2)—

(i) in subparagraph (A), by inserting before the semicolon "and the types of child care programs under which such assistance is provided";

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(D) by striking paragraph (4);

(E) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively;

(F) in paragraph (4), as so redesignated, by striking "and" at the end thereof;

(G) in paragraph (5), as so redesignated, by adding "and" at the end thereof; and

(H) by inserting after paragraph (5), as so redesignated, the following new paragraph:

"(6) describing the extent and manner to which the resource and referral activities are being carried out by the State;".

(i) REPORT BY SECRETARY.—Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended—

(1) by striking "1993" and inserting "1997";

(2) by striking "annually" and inserting "bi-annually"; and

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

(j) ALLOTMENTS.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(1) in subsection (c), by adding at the end thereof the following new paragraph:

"(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

"(A) REQUEST FOR USE OF FUNDS.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

"(B) DETERMINATION.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry

out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

"(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

"(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph."; and

(2) in subsection (e)—

(A) in paragraph (1), by striking "Any" and inserting "Except as provided in paragraph (4), any"; and

(B) by adding at the end thereof the following new paragraph:

"(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for with the grant or contract is made available, shall be reallocated by the Secretary to other tribes or organization that have submitted applications under subsection (c) in proportion to the original allocations to such tribes or organization.".

(k) DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting "or as a deposit for child care services if such a deposit is required of other children being cared for by the provider" after "child care services"; and

(2) in paragraph (5)(B)—

(A) by inserting "great grandchild, sibling (if the provider lives in a separate residence)," after "grandchild,";

(B) by striking "is registered and"; and

(C) by striking "State" and inserting "applicable".

(l) APPLICATION OF SUBCHAPTER.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 658T. APPLICATION TO OTHER PROGRAMS.

"Notwithstanding any other provision of law, a State that uses funding for child care services under any Federal program shall ensure that activities carried out using such funds meet the requirements, standards, and criteria of this subchapter and the regulations promulgated under this subchapter. Such sums shall be administered through a uniform State plan. To the maximum extent practicable, amounts provided to a State under such programs shall be transferred to the lead agency and integrated into the program established under this subchapter by the State.".

SEC. 312. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) the availability and accessibility of quality child care will be critical to any welfare reform effort;

(2) as parents move from welfare into the workforce or into job preparation and education, child care must be affordable and safe;

(3) whether parents are pursuing job training, transitioning off welfare, or are already in the work force and attempting to remain employed, no parent can be expected to leave his or her child in a dangerous situation;

(4) affordable and accessible child care is a prerequisite for job training and for entering the workforce; and

(5) studies have shown that the lack of quality child care is the most frequently cited barrier to employment and self-sufficiency.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Federal Government has a responsibility to provide funding and leadership with respect to child care.

SEC. 313. REPEALS AND TECHNICAL AND CONFORMING AMENDMENTS.

(a) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—The State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.) is repealed.

(b) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—The Child Development Associate Scholarship Assistance Act of 1985 (42 U.S.C. 10901 et seq.) is repealed.

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of the Congress and the Director of the Office of Management and Budget, the Secretary of Health and Human Services shall prepare and submit to the Congress a legislative proposal in the form of an implementing bill containing technical and conforming amendments to reflect the amendments and repeals made by this Act.

(2) SUBMISSION TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall submit the implementing bill referred to under paragraph (1).

Subtitle B—At-Risk Child Care

SEC. 321. PROVISION OF CHILD CARE TO CERTAIN LOW-INCOME FAMILIES.

(a) IN GENERAL.—Each State agency administering the State plan approved under part A of title IV of the Social Security Act may, to the extent that it determines that resources are available, provide child care in accordance with the requirements of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) to any low-income family that the State determines—

(1) is not receiving transitional aid under the State plan approved under part A of title IV of the Social Security Act;

(2) needs such care in order to work; and

(3) would be at risk of becoming eligible for transitional aid under the State plan approved under such part if such care were not provided.

SEC. 322. USE OF FUNDS.

Amounts expended by the State agency for child care under section 321 shall be treated as amounts for which payment may be made to a State under section 323 only to the extent that such amounts are expended to provide child care in accordance with the requirements of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

SEC. 323. PAYMENTS TO STATES.

(a) PAYMENT AMOUNT.—Each State shall be entitled to payment from the Secretary in an amount equal to the lesser of—

(1) the Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) of the expenditures by the State in providing child care services pursuant to this section, and in administering the provision of such child care services, for any fiscal year; or

(2) the limitation determined under subsection (b) with respect to the State for the fiscal year.

(b) LIMITATION.—

(1) LIMITATION DESCRIBED.—The limitation determined under this subsection with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in paragraph (2) for such fiscal year as the number of children residing in the State in the second year preceding such fiscal year bears to the number of children residing in the United States in such second preceding fiscal year.

(2) AMOUNT SPECIFIED.—The amount specified in this subparagraph is $300,000,000 for fiscal year 1996, and each fiscal year thereafter.

(3) CARRYFORWARD OF STATE LIMITATION.—If the limitation determined under paragraph (1) with respect to a State for a fiscal year exceeds the amount paid to the State under this section for the fiscal year, the limitation determined under this subsection with respect to the State for the immediately succeeding fiscal year shall be increased by the amount of such excess.

SEC. 324. STATE DEFINED.

For purposes of this subtitle, the term "State" shall have the meaning given such term in section 1101(1) of the Social Security Act (42 U.S.C. 1301(1)) with respect to the use of such term in title IV of such Act (42 U.S.C. 601 et seq.).

SEC. 325. APPROPRIATIONS.

For fiscal year 1996 and each succeeding fiscal year, there are authorized to be appropriated and there are appropriated $300,000,000 for the purpose of carrying out the provisions of this title.

TITLE IV—CHILD SUPPORT RESPONSIBILITY

SEC. 400. SHORT TITLE.

This title may be cited as the "Child Support Responsibility Act of 1995".

Subtitle A—Improvements to the Child Support Collection System

PART I—ELIGIBILITY AND OTHER MATTERS CONCERNING TITLE IV-D PROGRAM CLIENTS

SEC. 401. STATE OBLIGATION TO PROVIDE PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE LAW REQUIREMENTS.—Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) Procedures under which—

"(A) every child support order established or modified in the State on or after October 1, 1998, is recorded in the central case registry established in accordance with section 454A(e); and

"(B) child support payments are collected through the centralized collections unit established in accordance with section 454B—

"(i) on and after October 1, 1998, under each order subject to wage withholding under section 466(b); and

"(ii) on and after October 1, 1999, under each other order required to be recorded in such central case registry under this paragraph or section 454A(e), if requested by either party subject to such order.".

(b) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that such State will undertake to provide appropriate services under this part to—

"(A) each child with respect to whom an assignment is effective under section 402(a)(9), 471(a)(17), or 1912 (except in cases in which the State agency determines, in accordance with paragraph (25), that it is against the best interests of the child to do so); and

"(B) each child not described in subparagraph (A)—

"(i) with respect to whom an individual applies for such services; or

"(ii) on and after October 1, 1998, with respect to whom a support order is recorded in the central State case registry established under section 454A, if application is made for services under this part;"; and

(2) in paragraph (6)—

(A) by striking "(6) provide that" and all that follows through subparagraph (A) and inserting the following:

"(6) provide that—

"(A) services under the State plan shall be made available to nonresidents on the same terms as to residents;";

(B) in subparagraph (B)—

(i) by inserting "on individuals not receiving assistance under part A" after "such services shall be imposed"; and

(ii) by inserting "but no fees or costs shall be imposed on any absent or custodial parent or other individual for inclusion in the central State registry maintained pursuant to section 454A(e)";

(C) in each of subparagraphs (B), (C), (D), and (E), by indenting such subparagraph and aligning its left margin with the left margin of subparagraph (A); and

(D) in each of subparagraphs (B), (C), and (D), by striking the final comma and inserting a semicolon.

(c) CONFORMING AMENDMENTS.—

(1) PATERNITY ESTABLISHMENT PERCENTAGE.—Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(2) STATE PLAN.—Section 454(23) (42 U.S.C. 654(23)) is amended, effective October 1, 1998, by striking "information as to any application fees for such services and".

(3) PROCEDURES TO IMPROVE ENFORCEMENT.—Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) DEFINITION OF OVERDUE SUPPORT.—Section 466(e) (42 U.S.C. 666(e)) is amended by striking "or (6)".

SEC. 402. DISTRIBUTION OF PAYMENTS.

(a) DISTRIBUTIONS THROUGH STATE CHILD SUPPORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is amended—

(1) in subparagraph (A)—

(A) by inserting "except as otherwise specifically provided in section 464 or 466(a)(3)," after "is effective,"; and

(B) by striking "except that" and all that follows through the semicolon; and

(2) in subparagraph (B), by striking ", except" and all that follows through "medical assistance".

(b) DISTRIBUTION TO A FAMILY CURRENTLY RECEIVING AID UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 457 (42 U.S.C. 657) is amended—

(1) by striking subsection (a) and redesignating subsection (b) as subsection (a);

(2) in subsection (a), as redesignated—

(A) in the matter preceding paragraph (2), to read as follows:

"(a) IN THE CASE OF A FAMILY RECEIVING AID UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.—Amounts collected under this part during any month as support of a child who is receiving assistance under part A (or a parent or caretaker relative of such a child) shall (except in the case of a State exercising the option under subsection (b)) be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(a)(1)(C) shall be taken from each of—

"(A) the amounts received in a month which represent payments for that month; and

"(B) the amounts received in a month which represent payments for a prior month which were made by the absent parent in that prior month;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;";

(B) in paragraph (4), by striking "or (B)" and all that follows through the period and inserting "; then (B) from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and then (C) any remainder shall be paid to the family."; and

(3) by inserting after subsection (a), as redesignated, the following new subsection:

"(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAMILY RECEIVING AID UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.—In the case of a State electing the option under this subsection, amounts collected as described in subsection (a) shall be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(a)(1)(C) shall be taken from each of—

"(A) the amounts received in a month which represent payments for that month; and

"(B) the amounts received in a month which represent payments for a prior month which were made by the absent parent in that prior month;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;

"(2) second, from any remainder, amounts equal to the balance of support owed for the current month shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to the State making the collection shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(5) fifth, any remainder shall be paid to the family.".

(c) DISTRIBUTION TO A FAMILY NOT RECEIVING AID UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(1) IN GENERAL.—Section 457(c) (42 U.S.C. 657(c)) is amended to read as follows:

"(c) DISTRIBUTIONS IN CASE OF FAMILY NOT RECEIVING AID UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.—Amounts collected by a State agency under this part during any month as support of a child who is not receiving assistance under part A (or of a parent or caretaker relative of such a child) shall (subject to the remaining provisions of this section) be distributed as follows:

"(1) first, amounts equal to the total of such support owed for such month shall be paid to the family;

"(2) second, from any remainder, amounts equal to arrearages of such support obligations for months during which such child did not receive assistance under part A shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned to the State making the collection pursuant to part A shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned to any other State pursuant to part A shall be paid to such other State or States, and used to pay such arrearages, in the order in which such arrearages accrued (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall become effective on October 1, 1999.

(d) DISTRIBUTION TO A CHILD RECEIVING ASSISTANCE UNDER TITLE IV–E.—Section 457(d) (42 U.S.C. 657(d)) is amended, in the matter preceding paragraph (1), by striking "Notwithstanding the preceding provisions of this section, amounts" and inserting the following:

"(d) DISTRIBUTIONS IN CASE OF A CHILD RECEIVING ASSISTANCE UNDER TITLE IV–E.—Amounts".

(e) REGULATIONS.—The Secretary of Health and Human Services shall promulgate regulations—

(1) under part D of title IV of the Social Security Act, establishing a uniform nationwide standard for allocation of child support collections from an obligor owing support to more than 1 family; and

(2) under part A of such title, establishing standards applicable to States electing the alternative formula under section 457(b) of such Act for distribution of collections on behalf of families receiving transitional aid, designed to minimize irregular monthly payments to such families.

(f) CLERICAL AMENDMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (11)—

(A) by striking "(11)" and inserting "(11)(A)"; and

(B) by inserting after the semicolon "and"; and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(g) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1999 or earlier at State's option.

SEC. 403. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 402(f), is amended by inserting after paragraph (11) the following new paragraph:

"(12) establish procedures to provide that—

"(A) individuals who are applying for or receiving services under this part, or are parties to cases in which services are being provided under this part—

"(i) receive notice of all proceedings in which support obligations might be established or modified; and

"(ii) receive a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;

"(B) individuals applying for or receiving services under this part have access to a fair hearing or other formal complaint procedure that meets standards established by the Secretary and ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order); and

"(C) the State may not provide to any noncustodial parent of a child representation relating to the establishment or modification of an order for the payment of child support with respect to that child, unless the State makes provision for such representation outside the State agency;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 404. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 454) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following:

"(25) provide that the State will have in effect safeguards applicable to all sensitive and confidential information handled by the State agency designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions on the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions on the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 405. COOPERATION REQUIREMENTS AND GOOD CAUSE EXCEPTIONS.

(a) CHILD SUPPORT ENFORCEMENT REQUIREMENTS.—Section 454, as amended by section 405, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

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

"(26) provide that the State agency administering the plan under this part—

"(A) will make the determination specified under paragraph (4), as to whether an individual is cooperating with efforts to establish paternity and secure support (or has good cause not to cooperate with such efforts) for purposes of the requirements of part A of this title and section 1912;

"(B) will advise individuals, both orally and in writing, of the grounds for good cause exceptions to the requirement to cooperate with such efforts;

"(C) will take the best interests of the child into consideration in making the determination whether such individual has good cause not to cooperate with such efforts;

"(D)(i) will make the initial determination as to whether an individual is cooperating (or has good cause not to cooperate) within 10 days after such individual is referred to such State agency by the State agency administering the program under part A or section 1912;

"(ii) will make redeterminations as to cooperation or good cause at appropriate intervals; and

"(iii) will promptly notify the individual, and the State agencies administering such programs, of each such determination and redetermination;

"(E) with respect to any child born on or after the date 10 months after the enactment of this provision, will not determine (or redetermine) the mother (or other custodial relative) of such child to be cooperating with efforts to establish paternity unless such individual furnishes—

"(i) the name of the putative father (or fathers); and

"(ii) sufficient additional information to enable the State agency, if reasonable efforts were made, to verify the identity of the person named as the putative father (including such information as the putative father's present address, telephone number, date of birth, past or present place of employment, school previously or currently attended, and names and addresses of parents, friends, or relatives able to provide location information, or other information that could enable service of process on such person), and

"(F)(i) (where a custodial parent who was initially determined not to be cooperating (or to have good cause not to cooperate) is later determined to be cooperating or to have good cause not to cooperate) will immediately notify the State agencies administering the programs under part A or section 1912 that this eligibility condition has been met; and

"(ii) (where a custodial parent was initially determined to be cooperating (or to have good cause not to cooperate) will not later determine such individual not to be cooperating (or not to have good cause not to cooperate)) until such individual has been afforded an opportunity for a hearing.".

(b) MEDICAID AMENDMENTS.—Section 1912(a) is amended—

(1) in paragraph (1)(B), by inserting "(except as provided in paragraph (2))" after "to cooperate with the State";

(2) in subparagraphs (B) and (C) of paragraph (1) by striking ", unless" and all that follows and inserting a semicolon; and

(3) by redesignating paragraph (2) as paragraph (5), and inserting after paragraph (1) the following new paragraphs:

"(2) provide that the State agency will immediately refer each applicant or recipient requiring paternity establishment services to the State agency administering the program under part D of title IV;

"(3) provide that an individual will not be required to cooperate with the State, as provided under paragraph (1), if the individual is found to have good cause for refusing to cooperate, as determined in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the individuals involved—

"(A) to the satisfaction of the State agency administering the program under part D, as determined in accordance with section 454(26), with respect to the requirements to cooperate with efforts to establish paternity and to obtain support (including medical support) from a parent; and

"(B) to the satisfaction of the State agency administering the program under this title, with respect to other requirements to cooperate under paragraph (1);

"(4) provide that (except as provided in paragraph (5)) an applicant requiring paternity establishment services other than an individual who is presumptively eligible pursuant to section 1920) shall not be eligible for medical assistance under this title until such applicant—

"(A) has furnished to the agency administering the State plan under part D of title IV the information specified in section 454(26)(E); or

"(B) has been determined by such agency to have good cause not to cooperate; and

"(5) provide that the provisions of paragraph (4) shall not apply with respect to an applicant—

"(A) if such agency has not, within 10 days after such individual was referred to such agency, provided the notification required by section 454(26)(D)(iii), until such notification is received; and

"(B) if such individual appeals a determination that the individual lacks good cause for noncooperation, until after such determination is affirmed after notice and opportunity for a hearing.".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to applications filed in or after the first calendar quarter beginning 10 months or more after the date of the enactment of this amendment (or such earlier quarter as the State may select) for transitional aid under part A of title IV of the Social Security Act or for medical assistance under title XIX of such Act.

PART II—PROGRAM ADMINISTRATION AND FUNDING

SEC. 411. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

"(2) The applicable percent for a quarter for purposes of paragraph (1)(A) is—

"(A) for fiscal year 1997, 69 percent,

"(B) for fiscal year 1998, 72 percent, and

"(C) for fiscal year 1999 and succeeding fiscal years, 75 percent.".

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking "From" and inserting "Subject to subsection (c), from"; and

(2) by inserting after subsection (b) the following new subsection:

"(c) Notwithstanding the provisions of subsection (a), total expenditures for the State program under this part for fiscal year 1997 and each succeeding fiscal year (excluding 1-time capital expenditures for automation), reduced by the percentage specified for such fiscal year under subsection (a)(2) shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent.".

SEC. 412. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"INCENTIVE ADJUSTMENTS TO MATCHING RATE

"SEC. 458. (a) INCENTIVE ADJUSTMENT.—

"(1) IN GENERAL.—In order to encourage and reward State child support enforcement programs which perform in an effective manner, the Federal matching rate for payments to a State under section 455(a)(1)(A), for each fiscal year beginning on or after October 1, 1998, shall be increased by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to Statewide paternity establishment and to overall performance in child support enforcement.

"(2) STANDARDS.—

"(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which States must attain to qualify for incentive adjustments under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to States achieving specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 5 percentage points, in connection with Statewide paternity establishment; and

"(II) 10 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1995, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

"(4) FISCAL YEAR SUBJECT TO INCENTIVE ADJUSTMENT.—The total percentage point increase determined pursuant to this section with respect to a State program in a fiscal year shall apply as an adjustment to the applicable percent under section 455(a)(2) for payments to such State for the succeeding fiscal year.

"(5) RECYCLING OF INCENTIVE ADJUSTMENT.—A State shall expend in the State program under this part all funds paid to the State by the Federal Government as a result of an incentive adjustment under this section.

"(b) MEANING OF TERMS.—

"(1) STATEWIDE PATERNITY ESTABLISHMENT PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this section, the term 'Statewide paternity establishment percentage' means, with respect to a fiscal year, the ratio (expressed as a percentage) of—

"(i) the total number of out-of-wedlock children in the State under 1 year of age for whom paternity is established or acknowledged during the fiscal year, to

"(ii) the total number of children requiring paternity establishment born in the State during such fiscal year.

"(B) ALTERNATIVE MEASUREMENT.—The Secretary shall develop an alternate method of measurement for the Statewide paternity establishment percentage for any State that does not record the out-of-wedlock status of children on birth certificates.

"(2) OVERALL PERFORMANCE IN CHILD SUPPORT ENFORCEMENT.—The term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

"(A) the percentage of cases requiring a child support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations.".

(b) ADJUSTMENT OF PAYMENTS UNDER PART D OF TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as amended by section 411(a), is amended—

(1) by striking the period at the end of subparagraph (C) and inserting a comma; and

(2) by adding after and below subparagraph (C), flush with the left margin of the paragraph, the following:

"increased by the incentive adjustment factor (if any) determined by the Secretary pursuant to section 458.".

(c) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking "incentive payments" the first place it appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

(d) CALCULATION OF IV-D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) OVERALL PERFORMANCE.—Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,".

(2) DEFINITION.—Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended, in the matter preceding clause (i)—

(A) by striking "paternity establishment percentage" and inserting "IV-D paternity establishment percentage"; and

(B) by striking "(or all States, as the case may be)".

(3) MODIFICATION OF REQUIREMENTS.—Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A), as redesignated, by striking "the percentage of children born out-of-wedlock in the State" and inserting "the percentage of children in the State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B), as redesignated—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(e) REDUCTION OF PAYMENTS UNDER PART D OF TITLE IV.—

(1) NEW REQUIREMENTS.—Section 455 (42 U.S.C. 655) is amended—

(A) by redesignating subsection (e) as subsection (f); and

(B) by inserting after subsection (d) the following new subsection:

"(e)(1) Notwithstanding any other provision of law, if the Secretary finds, with respect to a State program under this part in a fiscal year beginning on or after October 1, 1997—

"(A)(i) on the basis of data submitted by a State pursuant to section 454(15)(B), that the State program in such fiscal year failed to achieve the IV-D paternity establishment percentage (as defined in section 452(g)(2)(A)) or the appropriate level of overall performance in child support enforcement (as defined in section 458(b)(2)), or to meet other performance measures that may be established by the Secretary, or

"(ii) on the basis of an audit or audits of such State data conducted pursuant to section 452(a)(4)(C), that the State data submitted pursuant to section 454(15)(B) is incomplete or unreliable; and

"(B) that, with respect to the succeeding fiscal year—

"(i) the State failed to take sufficient corrective action to achieve the appropriate performance levels as described in subparagraph (A)(i) of this paragraph, or

"(ii) the data submitted by the State pursuant to section 454(15)(B) is incomplete or unreliable,

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program is in compliance with such performance requirement, shall be reduced by the percentage specified in paragraph (2).

"(2) The reductions required under paragraph (1) shall be—

"(A) not less than 3 nor more than 5 percent, or

"(B) not less than 5 nor more than 7 percent, if the finding is the second consecutive finding made pursuant to paragraph (1), or

"(C) not less than 7 nor more than 10 percent, if the finding is the third or a subsequent consecutive such finding.

"(3) For purposes of this subsection, section 402(a)(9), and section 452(a)(4), a State which is determined as a result of an audit to have submitted incomplete or unreliable data pursuant to section 454(15)(B), shall be determined to have submitted adequate data if the Secretary determines that the extent of the incompleteness or unreliability of the data is of a technical nature which does not adversely affect the determination of the level of the State's performance.".

(2) CONFORMING AMENDMENTS.—Subsections (d)(3)(A), (g)(1), and (g)(3)(A) of section 452 (42 U.S.C. 652) are each amended by striking "403(h)" and inserting "455(e)".

(f) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The amendments made by subsections (a), (b), and (c) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) EXCEPTION.—Section 458 of the Social Security Act, as in effect prior to the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years prior to fiscal year 1999.

(2) PENALTY REDUCTIONS.—

(A) IN GENERAL.—The amendments made by subsection (d) shall become effective with

respect to calendar quarters beginning on and after the date of the enactment of this Act.

(B) REDUCTIONS.—The amendments made by subsection (e) shall become effective with respect to calendar quarters beginning on and after the date 1 which is year after the date of the enactment of this Act.

SEC. 413. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14)—

(A) by striking "(14)" and inserting "(14)(A)"; and

(B) by inserting after the semicolon "and";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program under this part—

"(i) which shall include such information as may be necessary to measure State compliance with Federal requirements for expedited procedures and timely case processing, using such standards and procedures as are required by the Secretary; and

"(ii) under which the State agency will determine the extent to which such program is in conformity with applicable requirements with respect to the operation of State programs under this part (including the status of complaints filed under the procedure required under paragraph (12)(B)); and

"(B) a process of extracting from the State automated data processing system and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458.".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of section 452(g) and 458, and determine the amount (if any) of penalty reductions pursuant to section 455(e) to be applied to the State;

"(B) review annual reports by State agencies pursuant to section 454(15)(A) on State program conformity with Federal requirements; evaluate any elements of a State program in which significant deficiencies are indicated by such report on the status of complaints under the State procedure under section 454(12)(B); and, as appropriate, provide to the State agency comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the government auditing standards of the United States Comptroller General—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet requirements of this part, or of regulations implementing such requirements, concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used for the calculations of performance indicators specified in subsection (g) and section 458;

"(ii) of the adequacy of financial management of the State program, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program under this part are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments and program income are carried out correctly and are properly and fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE . DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after the date which is 1 year after the enactment of this section.

SEC. 414. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes and timely case processing) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a) and 405, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following:

"(27) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 415. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) STATE PLAN.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including, but not limited to," and all that follows and to the semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

"AUTOMATED DATA PROCESSING

"SEC. 454A. (a) IN GENERAL.—In order to meet the requirements of this section, for purposes of the requirement of section 454(16), a State agency shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section, and performs such tasks with the frequency and in the manner specified in this part or in regulations or guidelines of the Secretary.

"(b) PROGRAM MANAGEMENT.—The automated system required under this section shall perform such functions as the Secretary may specify relating to management of the program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds to carry out such program; and

"(2) maintaining the data necessary to meet Federal reporting requirements on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV–D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required under this section, which shall include the following (in addition to such other safeguards as the Secretary specifies in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out program responsibilities;

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data; and

"(C) ensure that data obtained or disclosed for a limited program purpose is not used or redisclosed for another, impermissible purpose.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies specified under paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—The State agency shall have in effect procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use sensitive or confidential program data are fully informed of applicable requirements and penalties, and are adequately trained in security procedures.

"(5) PENALTIES.—The State agency shall have in effect administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) The Secretary shall prescribe final regulations for implementation of the requirements of section 454A not later than 2 years after the date of the enactment of this subsection.".

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 404(a)(2) and 414(b)(1), is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1996, meeting all requirements of this part which were enacted on or before the date of the enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, meeting all requirements of this part enacted on or before the date of the enactment of the Interstate Child Support Responsibility Act of 1995 (but this provision shall not be construed to alter earlier deadlines specified for elements of such system), except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 452(j);".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(1) in paragraph (1)(B)—

(A) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(B) by striking "so much of"; and

(C) by striking "which the Secretary" and all that follows through "thereof"; and

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

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal year 1996, 90 percent of so much of State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16), or meeting such requirements without regard to subparagraph (D) thereof.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) and 454A.

"(ii) The percentage specified in this clause, for purposes of clause (i), is the higher of—

"(I) 80 percent, or

"(II) the percentage otherwise applicable to Federal payments to the State under paragraph (1)(A) (as adjusted pursuant to section 458).".

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

SEC. 416. DIRECTOR OF CHILD SUPPORT ENFORCEMENT PROGRAM; STAFFING STUDY.

(a) REPORTING TO SECRETARY.—Section 452(a) (42 U.S.C. 652(a)) is amended in the matter preceding paragraph (1) by striking "directly".

(b) STAFFING STUDIES.—

(1) SCOPE.—The Secretary of Health and Human Services (in this subsection referred to as the "Secretary") shall, directly or by contract, conduct studies of the staffing of each State child support enforcement program under part D of title IV of the Social Security Act. Such studies shall—

(A) include a review of the staffing needs created by requirements for automated data processing, maintenance of a central case registry and centralized collections of child support, and of changes in these needs resulting from changes in such requirements; and

(B) examine and report on effective staffing practices used by the States and on recommended staffing procedures.

(2) FREQUENCY OF STUDIES.—The Secretary shall complete the first staffing study required under paragraph (1) not later than October 1, 1998, and may conduct additional studies subsequently at appropriate intervals.

(3) REPORT TO THE CONGRESS.—The Secretary shall submit a report to the Congress stating the findings and conclusions of each study conducted under this subsection.

SEC. 417. FUNDING FOR SECRETARIAL ASSISTANCE TO STATE PROGRAMS.

Section 452 (42 U.S.C. 652), as amended by section 415(a)(3), is amended by adding at the end the following new subsection:

"(k)(1) There shall be available to the Secretary, from amounts appropriated for fiscal year 1996 and each succeeding fiscal year for payments to States under this part, the amount specified in paragraph (2) for the costs to the Secretary for—

"(A) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs (including technical assistance concerning State automated systems);

"(B) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part; and

"(C) operation of the Federal Parent Locator Service under section 453, to the extent such costs are not recovered through user fees.

"(2) The amount specified in this paragraph for a fiscal year is the amount equal to a percentage of the reduction in Federal payments to States under part A on account of child support (including arrearages) collected in the preceding fiscal year on behalf of children receiving aid under such part A in such preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the third calendar quarter following the end of such preceding fiscal year), equal to 2 percent, for the activities specified in subparagraphs (A), (B), and (C) of paragraph (1).".

SEC. 418. DATA COLLECTION AND REPORTS BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) IN GENERAL.—Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following indented clauses:

"(i) the total amount of child support payments collected as a result of services furnished during such fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of furnishing such services to those individuals; and

"(iii) the number of cases involving families—

"(I) who became ineligible for aid under part A during a month in such fiscal year; and

"(II) with respect to whom a child support payment was received in the same month;".

(2) CERTAIN DATA.—Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i), by striking "with the data required under each clause being separately stated for cases" and all that follows through "part:" and inserting "separately stated for cases where the child is receiving aid to families with dependent children (or foster care maintenance payments under part E), or formerly received such aid or payments and the State is continuing to collect support assigned to it under section 402(a)(9), 471(a)(17), or 1912, and all other cases under this part—";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows through the semicolon and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) USE OF FEDERAL COURTS.—Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) ADDITIONAL INFORMATION NOT NECESSARY.—Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (I).

(b) DATA COLLECTION AND REPORTING.—Section 469 (42 U.S.C. 669) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a) The Secretary shall collect and maintain, on a fiscal year basis, up-to-date statistics, by State, with respect to services to establish paternity and services to establish child support obligations, the data specified in subsection (b), separately stated, in the case of each such service, with respect to—

"(1) families (or dependent children) receiving aid under plans approved under part A (or E); and

"(2) families not receiving such aid.

"(b) The data referred to in subsection (a) are—

"(1) the number of cases in the caseload of the State agency administering the plan under this part in which such service is needed; and

"(2) the number of such cases in which the service has been provided."; and

(2) in subsection (c), by striking "(a)(2)" and inserting "(b)(2)".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

PART III—LOCATE AND CASE TRACKING

SEC. 421. CENTRAL STATE AND CASE REGISTRY.

Section 454A, as added by section 415(a)(2), is amended by adding at the end the following new subsections:

"(e) CENTRAL CASE REGISTRY.—

"(1) IN GENERAL.—The automated system required under this section shall perform the functions, in accordance with the provisions of this subsection, of a single central registry containing records with respect to each case in which services are being provided by the State agency (including, on and after October 1, 1998, each order specified in section 466(a)(12)), using such standardized data elements (such as names, social security numbers or other uniform identification numbers, dates of birth, and case identification numbers), and containing such other information (such as information on case status) as the Secretary may require.

"(2) PAYMENT RECORDS.—Each case record in the central registry shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the support order, and other amounts due or overdue (including arrearages, interest or late payment penalties, and fees);

"(B) all child support and related amounts collected (including such amounts as fees, late payment penalties, and interest on arrearages);

"(C) the distribution of such amounts collected; and

"(D) the birth date of the child for whom the child support order is entered.

"(3) UPDATING AND MONITORING.—The State agency shall promptly establish and maintain, and regularly monitor, case records in the registry required by this subsection, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from matches with Federal, State, or local data sources;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) DATA MATCHES AND OTHER DISCLOSURES OF INFORMATION.—The automated system required under this section shall have the capacity, and be used by the State agency, to extract data at such times, and in such standardized format or formats, as may be required by the Secretary, and to share and match data with, and receive data from, other data bases and data matching services, in order to obtain (or provide) information necessary to enable the State agency (or Secretary or other State or Federal agencies) to carry out responsibilities under this part. Data matching activities of the State agency shall include at least the following:

"(1) DATA BANK OF CHILD SUPPORT ORDERS.—Furnishing to the Data Bank of Child Support Orders established under section 453(h) (and updating as necessary, with information, including notice of expiration of orders) minimal information specified by the Secretary on each child support case in the central case registry.

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging data with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TITLE IV-A AND MEDICAID AGENCIES.—Exchanging data with State agencies (of the State and of other States) administering the programs under part A and title XIX, as necessary for the performance of State agency responsibilities under this part and under such programs.

"(4) INTRA- AND INTERSTATE DATA MATCHES.—Exchanging data with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 422. CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 405, and 414(b), is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that the State agency, on and after October 1, 1998—

"(A) will operate a centralized, automated unit for the collection and disbursement of child support under orders being enforced under this part, in accordance with section 454B; and

"(B) will have sufficient State staff (consisting of State employees), and, at State option, contractors reporting directly to the State agency to monitor and enforce support collections through such centralized unit, including carrying out the automated data processing responsibilities specified in section 454A(g) and to impose, as appropriate in particular cases, the administrative enforcement remedies specified in section 466(c)(1).".

(b) ESTABLISHMENT OF CENTRALIZED COLLECTION UNIT.—Part D of title IV (42 U.S.C. 651–669) is amended by adding after section 454A the following new section:

"CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS

"SEC. 454B. (a) IN GENERAL.—In order to meet the requirement of section 454(28), the State agency must operate a single, centralized, automated unit for the collection and disbursement of support payments, coordinated with the automated data system required under section 454A, in accordance with the provisions of this section, which shall be—

"(1) operated directly by the State agency (or by 2 or more State agencies under a regional cooperative agreement), or by a single contractor responsible directly to the State agency; and

"(2) used for the collection and disbursement (including interstate collection and disbursement) of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(b) REQUIRED PROCEDURES.—The centralized collections unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the State agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to either parent, upon request, timely information on the current status of support payments.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 415(a)(2) and as amended by section 421, is amended by adding at the end the following new subsection:

"(g) CENTRALIZED COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—The automated system required under this section shall be used, to the maximum extent feasible, to assist and facilitate collections and disbursement of support payments through the centralized collections unit operated pursuant to section 454B, through the performance of functions including at a minimum—

"(1) generation of orders and notices to employers (and other debtors) for the withholding of wages (and other income)—

"(A) within 2 working days after receipt (from the directory of New Hires established under section 453(i) or any other source) of notice of and the income source subject to such withholding; and

"(B) using uniform formats directed by the Secretary;

"(2) ongoing monitoring to promptly identify failures to make timely payment; and

"(3) automatic use of enforcement mechanisms (including mechanisms authorized pursuant to section 466(c)) where payments are not timely made.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 423. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 405, 414(b), and 422(a)(2) of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by adding after paragraph (28) the following:

"(28) provide that, on and after October 1, 1998, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than October 1, 1998, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers and labor organizations on each newly hired employee.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) GOVERNMENTAL EMPLOYERS.—The term 'employer' includes any governmental entity.

"(C) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), each employer (or labor organization) shall furnish to the Directory of New Hires of the State in which a newly hired employee works a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) MULTISTATE EMPLOYERS.—An employer who has employees who are employed in 2 or more States may comply with subparagraph (A) by transmitting the report described in subparagraph (A) magnetically or electronically to the State in which the greatest number of employees of the employer are employed.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 15 days after the date the employer hires the employee;

"(B) the date the employee first receives wages or other compensation from the employer; or

"(C) in the case of a payroll processing service or an employer that processes more than one payroll and reports by electronic or

magnetic means, the first business day of the week following the date on which the employee first receives wages or other compensation from the employer.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W-4 form or the equivalent, and may be transmitted by first class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—

"(1) IN GENERAL.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a civil money penalty of—

"(A) $25; or

"(B) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(2) APPLICABILITY OF SECTION 1128.—Section 1128 (other than subsections (a) and (b) of such section) shall apply to a civil money penalty under paragraph (1) of this subsection in the same manner as such section applies to a civil money penalty or proceeding under section 1128A(a).

"(e) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than October 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(f) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 4 business days after the State Directory of New Hires receives information from employers pursuant to this section, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(g) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (e)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

SEC. 424. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) FROM WAGES.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which all child support orders issued (or modified) before October 1, 1996, and which are not otherwise subject to withholding under subsection (b), shall become subject to withholding from wages as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) REPEAL OF CERTAIN PROVISIONS CONCERNING ARREARAGES.—Section 466(a)(8) (42 U.S.C. 666(a)(8)) is repealed.

(3) PROCEDURES DESCRIBED.—Section 466(b) (42 U.S.C. 666(b)) is amended—

(A) in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)";

(B) in paragraph (5), by striking "a public agency" and all that follows through the period and inserting "the State through the centralized collections unit established pursuant to section 454B, in accordance with the requirements of such section 454B.";

(C) in paragraph (6)(A)(i)—

(i) by inserting ", in accordance with timetables established by the Secretary," after "must be required"; and

(ii) by striking "to the appropriate agency" and all that follows through the period and inserting "to the State centralized collections unit within 5 working days after the date such amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(D) in paragraph (6)(A)(ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(E) in paragraph (6)(D) to read as follows:

"(D) Provision must be made for the imposition of a fine against any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State centralized collections unit in accordance with this subsection.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

(c) DEFINITION OF TERMS.—The Secretary of Health and Human Services shall promulgate regulations providing definitions, for purposes of part D of title IV of the Social Security Act, for the term "income" and for such other terms relating to income withholding under section 466(b) of such Act as the Secretary may find it necessary or advisable to define.

SEC. 425. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)), as amended by section 424(a)(2), is amended by inserting after paragraph (7) the following new paragraph:

"(8) Procedures ensuring that the State will neither provide funding for, nor use for any purpose (including any purpose unrelated to the purposes of this part), any automated interstate network or system used to locate individuals—

"(A) for purposes relating to the use of motor vehicles; or

"(B) providing information for law enforcement purposes (where child support enforcement agencies are otherwise allowed access by State and Federal law),

unless all Federal and State agencies administering programs under this part (including the entities established under section 453) have access to information in such system or network to the same extent as any other user of such system or network.".

SEC. 426. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support;

"(B) against whom such an obligation is sought; or

"(C) to whom such an obligation is owed,

including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual.";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)"; and

(B) in paragraph (2), by inserting before the period ", or from any consumer reporting agency (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f))"; and

(3) in subsection (e)(1), by inserting before the period ", or by consumer reporting agencies".

(b) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting before the period "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)".

(c) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following:

"(g) The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(d) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(e) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (c) of this section, is amended by adding at the end the following:

"(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

"(1) IN GENERAL.—Not later than October 1, 1999, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i) NATIONAL DIRECTORY OF NEW HIRES.—

"(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1999, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(f)(2).

"(2) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the Federal Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

"(A) The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

"(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.".

(f) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b-7(a)(3)) is amended—

(1) by inserting "(including any governmental entity)" after "employers",

(2) by striking "except that" and inserting "except that—",

(3) by inserting "(A)" before "the Secretary of Labor",

(4) by striking "paragraph (2)" and inserting "paragraph (2), and",

(5) by indenting the text so as to align it with new subparagraph (B) (as added by paragraph (6) of this subsection); and

(6) by adding at the end the following new subparagraph:

"(B) no report shall be filed with respect to an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing a report with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission;".

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by striking "and" at the end of paragraph (9);

(C) by striking the period at the end of paragraph (10) and inserting "; and"; and

(D) by adding after paragraph (10) the following:

"(11) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 427. USE OF SOCIAL SECURITY NUMBERS.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 401(a), is amended by adding at the end the following new paragraph:

"(13) Procedures requiring the recording of social security numbers—

"(A) of both parties on marriage licenses and divorce decrees;

"(B) of both parents, on birth records and child support and paternity orders and acknowledgements;

"(C) on all applications for motor vehicle licenses and professional licenses; and

"(D) of decedents on death certificates.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)) is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii)—

(A) by inserting after the first sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof) or any State agency having administrative responsibility for the law involved, the social security number of the party."; and

(B) by striking "Such numbers shall not be recorded on the birth certificate." and inserting "This clause shall not be considered to authorize disclosure of such numbers except as provided in the preceding sentence.";

(3) in clause (vi), by striking "may" and inserting "shall"; and

(4) by adding at the end the following:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgement in the records relating to the matter.".

PART IV—STREAMLINING AND UNIFORMITY OF PROCEDURES

SEC. 431. ADOPTION OF UNIFORM STATE LAWS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a) and 427(a), is amended by adding at the end the following new paragraph:

"(14)(A) Procedures under which the State adopts in its entirety (with the modifications and additions specified in this paragraph) not later than January 1, 1997, and uses on and after such date, the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992.

"(B) The State law adopted pursuant to subparagraph (A) shall be applied to any case—

"(i) involving an order established or modified in one State and for which a subsequent modification is sought in another State; or

"(ii) in which interstate activity is required to enforce an order.

"(C) The State law adopted pursuant to subparagraph (A) of this paragraph shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act described in such subparagraph (A):

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) in any case where another State is exercising or seeks to exercise jurisdiction to modify the order, the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(D) The State law adopted pursuant to subparagraph (A) shall recognize as valid, for purposes of any proceeding subject to such State law, service of process upon persons in the State (and proof of such service) by any means acceptable in another State which is the initiating or responding State in such proceeding.".

SEC. 432. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the first undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 433. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 424(b), is amended—

(1) in subsection (a)(2), in the first sentence, to read as follows: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by adding after subsection (b) the following new subsection:

"(c) The procedures specified in this subsection are the following:

"(1) Procedures which give the State agency the authority (and recognize and enforce the authority of State agencies of other States), without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), to take the following actions relating to establishment or enforcement of orders:

"(A) To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) To enter a default order, upon a showing of service of process and any additional showing required by State law—

"(i) establishing paternity, in the case of any putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(C) To subpoena any financial or other information needed to establish, modify, or enforce an order, and to sanction failure to respond to any such subpoena.

"(D) To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(E) To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities, including—

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

"(F) To order income withholding in accordance with subsection (a)(1) and (b) of section 466.

"(G) In cases where support is subject to an assignment under section 402(a)(9), 471(a)(17), or 1912, or to a requirement to pay through the centralized collections unit under section 454B) upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(H) For the purpose of securing overdue support—

"(i) to intercept and seize any periodic or lump-sum payment to the obligor by or through a State or local government agency, including—

"(I) unemployment compensation, workers' compensation, and other benefits;

"(II) judgments and settlements in cases under the jurisdiction of the State or local government; and

"(III) lottery winnings;

"(ii) to attach and seize assets of the obligor held by financial institutions;

"(iii) to attach public and private retirement funds in appropriate cases, as determined by the Secretary; and

"(iv) to impose liens in accordance with paragraph (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(I) For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages (subject to such conditions or restrictions as the State may provide).

"(J) To suspend drivers' licenses of individuals owing past-due support, in accordance with subsection (a)(16).

"(2) The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) Procedures under which—

"(i) the parties to any paternity or child support proceedings are required (subject to privacy safeguards) to file with the tribunal before entry of an order, and to update as appropriate, information on location and identity (including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer); and

"(ii) in any subsequent child support enforcement action between the same parties, the tribunal shall be authorized, upon sufficient showing that diligent effort has been made to ascertain such party's current location, to deem due process requirements for notice and service of process to be met, with respect to such party, by delivery to the most recent residential or employer address so filed pursuant to clause (i).

"(B) Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties, and orders issued in such cases have statewide effect; and

"(ii) in the case of a State in which orders in such cases are issued by local jurisdictions, a case may be transferred between jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.".

(b) EXCEPTIONS FROM STATE LAW REQUIREMENTS.—Section 466(d) (42 U.S.C. 666(d)) is amended—

(1) by striking "(d) If" and inserting "(d)(1) Subject to paragraph (2), if"; and

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

"(2) The Secretary shall not grant an exemption from the requirements of—

"(A) subsection (a)(5) (concerning procedures for paternity establishment);

"(B) subsection (a)(10) (concerning modification of orders);

"(C) subsection (a)(12) (concerning recording of orders in the central State case registry);

"(D) subsection (a)(13) (concerning recording of social security numbers);

"(E) subsection (a)(14) (concerning interstate enforcement); or

"(F) subsection (c) (concerning expedited procedures), other than paragraph (1)(A) thereof (concerning establishment or modification of support amount).".

(c) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 415(a)(2) and as amended by sections 421 and 422(c), is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required under this section shall be used, to the maximum extent feasible, to implement any expedited administrative procedures required under section 466(c).".

SEC. 434. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 427, and 431, is amended by adding at the end the following:

"(15) Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 435. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following:

"(11) not later than June 30, 1996, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following:

"(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

PART V—PATERNITY ESTABLISHMENT

SEC. 441. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended—

(1) in subparagraph (B)—

(A) by striking "(B)" and inserting "(B)(i)";

(B) in clause (i), as redesignated, by inserting before the period ", where such request is supported by a sworn statement—

"(I) by such party alleging paternity setting forth facts establishing a reasonable possibility of the requisite sexual contact of the parties; or

"(II) by such party denying paternity setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact of the parties;"; and

(C) by inserting after clause (i) (as redesignated) the following new clause:

"(ii) Procedures which require the State agency, in any case in which such agency orders genetic testing—

"(I) to pay the costs of such tests, subject to recoupment (where the State so elects) from the putative father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is disputed, upon request and advance payment by the disputing party.";

(2) by striking subparagraphs (C), (D), (E), and (F) and inserting the following:

"(C)(i) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the putative father and the mother must be given notice, orally, in writing, and in a language that each can understand, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(iv) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies. The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as, voluntary paternity establishment programs of hospitals and birth record agencies.

"(D)(i) Procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

"(ii)(I) Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(II) Procedures under which, after the 60-day period referred to in clause (i), a minor who signs an acknowledgment of paternity other than in the presence of a parent or court-appointed guardian ad litem may rescind the acknowledgment in a judicial or administrative proceeding, until the earlier of—

"(aa) attaining the age of majority; or

"(bb) the date of the first judicial or administrative proceeding brought (after the signing) to establish a child support obligation, visitation rights, or custody rights with respect to the child whose paternity is the subject of the acknowledgment, and at which the minor is represented by a parent, guardian ad litem, or attorney.

"(E) Procedures under which no judicial or administrative proceedings are required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) Procedures requiring—

"(i) that the State admit into evidence, for purposes of establishing paternity, results of any genetic test that is—

"(I) of a type generally acknowledged, by accreditation bodies designated by the Secretary, as reliable evidence of paternity; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) that any objection to genetic testing results must be made in writing not later than a specified number of days before any hearing at which such results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of such results); and

"(iii) that, if no objection is made, the test results are admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy."; and

(3) by adding after subparagraph (H) the following new subparagraphs:

"(I) Procedures providing that the parties to an action to establish paternity are not entitled to a jury trial.

"(J) Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services and testing on behalf of the child.

"(L) At the option of the State, procedures under which the tribunal establishing paternity and support has discretion to waive rights to all or part of amounts owed to the State (but not to the mother) for costs related to pregnancy, childbirth, and genetic testing and for public assistance paid to the family where the father cooperates or acknowledges paternity before or after genetic testing.

"(M) Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(N) Procedures under which voluntary acknowledgements and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the central case registry.".

(b) STATE PLANS.—Section 454(a)(7) (42 U.S.C. 654(a)(7)) is amended to read as follows:

"(7) provide for entering into cooperative arrangements with—

"(A) appropriate courts and law enforcement officials to—

"(i) assist the agency administering the plan, and

"(ii) to assist such courts and officials and such agency with respect to matters of common concern; and

"(B) the State registry of birth records to record voluntary acknowledgments and adjudications of paternity and to make such records available for data matches and other purposes required by the agency administering the plan;".

(c) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent" before the semicolon.

(d) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 442. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

(a) STATE PLAN REQUIREMENT.—Section 454(23) (42 U.S.C. 654(23)) is amended—

(1) by striking "(23)" and inserting "(23)(A)";

(2) by inserting "and" after the semicolon; and

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

"(B) publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support through a variety of means, which—

"(i) include distribution of written materials at health care facilities (including hospitals and clinics), and other locations such as schools;

"(ii) may include pre-natal programs to educate expectant couples on individual and joint rights and responsibilities with respect to paternity (and may require all expectant recipients of assistance under part A to participate in such pre-natal programs, as an element of cooperation with efforts to establish paternity and child support);

"(iii) include, with respect to each child discharged from a hospital after birth for whom paternity or child support has not been established, reasonable followup efforts, providing—

"(I) in the case of a child for whom paternity has not been established, information

on the benefits of and procedures for establishing paternity; and

"(II) in the case of a child for whom paternity has been established but child support has not been established, information on the benefits of and procedures for establishing a child support order, and an application for child support services;".

(b) ENHANCED FEDERAL MATCHING.—Section 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

(1) by inserting "(i)" before "laboratory costs", and

(2) by inserting before the semicolon ", and (ii) costs of outreach programs designed to encourage voluntary acknowledgment of paternity".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsection (a) shall become effective October 1, 1997.

(2) EXCEPTION.—The amendments made by subsection (b) shall be effective with respect to calendar quarters beginning on and after October 1, 1996.

PART VI—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

SEC. 451. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the "National Child Support Guidelines Commission" (in this section referred to as the "Commission").

(b) GENERAL DUTIES.—

(1) IN GENERAL.—The Commission shall determine—

(A) whether it is appropriate to develop a national child support guideline for consideration by the Congress or for adoption by individual States; or

(B) based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(2) DEVELOPMENT OF MODELS.—If the Commission determines under paragraph (1)(A) that a national child support guideline is needed or under paragraph (1)(B) that improvements to guideline models are needed, the Commission shall develop such national guideline or improvements.

(c) MATTERS FOR CONSIDERATION BY THE COMMISSION.—In making the recommendations concerning guidelines required under subsection (b), the Commission shall consider—

(1) the adequacy of State child support guidelines established pursuant to section 467 of the Social Security Act;

(2) matters generally applicable to all support orders, including—

(A) the feasibility of adopting uniform terms in all child support orders;

(B) how to define income and under what circumstances income should be imputed; and

(C) tax treatment of child support payments;

(3) the appropriate treatment of cases in which either or both parents have financial obligations to more than 1 family, including the effect (if any) to be given to—

(A) the income of either parent's spouse; and

(B) the financial responsibilities of either parent for other children or stepchildren;

(4) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(5) the appropriate treatment of expenses for health care (including uninsured health care) and other extraordinary expenses for children with special needs;

(6) the appropriate duration of support by 1 or both parents, including

(A) support (including shared support) for post-secondary or vocational education; and

(B) support for disabled adult children;

(7) procedures to automatically adjust child support orders periodically to address changed economic circumstances, including changes in the consumer price index or either parent's income and expenses in particular cases;

(8) procedures to help non-custodial parents address grievances regarding visitation and custody orders to prevent such parents from withholding child support payments until such grievances are resolved; and

(9) whether, or to what extent, support levels should be adjusted in cases in which custody is shared or in which the noncustodial parent has extended visitation rights.

(d) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed jointly by the Secretary of Health and Human Services and the Congress, not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The first sentence of subparagraph (C), the first and third sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(f) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(g) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

SEC. 452. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10)(A)(i) Procedures under which—

"(I) every 3 years, at the request of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with such guidelines, without a requirement for any other change in circumstances; and

"(II) upon request at any time of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) based on a substantial change in the circumstances of either such parent.

"(ii) Such procedures shall require both parents subject to a child support order to be notified of their rights and responsibilities provided for under clause (i) at the time the order is issued and in the annual information exchange form provided under subparagraph (B).

"(B) Procedures under which each child support order issued or modified in the State after the effective date of this subparagraph shall require the parents subject to the order to provide each other with a complete statement of their respective financial condition annually on a form which shall be provided by the State. The Secretary shall establish regulations for the enforcement of such exchange of information.".

PART VII—ENFORCEMENT OF SUPPORT ORDERS

SEC. 461. FEDERAL INCOME TAX REFUND OFFSET.

(a) CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.—Section 6402(c) of the Internal Revenue Code of 1986 (relating to offset of past-due support against overpayments) is amended by striking the third sentence.

(b) ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NONASSIGNED ARREARAGES.—

(1) IN GENERAL.—Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) in paragraph (1)—

(i) in the first sentence, by striking "which has been assigned to such State pursuant to section 402(a)(9) or section 471(a)(17)"; and

(ii) in the second sentence, by striking "in accordance with section 457 (b)(4) or (d)(3)" and inserting "as provided in paragraph (2)";

(B) in paragraph (2), to read as follows:

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

"(A) in accordance with subsection (a)(4) or (d)(3) of section 457, in the case of past-due support assigned to a State pursuant to section 402(a)(9) or section 471(a)(17); and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned.";

(C) in paragraph (3)—

(i) by striking "or (2)" each place it appears; and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)".

(2) NOTICES OF PAST-DUE SUPPORT.—Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking "(b)(1)" and inserting "(b)"; and

(B) by striking paragraph (2).

(3) DEFINITION OF PAST-DUE SUPPORT.—Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting "(c) As"; and

(B) by striking paragraphs (2) and (3).

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1999.

SEC. 462. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) in paragraph (1), by inserting "except as provided in paragraph (5)" after "collected";

(2) by striking "and" at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting ", and";

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

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(5) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 463. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended—

(1) in the heading, by inserting "INCOME WITHHOLDING," before "GARNISHMENT";

(2) in subsection (a)—

(A) by striking "section 207" and inserting "section 207 and section 5301 of title 38, United States Code"; and

(B) by striking "to legal process" and all that follows through the period and inserting "to withholding in accordance with State law pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary thereunder, and to any other legal process brought, by a State agency administering a program under this part or by an individual obligee, to enforce the legal obligation of such individual to provide child support or alimony.";

(3) by striking subsection (b) and inserting the following new subsection:

"(b) Except as otherwise provided herein, each entity specified in subsection (a) shall be subject, with respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or to any other order or process to enforce support obligations against an individual (if such order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), to the same requirements as would apply if such entity were a private person.";

(4) by striking subsections (c) and (d) and inserting the following new subsections:

"(c)(1) The head of each agency subject to the requirements of this section shall—

"(A) designate an agent or agents to receive orders and accept service of process; and

"(B) publish—

"(i) in the appendix of such regulations;

"(ii) in each subsequent republication of such regulations; and

"(iii) annually in the Federal Register,

the designation of such agent or agents, identified by title of position, mailing address, and telephone number.

"(2) Whenever an agent designated pursuant to paragraph (1) receives notice pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatories, with respect to an individual's child support or alimony payment obligations, such agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of such notice or service (together with a copy thereof) to such individual at his duty station or last-known home address;

"(B) not later than 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to subsection (a)(1) or (b) of section 466, comply with all applicable provisions of such section 466; and

"(C) not later than 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatories, respond thereto.

"(d) In the event that a governmental entity receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by the provisions of such section 466(b) and regulations thereunder; and

"(3) such moneys as remain after compliance with subparagraphs (A) and (B) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.";

(5) in subsection (f)—

(A) by striking "(f)" and inserting "(f)(1)"; and

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

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by him in connection with the carrying out of such duties."; and

(6) by adding at the end the following new subsections:

"(g) Authority to promulgate regulations for the implementation of the provisions of this section shall, insofar as the provisions of this section are applicable to moneys due from (or payable by)—

"(1) the executive branch of the Federal Government (including in such branch, for the purposes of this subsection, the territories and possessions of the United States, the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation created by an Act of Congress, and the government of the District of Columbia), be vested in the President (or the President's designee);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees); and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the Chief Justice's designee).

"(h) Subject to subsection (i), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(1) consist of—

"(A) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(B) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(i) under the insurance system established by title II;

"(ii) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(iii) as compensation for death under any Federal program;

"(iv) under any Federal program established to provide 'black lung' benefits; or

"(v) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by such Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation); and

"(C) worker's compensation benefits paid under Federal or State law; but

"(2) do not include any payment—

"(A) by way of reimbursement or otherwise, to defray expenses incurred by such individual in carrying out duties associated with his employment; or

"(B) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(i) In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(1) are owed by such individual to the United States;

"(2) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(3) are properly withheld for Federal, State, or local income tax purposes, if the withholding of such amounts is authorized or required by law and if amounts withheld are not greater than would be the case if such individual claimed all the dependents that the individual was entitled to (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when such individual presents evidence of a tax obligation which supports the additional withholding);

"(4) are deducted as health insurance premiums;

"(5) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(6) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(j) For purposes of this section—".

(b) TRANSFER OF SUBSECTIONS.—Subsections (a) through (d) of section 462 (42 U.S.C. 662), are transferred and redesignated as paragraphs (1) through (4), respectively, of section 459(j) (as added by subsection (a)(6)), and the left margin of each of such paragraphs (1) through (4) is indented 2 ems to

the right of the left margin of subsection (j) (as added by subsection (a)(6)).

(c) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" each place it appears and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(d) MILITARY RETIRED AND RETAINER PAY.—Section 1408 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking "and";

(ii) in subparagraph (C), by striking the period and inserting "; and"; and

(iii) by adding at the end the following new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a State program under part D of title IV of the Social Security Act).";

(B) in paragraph (2), by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which—";

(2) in subsection (d)—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" after "CONCERNED"; and

(B) in paragraph (1), in the first sentence, by inserting "(or for the benefit of such spouse or former spouse to a State central collections unit or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient"; and

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

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving a child support order against a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of the Social Security Act.".

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 464. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Not later than 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 462 of the Social Security Act (42 U.S.C. 662).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—Section 1408 of title 10, United States Code, as amended by section 463(d)(3), is amended—

(1) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively;

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

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order or an order of an administrative process established under State law for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary."; and

(3) in subsection (d)—

(A) in paragraph (1), by inserting after the first sentence the following: "In the case of a spouse or former spouse who, pursuant to section 402(a)(9) of the Social Security Act (42 U.S.C. 602(26)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights."; and

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

"(6) In the case of a court order or an order of an administrative process established under State law for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order or an order of an administrative process established under State law shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

SEC. 465. MOTOR VEHICLE LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended—

(1) by striking "(4)" and inserting "(4)(A)"; and

(2) by adding at the end the following new subparagraphs:

"(B) Procedures for placing liens for arrearages of child support on motor vehicle titles of individuals owing such arrearages equal to or exceeding 1 month of support (or other minimum amount set by the State), under which—

"(i) any person owed such arrearages may place such a lien;

"(ii) the State agency administering the program under this part shall systematically place such liens;

"(iii) expedited methods are provided for—

"(I) ascertaining the amount of arrears;

"(II) affording the person owing the arrears or other titleholder to contest the amount of arrears or to obtain a release upon fulfilling the support obligation;

"(iv) such a lien has precedence over all other encumbrances on a vehicle title other than a purchase money security interest; and

"(v) the individual or State agency owed the arrears may execute on, seize, and sell the property in accordance with State law.

"(C) Procedures under which—

"(i) liens arise by operation of law against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property in the State; and

"(ii) the State accords full faith and credit to such liens which arise in another State, without registration of the underlying order which is the basis for such lien.".

SEC. 466. VOIDING OF FRAUDULENT TRANSFERS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 427(a), 431, and 434, is amended by adding at the end the following new paragraph:

"(16) Procedures under which—

"(A) the State has in effect—

"(i) the Uniform Fraudulent Conveyance Act of 1981,

"(ii) the Uniform Fraudulent Transfer Act of 1984, or

"(iii) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(B) in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(i) seek to void such transfer; or

"(ii) obtain a settlement in the best interests of the child support creditor.".

SEC. 467. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 427(a), 431, 434, and 466, is amended by adding at the end the following new paragraph:

"(17) Procedures under which the State has (and uses in appropriate cases) authority (subject to appropriate due process safeguards) to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue child support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 468. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7)(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.".

SEC. 469. EXTENDED STATUTE OF LIMITATION FOR COLLECTION OF ARREARAGES.

(a) IN GENERAL.—Section 466(a)(9) (42 U.S.C. 666(a)(9)) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by striking "(9)" and inserting "(9)(A)"; and

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

"(B) Procedures under which the statute of limitations on any arrearages of child support extends at least until the child owed such support is 30 years of age.".

(b) APPLICATION OF REQUIREMENT.—The amendment made by this section shall not be interpreted to require any State law to revive any payment obligation which had lapsed prior to the effective date of such State law.

SEC. 470. CHARGES FOR ARREARAGES.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 427(a), 431, 434, 466, and 467, is amended by adding at the end the following new paragraph:

"(18) Procedures providing for the calculation and collection of interest or penalties for arrearages of child support, and for distribution of such interest or penalties collected for the benefit of the child (except where the right to support has been assigned to the State).".

(b) REGULATIONS.—The Secretary of Health and Human Services shall establish by regulation a rule to resolve choice of law conflicts arising in the implementation of the amendment made by subsection (a).

(c) CONFORMING AMENDMENT.—Section 454(21) (42 U.S.C. 654(21)) is repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to arrearages accruing on or after October 1, 1998.

SEC. 471. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by sections 415(a)(3) and 417, is amended by adding at the end the following new subsection:

"(l)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(29) that an individual owes arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 471(b) of the Interstate Child Support Responsibility Act of 1995.

"(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE CHILD SUPPORT ENFORCEMENT AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 405, 414(b), 422(a), and 423(a) is amended—

(A) by striking "and" at the end of paragraph (28);

(B) by striking the period at the end of paragraph (29) and inserting "; and"; and

(C) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(l) (concerning denial of passports) determinations that individuals owe arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State, upon certification by the Secretary of Health and Human Services, in accordance with section 452(l) of the Social Security Act, that an individual owes arrearages of child support in excess of $5,000 or in an amount exceeding 24 months' worth of child support, shall refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

SEC. 472. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

(a) SENSE OF THE CONGRESS THAT THE UNITED STATES SHOULD RATIFY THE UNITED NATIONS CONVENTION OF 1956.—It is the sense of the Congress that the United States should ratify the United Nations Convention of 1956.

(b) TREATMENT OF INTERNATIONAL CHILD SUPPORT CASES AS INTERSTATE CASES.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 405, 414(b), 422(a), 423(a), and 471(a)(2), is amended—

(1) by striking "and" at the end of paragraph (29);

(2) by striking the period at the end of paragraph (30) and inserting "; and"; and

(3) by inserting after paragraph (30) the following new paragraph:

"(31) provide that the State must treat international child support cases in the same manner as the State treats interstate child support cases under the plan.".

PART VIII—MEDICAL SUPPORT

SEC. 481. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) in clause (ii) by striking the period and inserting a comma; and

(3) by adding after clause (ii), the following flush left language:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued by an administrative adjudicator and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall become effective on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—

(A) IN GENERAL.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the first plan year beginning on or after January 1, 1996, if—

(i) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(ii) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such first plan year.

(B) NO FAILURE FOR COMPLIANCE WITH THIS PARAGRAPH.—A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

PART IX—ACCESS AND VISITATION PROGRAMS

SEC. 491. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV is amended by adding at the end the following new section:

"GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS

"SEC. 469A. (a) PURPOSES; AUTHORIZATION OF APPROPRIATIONS.—For purposes of enabling States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision, and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements, there are authorized to be appropriated $5,000,000 for each of fiscal years 1996 and 1997, and $10,000,000 for each succeeding fiscal year.

"(b) PAYMENTS TO STATES.—

"(1) IN GENERAL.—Each State shall be entitled to payment under this section for each

fiscal year in an amount equal to its allotment under subsection (c) for such fiscal year, to be used for payment of 90 percent of State expenditures for the purposes specified in subsection (a).

"(2) SUPPLEMENTARY USE.—Payments under this section shall be used by a State to supplement (and not to substitute for) expenditures by the State, for activities specified in subsection (a), at a level at least equal to the level of such expenditures for fiscal year 1994.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—For purposes of subsection (b), each State shall be entitled (subject to paragraph (2)) to an amount for each fiscal year bearing the same ratio to the amount authorized to be appropriated pursuant to subsection (a) for such fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—Allotments to States under paragraph (1) shall be adjusted as necessary to ensure that no State is allotted less than $50,000 for fiscal year 1996 or 1997, or $100,000 for any succeeding fiscal year.

"(d) FEDERAL ADMINISTRATION.—The program under this section shall be administered by the Administration for Children and Families.

"(e) STATE PROGRAM ADMINISTRATION.—

"(1) IN GENERAL.—Each State may administer the program under this section directly or through grants to or contracts with courts, local public agencies, or non-profit private entities.

"(2) STATEWIDE PLAN PERMISSIBLE.—State programs under this section may, but need not, be statewide.

"(3) EVALUATION.—States administering programs under this section shall monitor, evaluate, and report on such programs in accordance with requirements established by the Secretary.".

Subtitle B—Child Support Enforcement and Assurance Demonstrations

SEC. 494. CHILD SUPPORT ENFORCEMENT AND ASSURANCE DEMONSTRATIONS.

(a) DEMONSTRATIONS AUTHORIZED.—

(1) INITIAL PROJECTS.—The Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall make grants to three States for demonstrations under this section to determine the effectiveness of programs to provide assured levels of child support to custodial parents of children for whom paternity and support obligations have been established.

(b) DURATION OF PROJECTS.—

(1) TOTAL PROJECT PERIOD.—The Secretary shall make grants to States for demonstrations under this section beginning in fiscal year 1997, for periods of 7 to 10 years.

(2) PHASEDOWN PERIOD.—Each State implementing a demonstration project under this section shall—

(A) phase out activities under such demonstration during the final two years of the project; and

(B) obtain the Secretary's approval, before the beginning of such phasedown period, of a plan for accomplishing such phasedown.

(c) CONSIDERATIONS IN SELECTION OF PROJECTS.—

(1) SCOPE.—Projects under this section may, but need not, be statewide in scope.

(2) STATE ADMINISTRATION.—

(A) RESPONSIBLE STATE AGENCY.—A State demonstration project under this section shall be administered either by the State agency administering the program under title IV-D of the Social Security Act or the State department of revenue and taxation.

(B) AUTOMATION.—The State agency described in subparagraph (A) shall operate (or have automated access to) the automated data system required under section 454(16) of the Social Security Act, and shall have adequate automated capacity to carry out the project under this section (including the timely distribution of child support assurance benefits).

(3) CONTROLS.—At least one demonstration project under this section shall include randomly assigned control groups.

(d) ELIGIBILITY.—

(1) IN GENERAL.—Child support assurance payments under projects under this section shall be available only to children for whom paternity and support obligations have been established (or with respect to whom a determination has been made that efforts to establish paternity or support would not be in the best interests of the child).

(2) FAMILIES WITH SHARED CUSTODY.—In cases where both parents share custody of a child, a parent and child shall not be eligible for benefits under a demonstration under this section unless—

(A) a support order is in effect entitling such parent to support payments in excess of the minimum benefit; or

(B) the agency or tribunal which issued the order certifies that the child support award would be below such minimum benefit if either parent was awarded sole custody and the guidelines under section 467 were applied.

(3) STATE OPTION TO BASE ELIGIBILITY ON NEED.—At State option, eligibility for benefits under a demonstration under this section may be limited to families with incomes and resources below a standard of need established by the State.

(f) BENEFIT AMOUNTS.—

(1) RANGE OF BENEFIT LEVELS.—States shall have flexibility to set annual benefit levels under demonstrations under this section, provided that (subject to the remaining provisions of this subsection) such levels—

(A) are not lower than $1,500 for a family with one child or $3,000 for a family with four or more children; and

(B) are not higher than $3,000 for a family with one child or $4,500 for a family with four or more children;

(2) INDEXING.—Annual benefit levels for each fiscal year after fiscal year 1996 shall be indexed to reflect the change in the Consumer Price Index.

(3) UNMATCHED EXCESS BENEFITS.—The Secretary may permit States to pay benefits higher than a maximum specified in paragraphs (1) and (2), but Federal matching of such payments shall not be available for benefits in excess of the amounts specified in paragraph (1) (as adjusted in accordance with paragraph (2)) by more than $25 per month.

(g) TREATMENT OF BENEFITS.—

(1) FOR PURPOSES OF TRANSITIONAL AID.—The amount of aid otherwise payable to a family under title IV-A of the Social Security Act shall be reduced by an amount equal to the amount of child support assurance paid to such family (or, at the Secretary's discretion, by a percentage of such amount paid specified by the Secretary).

(2) TREATMENT OF BENEFITS FOR PURPOSES OF OTHER BENEFIT PROGRAMS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), child support assurance paid to a family shall be considered ordinary income for purposes of determining eligibility for and benefits under any Federal or State program.

(B) DEEMED TRANSITIONAL AID ELIGIBILITY.—At State option, a child (or family) that is ineligible for aid under title IV-A of the Social Security Act because of payments under a demonstration under this section may be deemed to be receiving such aid for purposes of determining eligibility for other Federal and State programs.

(3) FOR TAX PURPOSES.—Child support assurance which is paid to a family under this section and is not reimbursed from a child support collection from a noncustodial parent shall be considered ordinary income for purposes of Federal and State tax liability.

(h) WORK PROGRAM OPTION.—At the option of the State grantee, a demonstration under this section may include a work program for unemployed noncustodial parents of eligible children.

(i) AVAILABILITY OF APPROPRIATIONS FOR PAYMENTS TO STATES.—

(1) STATE ENTITLEMENT TO IV-D FUNDING.—A State administering an approved demonstration under this section in a calendar quarter shall be entitled to payments for such quarter, pursuant to section 455 of the Social Security Act for the Federal share of reasonable and necessary expenditures (including expenditures for benefit payments and for associated administrative costs) under such project, in an amount (subject to paragraphs (2) and (3)) equal to—

(A) with respect to that portion of such expenditures equal to the reduction of expenditures under title IV-A of the Social Security Act pursuant to subsection (g)(1), a percentage equal to the percentage that would have been paid if such expenditures had been made under such title IV-A; and

(B) 90 percent of the remainder of such expenditures.

(2) STATES WITH LOW TRANSITIONAL AID BENEFITS.—In the case of a State in which benefit levels under title IV-A of the Social Security Act are below the national median for such payments, the Secretary may elect to provide 90 percent Federal matching of a portion of expenditures under a project under this section that would otherwise be matched at the rate specified in paragraph (1)(A).

(3) FUNDING LIMITS; PRO RATA REDUCTIONS OF STATE MATCHING.—

(A) FUNDS AVAILABLE.—There shall be available to the Secretary, from amounts appropriated to carry our part D of title IV of the Social Security Act, for purposes of carrying out demonstrations under this section, amounts not to exceed—

(i) $27,000,000 for fiscal year 1997;

(ii) $55,000,000 for fiscal year 1998;

(iii) $70,000,000 for each of fiscal years 1999 through 2002; and

(iv) $55,000,000 for fiscal year 2003.

(B) PRO RATA REDUCTIONS.—The Secretary shall make pro rata reductions in the amounts otherwise payable to States under this section as necessary to comply with the funding limitation specified in subparagraph (A).

(j) DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.—Notwithstanding section 457 of the Social Security Act, support payments collected from the noncustodial parent of a child receiving (or who has received) child support assurance payments under this section shall be distributed as follows:

(1) first, amounts equal to the total support owed for such month shall be paid to the family;

(2) second, from any remainder, amounts owed to the State on account of child support assurance payments to the family shall be paid to the State (with appropriate reimbursement to the Federal Government of its share to such payments);

(3) third, from any remainder, arrearages of support owed to the family shall be paid to the family; and

(4) fourth, from any remainder, amounts owed to the State on account of current or past payments of aid under title IV–A of the Social Security Act shall be paid to the State (with appropriate reimbursement to the Federal Government of its share of such payments).

(k) EVALUATIONS AND REPORTS.—

(1) STATE EVALUATIONS.—Each State administering a demonstration project under this section shall—

(A) provide for ongoing and retrospective evaluation of the project, meeting such conditions and standards as the Secretary may require; and

(B) submit to the Secretary such reports (at such times, in such format, and containing such information) as the Secretary may require, including at least an interim report not later than 90 days after the end of the fourth year of the project, and a final report not later than one year after the completion of the project, which shall include information on and analysis of the effect of the project with respect to—

(i) the economic circumstances of both noncustodial and custodial parents;

(ii) the rate of compliance by noncustodial parents with support orders;

(iii) work-force participation by both custodial and noncustodial parents;

(iv) the need for or amount of transitional aid to families with needy children under title IV–A of the Social Security Act;

(v) paternity establishment rates; and

(vi) any other matters the Secretary may specify.

(2) REPORTS TO CONGRESS.—The Secretary shall, on the basis of reports received from States administering projects under this section, make the following reports, containing an assessment of the effectiveness of the projects and any recommendations the Secretary considers appropriate:

(A) an interim report, not later than 6 months following receipt of the interim State reports required by paragraph (1)(B); and

(B) a final report, not later than 6 months following receipt of the final State reports required under such paragraph.

(3) FUNDING FOR COSTS TO SECRETARY.—There are authorized to be appropriated $10,000,000 for fiscal year 1997, to remain available until expended, for payment of the cost of evaluations by the Secretary of the demonstrations carried out under this section.

Subtitle C—Demonstration Projects To Provide Services to Certain Noncustodial Parents

SEC. 495. ESTABLISHMENT OF DEMONSTRATION PROJECTS FOR PROVIDING SERVICES TO CERTAIN NONCUSTODIAL PARENTS.

(a) IN GENERAL.—The Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall make grants to not more than 5 States to conduct demonstration projects in accordance with subsection (b) for the purpose of providing services to noncustodial parents who are unable to meet child support obligations due to unemployment or underemployment.

(b) REQUIREMENTS OF PROJECT.—A project conducted in accordance with this subsection shall provide noncustodial parents who are unable to meet child support obligations due to unemployment or underemployment with the following services:

(1) Assessment of job readiness.

(2) Referrals to job training and education programs.

(3) Court monitored job search.

(4) Court ordered participation in State work programs or other specialized employment programs.

(5) Technical assistance and information and interpretation of legal proceedings.

(6) Information dissemination and referrals to other available services.

(7) Other services determined by the State.

(c) APPLICATIONS.—Each State desiring to conduct a demonstration project under this section shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(d) REPORTS.—A State that conducts a demonstration project under this section shall prepare and submit to the Secretary annual and final reports in such form and containing such information as the Secretary may require.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for each of fiscal years 1997 through 1999 for the purpose of conducting demonstration projects in accordance with this section.

Subtitle D—Severability

SEC. 496. SEVERABILITY.

If any provision of subtitle A or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of subtitle A which can be given effect without regard to the invalid provision or application, and to this end the provisions of subtitle A shall be severable.

TITLE V—TRANSITIONAL MEDICAID

SEC. 501. STATE OPTION TO EXTEND TRANSITIONAL MEDICAID BENEFITS.

(a) OPTIONAL EXTENSION OF MEDICAID ENROLLMENT FOR FORMER TRANSITIONAL AID PROGRAM RECIPIENTS FOR 1 ADDITIONAL YEAR.—

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r–6(b)(1)) is amended by striking the period at the end and inserting the following: ", and may provide that the State may offer to each such family the option of extending coverage under this subsection for any of the first 2 succeeding 6-month periods, in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.".

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 1925 (42 U.S.C. 1396r–6) is amended—

(i) in subsection (b)—

(I) in the heading, by striking "EXTENSION" and inserting "EXTENSIONS";

(II) in the heading of paragraph (1), by striking "REQUIREMENT" and inserting "IN GENERAL";

(III) in paragraph (2)(B)(ii)—

(aa) in the heading, by striking "PERIOD" and inserting "PERIODS"; and

(bb) by striking "in the period" and inserting "in each of the 6-month periods";

(IV) in paragraph (3)(A), by striking "the 6-month period" and inserting "any 6-month period";

(V) in paragraph (4)(A), by striking "the extension period" and inserting "any extension period"; and

(VI) in paragraph (5)(D)(i), by striking "is a 3-month period" and all that follows and inserting the following: "is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the 1st or 4th month of such extension period."; and

(ii) by striking subsection (f).

(B) FAMILY SUPPORT ACT.—Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(i) by striking "(A)"; and

(ii) by striking subparagraphs (B) and (C).

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to calendar quarters beginning on or after October 1, 1996, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

(2) WHEN STATE LEGISLATION IS REQUIRED.—In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

TITLE VI—TEENAGE PREGNANCY PREVENTION

SEC. 601. SUPERVISED LIVING ARRANGEMENTS FOR MINORS.

Section 402(a) (42 U.S.C. 602(a)), as amended by section 101, is amended by adding at the end the following new paragraph:

"(13) RESIDENCY REQUIREMENT FOR TEENAGE PARENTS.—The State plan shall provide that—

"(A) IN GENERAL.—Except as provided in subparagraph (B)(i), in the case of any individual who is under the age of 18 and has never married, and who has a dependent child in his or her care (or is pregnant and is eligible for transitional aid to families with needy children under the State plan)—

"(i) such individual may receive transitional aid to families with needy children under the plan for the individual and such child (or for the individual if the individual is a pregnant woman) only if such individual and child (or such pregnant woman) reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home; and

"(ii) such aid (where possible) shall be provided to the parent, legal guardian, or other adult relative on behalf of such individual and child.

"(B) EXCEPTION.—

"(i) ASSISTANCE IN LOCATING ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual described in clause (ii)—

"(I) the State agency shall assist such individual in locating an appropriate adult-supervised supportive living arrangement taking into consideration the needs and concerns of the individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that the individual (and child, if any) reside in such living arrangement as a condition of the continued

receipt of aid under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate), or

"(II) if the State agency is unable, after making diligent efforts, to locate any such appropriate living arrangement, it shall provide for comprehensive case management, monitoring, and other social services consistent with the best interests of the individual (and child) while living independently.

"(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual is described in this clause if—

"(I) such individual has no parent or legal guardian of his or her own who is living and whose whereabouts are known;

"(II) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(III) the State agency determines that the physical or emotional health of such individual or any dependent child of the individual would be jeopardized if such individual and such dependent child lived in the same residence with such individual's own parent or legal guardian; or

"(IV) the State agency otherwise determines (in accordance with regulations issued by the Secretary) that it is in the best interest of the dependent child to waive the requirement of subparagraph (A) with respect to such individual.".

SEC. 602. REINFORCING FAMILIES.

(a) IN GENERAL.—Title XX (42 U.S.C. 1397–1397e) is amended by adding at the end the following new section:

"SEC. 2008. SECOND CHANCE HOUSES.

"(a) ENTITLEMENT.—

"(1) IN GENERAL.—In addition to any payment under sections 2002 and 2007, beginning with fiscal year 1996, each State shall be entitled to funds under this section for each fiscal year for the establishment, operation, and support of second chance houses for custodial parents under the age of 19 and their children.

"(2) PAYMENT TO STATES.—

"(A) IN GENERAL.—Each State shall be entitled to payment under this section for each fiscal year in an amount equal to its allotment (determined in accordance with subsection (b)) for such fiscal year, to be used by such State for the purposes set forth in paragraph (1).

"(B) TRANSFERS OF FUNDS.—The Secretary shall make payments in accordance with section 6503 of title 31, United States Code, to each State from its allotment for use under this title.

"(C) USE.—Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year or in the succeeding fiscal year.

"(D) TECHNICAL ASSISTANCE.—A State may use a portion of the amounts described in subparagraph (A) for the purpose of purchasing technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, or administering the program funded under this section.

"(3) SECOND CHANCE HOUSES.—For purposes of this section, the term 'second chance houses' means an entity that provides custodial parents under the age of 19 and their children with a supportive and supervised living arrangement in which such parents would be required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children. A second chance house may also serve as a network center for other supportive services that might be available in the community.

"(b) ALLOTMENT.—

"(1) CERTAIN JURISDICTIONS.—The allotment for any fiscal year to each of the jurisdictions of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount which bears the same ratio to the amount specified under paragraph (3) as the allotment that the jurisdiction receives under section 2003(a) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

"(2) OTHER STATES.—The allotment for any fiscal year for each State other than the jurisdictions of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount which bears the same ratio to—

"(A) the amount specified under paragraph (3); reduced by

"(B) the total amount allotted to those jurisdictions for that fiscal year under paragraph (1),

as the allotment that the State receives under section 2003(b) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

"(3) AMOUNT SPECIFIED.—The amount specified for purposes of paragraphs (1) and (2) shall be $40,000,000 for fiscal year 1996 and each subsequent fiscal year.

"(c) LOCAL INVOLVEMENT.—Each State shall seek local involvement from the community in any area in which a second chance house receiving funds pursuant to this section is to be established. In determining criteria for targeting funds received under this section, each State shall evaluate the community's commitment to the establishment and planning of the house.

"(d) LIMITATIONS ON THE USE OF FUNDS.—

"(1) CONSTRUCTION.—Except as provided in paragraph (2), funds made available under this section may not be used by the State, or any other person with which the State makes arrangements to carry out the purposes of this section, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility.

"(2) WAIVER.—The Secretary may waive the limitation contained in paragraph (1) upon the State's request for such a waiver if the Secretary finds that the request describes extraordinary circumstances to justify the waiver and that permitting the waiver will contribute to the State's ability to carry out the purposes of this section.

"(e) TREATMENT OF INDIAN TRIBES.—

"(1) IN GENERAL.—An Indian tribe may apply to the Secretary to establish, operate, and support adult-supervised group homes for custodial parents under the age of 19 and their children in accordance with an application procedure to be determined by the Secretary. Except as otherwise provided in this subsection, the provisions of this section shall apply to Indian tribes receiving funds under this subsection in the same manner and to the same extent as the other provisions of this section apply to States.

"(2) ALLOTMENT.—If the Secretary approves an Indian tribe's application, the Secretary shall allot to such tribe for a fiscal year an amount which the Secretary determines is the Indian tribe's fair and equitable share of the amount specified under paragraph (3) for all Indian tribes with applications approved under this subsection (based on allotment factors to be determined by the Secretary). The Secretary shall determine a minimum allotment amount for all Indian tribes with applications approved under this subsection. Each Indian tribe with an application approved under this subsection shall be entitled to such minimum allotment.

"(3) AMOUNT SPECIFIED.—The amount specified under this paragraph for all Indian tribes with applications approved under this subsection is $5,000,000 for fiscal year 1996 and each subsequent fiscal year.

"(4) INDIAN TRIBE DEFINED.—For purposes of this section, the term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.".

(b) RECEIPT OF PAYMENTS BY SECOND CHANCE HOUSES.—Section 402(a)(13)(A)(ii), as added by section 601, is amended by striking "or other adult relative" and inserting "other adult relative, or second chance house receiving funds under section 2008".

(c) RECOMMENDATIONS ON USAGE OF GOVERNMENT SURPLUS PROPERTY.—Not later than 6 months after the date of the enactment of this Act, after consultation with the Secretary of Defense, the Secretary of Housing and Urban Development, and the Administrator of the General Services Administration, the Secretary of Health and Human Services shall submit recommendations to the Congress on the extent to which surplus properties of the United States Government may be used for the establishment of second chance houses receiving funds under section 2008 of the Social Security Act.

SEC. 603. REQUIRED COMPLETION OF HIGH SCHOOL OR OTHER TRAINING FOR TEENAGE PARENTS.

(a) IN GENERAL.—Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101, 601, and 602, is amended by adding at the end the following new paragraph:

"(14) EDUCATIONAL REQUIREMENTS.—The State plan shall provide the following educational requirements:

"(A) CUSTODIAL PARENT UNDER 19 YEARS.—In the case of a custodial parent who has not attained 19 years of age, has not successfully completed a high-school education (or its equivalent), and is required to participate in the program (including an individual who would otherwise be exempt from participation in the program solely by reason of clause (i), (ii), or (iii) of paragraph (11)(B)), the State agency shall—

"(i) require such parent to participate in—

"(I) educational activities directed toward the attainment of a high school diploma or its equivalent on a full-time basis (as defined by the educational provider); or

"(II) an alternative educational or training program (that has been approved by the Secretary) on a full-time basis (as defined by the provider); and

"(ii) provide child care in accordance with paragraph (5) with respect to the family.

"(B) CUSTODIAL PARENT 19 YEARS OLD.—

"(i) IN GENERAL.—To the extent that the program is available in the political subdivision involved and State resources otherwise permit, the State agency shall require a custodial parent who would be described in subparagraph (A), if that parent is 19 years of age, to participate in an educational activity described in clause (ii).

"(ii) TYPE OF EDUCATIONAL ACTIVITY.—The State agency may require a parent described in clause (i)—

"(I) to participate in educational activities directed toward the attainment of a high

school diploma or its equivalent on a full-time basis (as defined by the educational provider); or

"(II) to participate in training or work activities in lieu of the educational activities under subclause (I) if such parent fails to make good progress in successfully completing such educational activities or if it is determined (prior to any assignment of the individual to such educational activities) pursuant to an educational assessment that participation in such educational activities is inappropriate for such parent.

"(C) EDUCATIONAL ACTIVITY CONSIDERED PARTICIPATION IN PROGRAM.—

"(i) IN GENERAL.—If the parent or other caretaker relative or any dependent child in the family is attending in good standing an institution of higher education (as defined in section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088), or a school or course of vocational or technical training (not less than half time) consistent with the individual's employment goals, and is making satisfactory progress in such institution, school, or course, at the time he or she would otherwise commence participation in the program under this section, such attendance may, at the State's option, constitute satisfactory participation in the program (by that caretaker or child) so long as it continues and is consistent with such goals.

"(ii) ADDITIONAL REQUIREMENTS.—In addition to the requirements described in clause (i)—

"(I) any other activities in which an individual described in this subparagraph participates may not be permitted to interfere with the school or training described in such clause; and

"(II) the costs of such school or training shall not constitute a federally reimbursable expense for purposes of section 403, however the costs of day care, transportation, and other services which are necessary (as determined by the State agency) for such attendance in accordance with paragraph (5) are eligible for Federal reimbursement.".

(b) STATE OPTION TO PROVIDE ADDITIONAL INCENTIVES AND PENALTIES TO ENCOURAGE TEENAGE PARENTS TO COMPLETE HIGH SCHOOL AND PARTICIPATE IN PARENTING ACTIVITIES.—

(1) STATE PLAN.—Section 402(a)(14)(A), as added by subsection (a), is amended by adding at the end the following new subparagraph:

"(D) INCENTIVES AND PENALTY PROGRAM.—At the option of the State, some or all custodial parents and pregnant women who have not attained 19 years of age (or at the State's option, 21 years of age) and who are receiving aid under this part shall be required to participate in a program of monetary incentives and penalties for participation and completion of a high school education (or equivalent) and in parenting activities, consistent with subsection (f);".

(2) ELEMENTS OF PROGRAM.—Section 402 (42 U.S.C. 602), as amended by section 101, is amended by adding at the end the following new subsection:

"(f) INCENTIVES AND PENALTIES PROGRAM.—

"(1) IN GENERAL.—If a State opts to conduct a program of incentives and penalties described in subsection (a)(14)(D), the State shall amend its State plan—

"(A) to specify the one or more political subdivisions (or other clearly defined geographic area or areas) in which the State will conduct the program; and

"(B) to describe its program in detail.

"(2) PROGRAM DESCRIBED.—A program under this subsection—

"(A) may, at the option of the State, require full-time participation by custodial parents and pregnant women to whom the program applies in secondary school or equivalent educational activities, or participation in a course or program leading to a parenting skills certificate found appropriate by the State agency or parenting education activities (or any combination of such activities and secondary education);

"(B) shall require that the needs of such custodial parents and pregnant women shall be reviewed and the program will ensure that, either in the initial development or revision of such individual's employability plan, there will be included a description of the services that will be provided to the individual and the way in which the program and service providers will coordinate with the educational or skills training activities in which the individual is participating;

"(C) shall provide monetary incentives for more than minimally acceptable performance of required educational activities; and

"(D) shall provide penalties (which may be those allowed by subsection (a)(1)(H) or other monetary penalties that the State finds will better achieve the objectives of the program) for less than minimally acceptable performance of required activities.

"(3) MONETARY INCENTIVE PAYABLE TO PARENT.—When a monetary incentive is payable because of the more than minimally acceptable performance of required educational activities by a custodial parent, the incentive shall be paid directly to such parent, regardless of whether the State agency makes payment of aid under the State plan directly to such parent.

"(4) TREATMENT OF MONETARY INCENTIVE.—

"(A) IN GENERAL.—For purposes of this part, monetary incentives paid under this subsection shall be considered transitional aid to families with needy children.

"(B) TREATMENT UNDER OTHER FEDERAL PROGRAMS.—For purposes of any other Federal or federally-assisted program based on need, no monetary incentive paid under this subsection shall be considered income in determining a family's eligibility for or amount of benefits under such program, and if aid is reduced by reason of a penalty under this subsection, such other program shall treat the family involved as if no such penalty has been applied.

"(5) INFORMATION PROVIDED TO SECRETARY.—The State agency shall from time to time provide such information with respect to the State operation of the program as the Secretary may request.".

SEC. 604. TARGETING YOUTH AT RISK OF TEENAGE PREGNANCY.

(a) IN GENERAL.—Section 402 of the Social Security Act (42 U.S.C. 602), as amended by sections 101 and 603, is amended by adding at the end the following new subsection:

"(g) REDUCTION IN TEENAGE PREGNANCY.—

"(1) IN GENERAL.—Each State agency may, to the extent it determines resources are available, provide for the operation of projects to reduce teenage pregnancy. Such projects shall be operated by eligible entities that have submitted applications described in paragraph (3) that have been approved in accordance with paragraph (4).

"(2) ELIGIBLE ENTITY.—For purposes of this subsection, the term 'eligible entity' includes State agencies, local agencies, publicly supported organizations, private nonprofit organizations, and consortia of such entities.

"(3) APPLICATION DESCRIBED.—An application described in this paragraph shall—

"(A) describe the project;

"(B) include an endorsement of the project by the chief elected official of the jurisdiction in which the project is to be located;

"(C) demonstrate strong local commitment and local involvement in the planning and implementation of the project; and

"(D) be submitted in such manner and containing such information as the Secretary may require.

"(4) APPROVAL OF APPLICATION.—

"(A) IN GENERAL.—Subject to subparagraph (B), the chief executive officer of a State may approve an application under this paragraph based on selection criteria to be determined by such chief executive officer.

"(B) PREFERENCES IN APPROVING PROJECTS.—Preference in approving a project shall be accorded to projects that target—

"(i) both young men and women;

"(ii) areas with high teenage pregnancy rates; or

"(iii) areas with a high incidence of individuals receiving transitional aid to families with needy children.

"(5) INDIAN TRIBES.—

"(A) IN GENERAL.—An Indian tribe may apply to the Secretary to provide for the operation of projects to reduce teenage pregnancy in accordance with an application procedure to be determined by the Secretary. Except as otherwise provided in this subsection, the provisions of this section shall apply to Indian tribes receiving funds under this subsection in the same manner and to the same extent as the other provisions of this section apply to States.

"(B) INDIAN TRIBE DEFINED.—For purposes of this subsection, the term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.

"(6) TERM OF PROJECTS.—A project conducted under this subsection shall be conducted for not less than 3 years.

"(7) STUDY.—

"(A) IN GENERAL.—The Secretary shall conduct a study in accordance with subparagraph (B) to determine the relative effectiveness of the different approaches for preventing teenage pregnancy utilized in the projects conducted under this subsection.

"(B) STUDY REQUIREMENTS.—The study required under subparagraph (A) shall—

"(i) be based on data gathered from projects conducted in 5 States chosen by the Secretary from among the States in which projects under this subsection are operated;

"(ii) use specific outcome measures (determined by the Secretary) to test the effectiveness of the projects;

"(iii) use experimental and control groups (to the extent possible) that are composed of a random sample of participants in the projects; and

"(iv) be conducted in accordance with an experimental design determined by the Secretary to result in a comparable design among all projects.

"(C) INTERIM AND ANNUAL REPORTS.—Each eligible entity conducting a project under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, interim data from the projects conducted under this subsection. The Secretary shall report to the Congress annually on the progress of such projects and shall, not later than January 1, 2003, submit to the Congress a report on the study required under subparagraph (A).

"(D) AUTHORIZATION.—There are authorized to be appropriated $500,000 for each of fiscal years 1996 through 2001 for the purpose of conducting the study required under subparagraph (A).".

(b) PAYMENT.—Section 403 of the Social Security Act (42 U.S.C. 603), as amended by section 101, is amended by adding at the end the following new subsection:

"(e) PAYMENTS FOR REDUCING TEENAGE PREGNANCY.—

"(1) IN GENERAL.—In addition to any payment under subsection (a), each State shall be entitled to payment from the Secretary for each of fiscal years 1996 through 2001 in an amount equal to the lesser of—

"(A) 75 percent of the expenditures made by the State in providing for the operation of the projects under section 402(g), and in administering the projects under such section; or

"(B) the limitation determined under paragraph (2) with respect to the State for the fiscal year.

"(2) LIMITATION.—

"(A) IN GENERAL.—The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to $20,000,000 as the population with an income below the poverty line (as such term is defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981), including any revision required by such section) in the State in the second preceding fiscal year bears to such population residing in the United States in the second preceding fiscal year.

"(B) LIMITATION INCREASED.—If the limitation determined under subparagraph (A) with respect to a State for a fiscal year exceeds the amount paid to the State under this subsection for the fiscal year, the limitation determined under this paragraph with respect to the State for the immediately succeeding fiscal year shall be increased by the amount of such excess.

"(3) PAYMENTS TO INDIAN TRIBES.—

"(A) IN GENERAL.—Notwithstanding any other provision of this title, for purposes of this subsection, an Indian tribe with an application approved under section 402(g)(5) shall be entitled to payment from the Secretary for each of fiscal years 1996 through 2001 in an amount equal to the lesser of—

"(i) 75 percent of the expenditures made by the Indian tribe in providing for the operation of the projects under section 402(g)(5), and in administering the projects under such section; or

"(ii) the limitation determined under subparagraph (B) with respect to the Indian tribe for the fiscal year.

"(B) LIMITATION.—

"(i) IN GENERAL.—The limitation determined under this subparagraph with respect to an Indian tribe for any fiscal year is the amount that bears the same ratio to $3,750,000 as the population with an income below the poverty line (as such term is defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981), including any revision required by such section) in the Indian tribe in the second preceding fiscal year bears to such population of all Indian tribes with applications approved under section 402(g)(5) in the second preceding fiscal year.

"(ii) INCREASE IN LIMITATION.—If the limitation determined under clause (i) with respect to an Indian tribe for a fiscal year exceeds the amount paid to the Indian tribe under this paragraph for the fiscal year, the limitation determined under this subparagraph with respect to the Indian tribe for the immediately succeeding fiscal year shall be increased by the amount of such excess.

"(4) APPROPRIATIONS.—Amounts appropriated for a fiscal year to carry out this part shall be made available for payments under this subsection for such fiscal year.".

SEC. 605. NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—Not later than October 1, 1996, the Secretary of Health and Human Services, shall within an existing office of the Department of Health and Human Services, establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a training, technical assistance, and material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) develop and sponsor a variety of training institutes and curricula for adolescent pregnancy prevention program staff;

(3) identify model programs representing the various types of adolescent pregnancy prevention programs;

(4) develop technical assistance materials and activities to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

SEC. 606. DENIAL OF FEDERAL HOUSING BENEFITS TO MINORS WHO BEAR CHILDREN OUT-OF-WEDLOCK.

(a) PROHIBITION OF ASSISTANCE.—Notwithstanding any other provision of law, a household whose head of household is an individual who has borne a child out-of-wedlock before attaining 18 years of age may not be provided Federal housing assistance for a dwelling unit until attaining such age, unless—

(1) after the birth of the child—

(A) the individual marries an individual who has been determined by the relevant State to be the biological father of the child; or

(B) the biological parent of the child has legal custody of the child and marries an individual who legally adopts the child;

(2) the individual is a biological and custodial parent of another child who was not born out-of-wedlock; or

(3) eligibility for such Federal housing assistance is based in whole or in part on any disability or handicap of a member of the household.

(b) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) COVERED PROGRAM.—The term "covered program" means—

(A) the program of rental assistance on behalf of low-income families provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

(B) the public housing program under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.);

(C) the program of rent supplement payments on behalf of qualified tenants pursuant to contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s);

(D) the program of interest reduction payments pursuant to contracts entered into by the Secretary of Housing and Urban Development under section 236 of the National Housing Act (12 U.S.C. 1715z–1);

(E) the program for mortgage insurance provided pursuant to sections 221(d) (3) or (4) of the National Housing Act (12 U.S.C. 17151(d)) for multifamily housing for low- and moderate-income families;

(F) the rural housing loan program under section 502 of the Housing Act of 1949 (42 U.S.C. 1472);

(G) the rural housing loan guarantee program under section 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h));

(H) the loan and grant programs under section 504 of the Housing Act of 1949 (42 U.S.C. 1474) for repairs and improvements to rural dwellings;

(I) the program of loans for rental and cooperative rural housing under section 515 of the Housing Act of 1949 (42 U.S.C. 1485);

(J) the program of rental assistance payments pursuant to contracts entered into under section 521(a)(2)(A) of the Housing Act of 1949 (42 U.S.C. 1490a(a)(2)(A));

(K) the loan and assistance programs under sections 514 and 516 of the Housing Act of 1949 (42 U.S.C. 1484, 1486) for housing for farm labor;

(L) the program of grants and loans for mutual and self-help housing and technical assistance under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

(M) the program of grants for preservation and rehabilitation of housing under section 533 of the Housing Act of 1949 (42 U.S.C. 1490m); and

(N) the program of site loans under section 524 of the Housing Act of 1949 (42 U.S.C. 1490d).

(2) COVERED PROJECT.—The term "covered project" means any housing for which Federal housing assistance is provided that is attached to the project or specific dwelling units in the project.

(3) FEDERAL HOUSING ASSISTANCE.—The term "Federal housing assistance" means—

(A) assistance provided under a covered program in the form of any contract, grant, loan, subsidy, cooperative agreement, loan or mortgage guarantee or insurance, or other financial assistance; or

(B) occupancy in a dwelling unit that is—

(i) provided assistance under a covered program; or

(ii) located in a covered project and subject to occupancy limitations under a covered program that are based on income.

(4) STATE.—The term "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(c) LIMITATIONS ON APPLICABILITY.—Subsection (a) shall not apply to Federal housing assistance provided for a household pursuant to an application or request for such assistance made by such household before the effective date of this Act if the household was receiving such assistance on the effective date of this Act.

SEC. 607. NATIONAL CAMPAIGN AGAINST TEENAGE PREGNANCY.

(a) FINDINGS.—The Congress finds that the Government has a role to play in preventing

teenage pregnancy but that the Government alone cannot deal with the massive changes in societal attitudes and behavior that have occurred in recent decades.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President should lead a national campaign against teenage pregnancy that—

(1) challenges all aspects of society, including businesses, national and community voluntary organizations, religious institutions, and schools, to join in a national effort to reduce teenage pregnancies;

(2) emphasizes broad themes of economic opportunity and the personal responsibility of each family in every community; and

(3) establishes national and individual goals, based on the measurable aspects of such broad themes, to define the mission and guide the work of the national campaign including—

(A) graduation from high school; and

(B) deferral of childbearing until an individual is emotionally prepared to support a child and accept economic responsibility for the child's support.

TITLE VII—CHILDREN'S ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME

SEC. 701. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual";

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (H) as subparagraphs (D) through (I), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking "(D)" and inserting "(E)".

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) EFFECTIVE DATE; REGULATIONS; APPLICATION TO CURRENT RECIPIENTS.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) REGULATIONS.—The Commissioner of Social Security shall issue such regulations as the Commissioner determines to be necessary to implement the amendments made by subsections (a) and (b) not later than 60 days after the date of the enactment of this Act.

(3) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY DETERMINATIONS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits based on a disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the amendments made by subsection (a) or (b). With respect to redeterminations under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act; and

(iii) the Commissioner shall give such redeterminations priority over all other reviews under such title.

(B) GRANDFATHER PROVISION.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after January 1, 1997.

(C) NOTICE.—Not later than 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

SEC. 702. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.

(a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 701(a)(3), is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which may improve (or, which is unlikely to improve, at the option of the Commissioner).

"(II) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a), is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining the initial eligibility for applicants who have attained the age of 18 years.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b), is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

"(III) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(d) MEDICAID FOR CHILDREN SHOWING IMPROVEMENT.—Section 1634 (42 U.S.C. 1383c) is amended by adding at the end the following new subsection:

"(f) In the case of any individual who has not attained 18 years of age and who has been determined to be ineligible for benefits under this title—

"(1) because of medical improvement following a continuing disability review under section 1631(a)(3)(H), or

"(2) as the result of the application of section 611(b)(2) of the Work First Act of 1995,

such individual shall continue to be considered eligible for such benefits for purposes of determining eligibility under title XIX if such individual is not otherwise eligible for medical assistance under such title and, in the case of an individual described in paragraph (1), such assistance is needed to maintain functional gains, and, in the case of an individual described in paragraph (2), such assistance would be available if such section 611(b)(2) had not been enacted.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 703. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) TIGHTENING OF REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) CLARIFICATION OF ROLE.—Section 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is amended by striking "and" at the end of subclause (II), by striking the period at the end of subclause (IV) and inserting "; and", and by adding after subclause (IV) the following new subclause:

"(V) advise such person through the notice of award of benefits, and at such other times as the Commissioner of Social Security deems appropriate, of specific examples of

appropriate expenditures of benefits under this title and the proper role of a representative payee.".

(2) DOCUMENTATION OF EXPENDITURES REQUIRED.—

(A) IN GENERAL.—Subparagraph (C)(i) of section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended to read as follows:

"(C)(i) In any case where payment is made to a representative payee of an individual or spouse, the Commissioner of Social Security shall—

"(I) require such representative payee to document expenditures and keep contemporaneous records of transactions made using such payment; and

"(II) implement statistically valid procedures for reviewing a sample of such contemporaneous records in order to identify instances in which such representative payee is not properly using such payment.".

(B) CONFORMING AMENDMENT WITH RESPECT TO PARENT PAYEES.—Clause (ii) of section 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C)) is amended by striking "Clause (i)" and inserting "Subclauses (II) and (III) of clause (i)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to benefits paid after the date of the enactment of this Act.

(b) DEDICATED SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended by adding at the end the following new clause:

"(xiv) Notwithstanding clause (x), the Commissioner of Social Security may, at the request of the representative payee, pay any lump sum payment for the benefit of a child into a dedicated savings account that could only be used to purchase for such child—

"(I) education and job skills training;

"(II) special equipment or housing modifications or both specifically related to, and required by the nature of, the child's disability; and

"(III) appropriate therapy and rehabilitation.".

(2) DISREGARD OF TRUST FUNDS.—Section 1613(a) (42 U.S.C. 1382b) is amended—

(A) by striking "and" at the end of paragraph (9),

(B) by striking the period at the end of paragraph (10) the first place it appears and inserting a semicolon,

(C) by redesignating paragraph (10) the second place it appears as paragraph (11) and striking the period at the end of such paragraph and inserting "; and", and

(D) by inserting after paragraph (11), as so redesignated, the following new paragraph:

"(12) all amounts deposited in, or interest credited to, a dedicated savings account described in section 1631(a)(2)(B)(xiv).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

TITLE VIII—FINANCING AND FOOD ASSISTANCE REFORM

Subtitle A—Treatment of Aliens

SEC. 801. UNIFORM ALIEN ELIGIBILITY CRITERIA FOR PUBLIC ASSISTANCE PROGRAMS.

(a) DEFINITION OF "QUALIFIED ALIEN".—

(1) IN GENERAL.—Section 1101(a) (42 U.S.C. 1301(a)) is amended by adding at the end the following new paragraph:

"(10) The term 'qualified alien' means an alien—

"(A) who is lawfully admitted for permanent residence within the meaning of section 101(a)(20) of the Immigration and Nationality Act;

"(B) who is admitted as a refugee pursuant to section 207 of such Act;

"(C) who is granted asylum pursuant to section 208 of such Act;

"(D) whose deportation is withheld pursuant to section 243(h) of such Act;

"(E) whose deportation is suspended pursuant to section 244 of such Act;

"(F) who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980;

"(G) who is lawfully admitted for temporary residence pursuant to section 210 or 245A of such Act;

"(H) who is within a class of aliens lawfully present within the United States pursuant to any other provision of such Act, if—

"(i) the Attorney General determines that the continued presence of such class of aliens serves a humanitarian or other compelling public interest, and

"(ii) the Secretary of Health and Human Services determines that such interest would be further served by treating each alien within such class as a 'qualified alien' for purposes of this Act; or

"(I)(i) who is the spouse, or unmarried child under 21 years of age, of a citizen of the United States, or

"(ii)(I) who is the parent of a citizen of the United States who is at least 21 years of age, and

"(II) with respect to whom an application for adjustment to lawful permanent residence is pending, such status not having changed.".

(2) CONFORMING AMENDMENT.—Section 244A(f)(1) of the Immigration and Nationality Act (8 U.S.C. 1254a(f)(1)) is amended by inserting "and shall not be considered to be a qualified alien within the meaning of section 1101(a)(10) of the Social Security Act" before the semicolon.

(b) FEDERAL ASSISTANCE PROGRAMS.—

(1) SUPPLEMENTAL SECURITY INCOME.—Section 1614(a)(1)(B)(i) (42 U.S.C. 1382c(a)(1)(B)(i)) is amended to read as follows:

"(B)(i) is a resident of the United States, and is either (I) a citizen or national of the United States, or (II) a qualified alien (as defined in section 1101(a)(10)), or".

(2) MEDICAID.—

(A) ELIGIBILITY LIMITATION.—Section 1903(v)(1) (42 U.S.C. 1396b(v)(1)) is amended to read as follows:

"(v)(1) Notwithstanding the preceding provisions of this section and except as provided in paragraph (2)—

"(A) no payment may be made to a State under this section for medical assistance furnished to an individual who is disqualified from receiving such assistance by reason of section 210(f) or 245A(h) of the Immigration and Nationality Act (8 U.S.C. 1160(f) or 1155a(h)) or any other provision of law, and

"(B) no such payment may be made for medical assistance furnished to an individual unless such individual is—

"(i) a citizen or national of the United States, or

"(ii) a qualified alien (as defined in section 1101(a)(10)).".

(B) CONFORMING AMENDMENTS.—

(i) Section 1903(v)(2) (42 U.S.C. 1396b(v)(2)) is amended by striking "alien" each place it appears and inserting "individual".

(ii) Section 1902(a) (42 U.S.C. 1396a(a)) is amended in the last sentence by striking "alien" and all that follows to the end period and inserting "individual who is not (A) a citizen or national of the United States, or (B) a qualified alien (as defined in section 1101(a)(10)) only in accordance with section 1903(v).".

(iii) Section 1902(b)(3) (42 U.S.C. 1396a(b)(3)) is amended by inserting "or national" after "citizen".

(c) STATE AND LOCAL PROGRAMS.—A State or political subdivision thereof may provide that an alien is not eligible for any program of cash assistance based on need that is furnished by such State or political subdivision thereof for any month unless such alien is a qualified alien as defined in section 1101(a)(10) of the Social Security Act.

SEC. 802. EXTENSION OF DEEMING OF INCOME AND RESOURCES UNDER TRANSITIONAL AID, SSI, AND FOOD STAMP PROGRAMS.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), in applying sections 410 and 1621 of the Social Security Act and section 5(i) of the Food Stamp Act of 1977, the period in which each respective section otherwise applies with respect to a qualified alien (as defined in section 1101(a)(10) of the Social Security Act shall be extended through the date (if any) on which the alien becomes a citizen of the United States pursuant to chapter 2 of title III of the Immigration and Nationality Act.

(b) EXCEPTIONS.—Subsection (a) shall not apply to a qualified alien if—

(1) the alien has been lawfully admitted to the United States for permanent residence, has attained 75 years of age, and has resided in the United States for at least 5 years;

(2) the alien—

(A) is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge,

(B) is on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) is the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B);

(3) the alien is the subject of domestic violence by the alien's spouse and a divorce between the alien and the alien's spouse has been initiated through the filing of an appropriate action in an appropriate court;

(4) there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters; or

(5) the alien is unable because of physical or developmental disability or mental impairment (including Alzheimer's disease) to comply with the naturalization requirements of section 312(a) of the Immigration and Nationality Act.

(c) HOLD HARMLESS FOR MEDICAID ELIGIBILITY.—Subsection (a) shall not apply with respect to a determination of eligibility for benefits under part A of title IV of the Social Security Act or under the supplemental security income program of title XVI of such Act to the extent such determinations provide for eligibility for medical assistance under title XIX of such Act.

(d) STATE AND LOCAL PROGRAMS.—A State or political subdivision thereof may provide that an alien is not eligible for any program of cash assistance based on need that is furnished by such State or political subdivision thereof for any month if such alien has been determined to be ineligible for such month for benefits under—

(1) the program under part A of title IV of the Social Security Act;

(2) the program of supplemental security income authorized by title XVI of the Social Security Act; or

(3) the Food Stamp Act of 1977;

as a result of this section.

(e) EFFECTIVE DATE.—This section shall apply to benefits payable under the transitional aid program under part A of title IV of the Social Security Act, the program of supplemental security income authorized under title XVI of the Social Security Act, or the Food Stamp Act of 1977, for months beginning after September 30, 1995, on the basis of—

(1) an application filed after such date, or

(2) an application filed on or before such date by or on behalf of an individual subject to the provisions of section 1621(a) or section 410(a) of the Social Security Act or section 5(i)(1) of the Food Stamp Act of 1977 (as the case may be) on such date.

SEC. 803. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Section 213 of the Immigration and Nationality Act (8 U.S.C. 1183) is amended—

(1) in the heading, by striking "ON GIVING BOND" and inserting "UPON PROVISION OF BOND OR GUARANTEE OF FINANCIAL RESPONSIBILITY";

(2) by designating the existing matter as subsection (a); and

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

"(b)(1) An alien excludable under section 212(a)(4) may, if otherwise admissible, be admitted in the discretion of the Attorney General upon a finding by the Attorney General that—

"(A) the alien has received a guarantee of financial responsibility in such form as may be prescribed pursuant to paragraph (4) and meets the conditions described in paragraph (2); and

"(B) taking into consideration all relevant circumstances, it is reasonable to expect that the sponsor, as defined in paragraph (2)(A), has the financial capacity to meet the obligations of the guarantee.

"(2) A guarantee of financial responsibility for an alien must—

"(A) be signed in the presence of an immigration officer or consular officer (or in the presence of a notary public) by an individual (referred to in this subsection as the 'sponsor') who is—

"(i) 21 years of age or older;

"(ii) of good moral character; and

"(iii) a citizen of the United States or an alien lawfully admitted for permanent residence domiciled in any of the several States of the United States, the District of Columbia, or any territory or possession of the United States;

"(B) provide that the sponsor enters into a legally binding commitment to furnish to or on behalf of the alien financial support sufficient to meet the alien's basic subsistence needs during the period that begins on the date that the alien acquires the status of an alien lawfully admitted for permanent residence and ends on the earlier of—

"(i) the date the alien becomes a citizen of the United States under chapter 2 of title III;

"(ii) the first date the alien is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge;

"(iii) the first date as of which there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters; or

"(iv) any period in which the alien is—

"(I) on active duty (other than active duty for training) in the Armed Forces of the United States; or

"(II) the spouse or unmarried dependent child of an individual described in clause (ii) or subclause (I) of this clause; and

"(C) contain the sponsor's authorization to the Internal Revenue Service to disclose any tax return information necessary to verify the sponsor's income to the extent necessary to determine the eligibility for benefits under—

"(i) the program under part A of title IV of the Social Security Act;

"(ii) the program of supplemental security income authorized by title XVI of the Social Security Act; or

"(iii) the Food Stamp Act of 1977,

for an alien sponsored by the sponsor.

"(3) Any guarantee of financial support executed on behalf of an alien pursuant to this subsection—

"(A) must be enforceable against the sponsor; and

"(B) may be enforced against the sponsor in a civil suit brought by the alien or by the Federal Government, any State, district, territory, or possession of the United States, or any political subdivision of such State, district, territory, or possession of the United States, which provides benefits to the alien in any court of competent jurisdiction.

"(4) The Secretary of State, the Attorney General, the Secretary of Health and Human Services, the Secretary of Agriculture, and the Commissioner of Social Security, shall jointly establish the form of the guarantee of financial support described in this section.".

(b) DATE FOR ESTABLISHMENT OF FORM; EFFECTIVE DATE.—

(1) DATE FOR ESTABLISHMENT.—The Secretary of State, the Attorney General, the Secretary of Health and Human Services, the Secretary of Agriculture, and the Commissioner of Social Security shall establish a form for the guarantee of financial support pursuant to section 213(b)(4) (as added by this subsection) not later than 180 days after the date of the enactment of this Act.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the form for the guarantee of financial support is developed under section 213(b)(4) of the Immigration and Nationality Act (as added by this subsection).

(c) CLERICAL AMENDMENT.—The table of contents of the Immigration and Nationality Act is amended by amending the item relating to section 213 to read as follows:

"Sec. 213. Admission of certain aliens upon provision of bond or guarantee of financial responsibility.".

SEC. 804. EXTENDING REQUIREMENT FOR AFFIDAVITS OF SUPPORT TO FAMILY-RELATED AND DIVERSITY IMMIGRANTS.

(a) IN GENERAL.—Section 212(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(4)) is amended to read as follows:

"(4) PUBLIC CHARGE AND AFFIDAVITS OF SUPPORT.—

"(A) PUBLIC CHARGE.—Any alien who, in the opinion of the consular officer at the time of application for a visa, or in the opinion of the Attorney General at the time of application for admission or adjustment of status, is likely at any time to become a public charge is excludable.

"(B) AFFIDAVITS OF SUPPORT.—Any immigrant who seeks admission or adjustment of status as any of the following is excludable unless there has been executed with respect to the immigrant an affidavit of support pursuant to section 213(b):

"(i) As an immediate relative (under section 201(b)(2)).

"(ii) As a family-sponsored immigrant under section 203(a) (or as the spouse or child under section 203(d) of such immigrant).

"(iii) As the spouse or child (under section 203(d)) of an employment-based immigrant under section 203(b).

"(iv) As a diversity immigrant under section 203(c) (or as the spouse or child under section 203(d) of such an immigrant).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to aliens with respect to whom an immigrant visa is issued (or adjustment of status is granted) after the date specified by the Attorney General under section 803(b)(2).

Subtitle B—Food Assistance Provisions

SEC. 821. MANDATORY CLAIMS COLLECTION METHODS.

(a) Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by inserting "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31, United States Code" before the semicolon at the end.

(b) Section 13(d) of the Food Stamp Act of 1977 (7 U.S.C. 2022(d)) is amended—

(1) by striking "may" and inserting "shall"; and

(2) by inserting "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31, United States Code" before the period at the end.

(c) Section 6103(*l*) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(*l*)) is amended—

(1) by striking "officers and employees" in paragraph (10)(A) and inserting "officers, employees or agents, including State agencies"; and

(2) by striking "officers and employees" in paragraph (10)(B) and inserting "officers, employees or agents, including State agencies".

SEC. 822. REDUCTION OF BASIC BENEFIT LEVEL.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking "and (11)" and inserting "(11)";

(2) in paragraph (11), by inserting "through October 1, 1994" after "each October 1 thereafter"; and

(3) by inserting before the period at the end the following: ", and (12) on October 1, 1995, and on each October 1 thereafter, adjust the cost of such diet to reflect 100 percent of the cost, in the preceding June (without regard to any previous adjustment made under this paragraph or paragraphs (4) through (11)) and round the result to the nearest lower dollar increment for each household size".

SEC. 823. PRORATING BENEFITS AFTER INTERRUPTIONS IN PARTICIPATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 824. WORK REQUIREMENT FOR ABLE-BODIED RECIPIENTS.

(a) WORK REQUIREMENT.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by adding at the end the following:

"(5)(A) Except as provided in subparagraphs (B), (C), and (D), an individual who has received an allotment for 6 consecutive months during which such individual has not been employed a minimum of an average of 20 hours per week shall be disqualified if such individual is not employed at least an average of 20 hours per week, participating in a workfare program under section 20 (or a comparable State or local workfare program), or participating in and complying

with the requirements of an approved employment and training program under paragraph (4).

"(B) The provisions of subparagraph (A) shall not apply in the case of an individual who—

"(i) is under 18 or over 50 years of age;

"(ii) is certified by a physician as physically or mentally unfit for employment;

"(iii) is a parent or other member of a household that includes a minor child;

"(iv) is participating a minimum of an average of 20 hours per week and is in compliance with the requirements of—

"(I) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(II) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(III) another program for the purpose of employment and training operated by a State or local government, as determined appropriate by the Secretary; or

"(v) would otherwise be exempt under paragraph (2).

"(C) The Secretary may waive the requirements of subparagraph (A) in the case of some or all individuals within all or part of a State if the Secretary finds that such area—

"(i) has an unemployment rate of over 7 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for individuals subject to this paragraph.

The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the basis on which the Secretary made this decision.

"(D) An individual who has been disqualified from the food stamp program by reason of subparagraph (A) may reestablish eligibility for assistance—

"(i) by meeting the requirements of subparagraph (A);

"(ii) by becoming exempt under subparagraph (B); or

"(iii) if the Secretary grants a waiver under subparagraph (C).

"(E) A household (as defined in section 3(i)) that includes an individual who is not exempt under paragraph (2) and who refuses to work, refuses to look for work, turns down a job, or refuses to participate in the State program if the State places the individual in such program shall be ineligible to receive food stamp benefits. The State agency shall reduce, by such amount the State considers appropriate, the amount otherwise payable to a household that includes an individual who fails without good cause to comply with other requirements of the WAGE Plan signed by the individual.

"(F) The State agency shall make an initial assessment of the skills, prior work experience, and employability of each participant not exempted under subparagraph (B) within 6 months of initial certification. The State agency shall use such assessment, in consultation with the program participant, to develop a WAGE Plan for the participant. Such plan—

"(i) shall provide that participation in food stamp employment and training activities shall be a condition of eligibility for food stamp benefits, except during any period during which the individual is employed in full-time unsubsidized employment in the private sector;

"(ii) shall establish an employment goal and a plan for moving the individual into private sector employment immediately;

"(iii) shall establish the obligations of the individual, which shall include actions that will help the individual obtain and keep private sector employment; and

"(iv) may require that the individual enter the State program approved under part F of title IV of the Social Security Act if the caseworker determines that the individual will need education, training, job placement assistance, wage enhancement, or other services to obtain private sector employment.".

(b) ENHANCED EMPLOYMENT AND TRAINING PROGRAM.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025 (h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking "$75,000,000" and inserting "$150,000,000"; and

(B) by striking "1991 through 1995" and inserting "1996 through 2000";

(2) by striking subparagraphs (B), (C), (E) and (F) and redesignating subparagraph (D) as subparagraph (B); and

(3) in subparagraph (B) (as so redesignated), by striking "for each" and all that follows through "of $60,000,000" and inserting "the Secretary shall allocate funding".

(c) REQUIRED PARTICIPATION IN WORK AND TRAINING PROGRAMS.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended by adding at the end the following:

"(O) The State agency shall provide an opportunity to participate in the employment and training program under this paragraph to any individual who would otherwise become subject to disqualification under paragraph (5)(A).".

(d) COORDINATING WORK REQUIREMENTS IN TRANSITIONAL AID AND FOOD STAMP PROGRAMS.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)), as amended by subsection (c), is amended by adding at the end the following:

"(P)(i) Notwithstanding any other provision of this paragraph, a State agency that meets the participation requirements of clause (ii) may operate the employment and training program of the State for individuals who are members of households receiving allotments under this Act as part of its WAGE Program under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.), except that sections 487(b) and 489(a)(4) shall not apply to any month during which the individual participates in such program while not receiving income under part A of subtitle IV of the Social Security Act (42 U.S.C. 601 et seq.). If a State agency exercises the option provided under this clause, the operation of the program shall be subject to the requirements of such part F, except that any reference to 'transitional aid to families with needy children' in such part shall be deemed a reference to food stamp allotments for purposes of any person not receiving income under such part A.

"(ii) A State agency may exercise the option provided under clause (i) if the State agency provides an individual who is subject to the requirements of paragraph (5) who is not employed at least an average of 20 hours per week or participating in a workfare program under section 20 (or a comparable State or local program) with the opportunity to participate in an approved employment and training program. A State agency shall be considered to have complied with the requirements of this subparagraph in any area for which a waiver under paragraph (5)(4)(C) is in effect.".

SEC. 825. EXTENDING CURRENT CLAIMS RETENTION RATES.

Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking "September 30, 1995" each place it appears and inserting "September 30, 2002".

SEC. 826. TWO-YEAR FREEZE OF STANDARD DEDUCTION.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended in the second sentence by inserting "except October 1, 1995 and October 1, 1996" after "thereafter".

SEC. 827. NUTRITION ASSISTANCE FOR PUERTO RICO.

Section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended—

(1) by striking "1994, and" and inserting "1994,"; and

(2) by inserting "and $1,143,000,000 for fiscal year 1996," before "to finance".

SEC. 828. REPEAL OF SPECIAL RULE FOR PERSONS WHO DO NOT PURCHASE AND PREPARE FOOD SEPARATELY.

(a) REPEALER.—Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking the third sentence.

(b) CONFORMING AMENDMENT.—Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking ", 16(e)(1), and the third sentence of section 3(i)" and inserting "and 16(e)(1)".

SEC. 829. EARNINGS OF CERTAIN HIGH SCHOOL STUDENTS COUNTED AS INCOME.

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking "21" and inserting "18".

SEC. 830. ENERGY ASSISTANCE COUNTED AS INCOME.

(a) LIMITING EXCLUSION.—Section 5(d)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(11)) is amended—

(1) by striking "(A) under any Federal law, or (B)"; and

(2) by inserting before the comma at the end the following: ", except that no benefits provided under the State program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall be excluded under this clause".

(b) CONFORMING AMENDMENTS.—

(1) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking sentences nine through twelve.

(2) Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) is amended by striking subparagraph (C) and redesignating subparagraphs (D) through (H) as subparagraphs (C) through (G), respectively.

SEC. 831. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)), as amended by section 830(b)(2), is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

SEC. 832. DENIAL OF FOOD STAMP BENEFITS FOR 10 YEARS TO CERTAIN INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE TO OBTAIN BENEFITS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) An individual shall be ineligible to participate in the food stamp program as a member of any household during the 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under the food stamp program or under programs that are funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), under title XIX of such Act (42 U.S.C.

1396 et seq.), or under the supplemental security income program under title XVI of such Act (42 U.S.C. 1381 et seq.).".

SEC. 833. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 833, is amended by adding at the end the following:

"(j) A State plan under section 11 may provide that no individual is eligible to participate in the food stamp program as a member of any household during any period such individual has a payment overdue that is both—

"(1) under a court order for the support of a child of such individual; and

"(2) not included in a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) with which the individual is in current compliance.".

SEC. 834. LIMITING ADJUSTMENT OF MINIMUM BENEFIT.

Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking "nearest $5" and inserting "nearest $10".

SEC. 835. PENALTY FOR FAILURE TO COMPLY WITH WORK REQUIREMENTS OF OTHER PROGRAMS.

Section 8(d) of the Food Stamp Act of 1977 (7 U.S.C. 2017(d)) is amended—

(1) by inserting "or any work requirement under such program" after "assistance program"; and

(2) by inserting at the end "The State agency may impose the same penalty on a household for such failure to comply with a work requirement in the program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that is imposed under such part."

SEC. 836. RESUMPTION OF DISCRETIONARY FUNDING FOR NUTRITION EDUCATION AND TRAINING PROGRAM.

Section 19(i)(2)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)(2)(A)) is amended—

(1) by striking "Out of" and all that follows through "and $10,000,000" and inserting "To carry out the provisions of this section, there is hereby authorized to be appropriated not to exceed $10,000,000"; and

(2) by striking the last sentence.

SEC. 837. IMPROVEMENT OF CHILD AND ADULT CARE FOOD PROGRAM OPERATED UNDER THE NATIONAL SCHOOL LUNCH ACT.

(a) IN GENERAL.—Section 17(f)(3)(A) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(A)) is amended to read as follows:

"(A)(i) Institutions that participate in the program under this section as family or group day care home sponsoring organizations shall be provided, for payment to such homes, the reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs, involved in providing meals under this section.

"(ii)(I) A low- or moderate-income family or group day care home shall be provided the reimbursement factors without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subparagraph for meals or supplements served to the children of a person acting as a family or group day care home provider unless such children meet the eligibility standards for free or reduced price meals under section 9 of this Act. The reimbursement factors applied to such a home shall be the factors in effect on the date of the enactment of the Work and Gainful Employment Act. The reimbursement factors under this subparagraph shall be adjusted on July 1 of each year to reflect changes in the Consumer Price Index for food away from home for the most recent 12-month period for which such data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest one-fourth cent.

"(II) For purposes of this clause, the term 'low- or moderate-income family or group day care home' means—

"(aa) a family or group day care home that is located in a census tract area in which at least 50 percent of the children residing in such area are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9 of this Act, as determined by the family or group day care home sponsoring organization using census tract data provided to such organization by the State agency in accordance with subparagraph (B)(i);

"(bb) a family or group day care home that is located in an area served by a school in which at least 50 percent of the total number of children enrolled are certified to receive free or reduced price meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), as determined by the family or group day care home sponsoring organization using data provided to such organization by the State agency in accordance with subparagraph (B)(ii); or

"(cc) a family or group day care home that is operated by a provider whose household meets the eligibility standards for free or reduced price meals under section 9 of this Act.

"(iii)(I) Except as provided for in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(II), the reimbursement factors shall be—

"(aa) $1.00 for lunches and suppers;

"(bb) $.40 for breakfasts; and

"(cc) $.20 for supplements.

Such factors shall be adjusted on July 1, 1997, and each July 1 thereafter to reflect changes in the Consumer Price Index for food away from home for the most recent 12-month period for which such data are available. The reimbursement factors under this clause shall be rounded to the nearest one-fourth cent. A family or group day care home shall be provided a reimbursement factor under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this clause for meals or supplements served to the children of a person acting as a family or group day care home provider unless such children meet the eligibility standards for free or reduced price meals under section 9 of this Act.

"(II) A family or group day care home that does not meet the criteria set forth in clause (ii)(II), may elect to be provided a reimbursement factor determined in accordance with the following requirements:

"(aa) With respect to meals or supplements served under this subsection to children who are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9 of this Act, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with subclause (ii)(I).

"(bb) With respect to meals or supplements served under this subsection to children who are members of households whose incomes do not meet such eligibility standards, the family or group day care home shall be provided a reimbursement factor in accordance with subclause (I).

"(III) A family or group day care home electing to use the procedures under subclause (II) may consider a child with a parent participating in the WAGE program established under part F of title IV of the Social Security Act or a State child care program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 of this Act, to be a child who is a member of a household whose income meets the eligibility standards under section 9 of this Act. A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(I) solely for such children if it does not wish to have income statements collected from parents.

"(IV) The Secretary shall prescribe simplified meal counting and reporting procedures for use by family and group day care homes that elect to use the procedures under subclause (II) and by family and group day care home sponsoring organizations that serve such homes. Such procedures may include the following:

"(aa) Setting an annual percentage for each such home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(I) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(I), based on the incomes of children enrolled in the home in a specified month or other period.

"(bb) Setting blended reimbursement factors for a home annually based on the incomes of children enrolled in the home in a specified month or period.

"(cc) Placing a home into one of several reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the eligibility standards under section 9 of this Act.

"(dd) Such other simplified procedures as the Secretary may prescribe.".

(b) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of such Act (42 U.S.C. 1766(f)(3)) is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (A) (as amended by subsection (a)) the following new subparagraph:

"(B)(i) The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census for which such data are available showing which census tracts in the State meet the requirements of subparagraph (A)(ii)(II)(aa). The State agency shall provide such data to family or group day care home sponsoring organizations located in the State.

"(ii) Each State agency administering a child and adult care food program under this section shall annually provide to family or group day care home sponsoring organizations located in the State a list of all schools in the State in which at least 50 percent of the children are enrolled and certified to receive free or reduced price meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.). The Secretary shall direct State agencies administering the school lunch program under this Act and the school breakfast program under the Child Nutrition Act of 1966 to collect this information annually and to provide it on a timely basis to the State agency administering the program under this section.".

(c) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of such Act (42 U.S.C. 1766(f)(3)) is amended by inserting after subparagraph (B) (as added by subsection (b)(2)) the following new subparagraph:

"(C)(i) From amounts appropriated to carry out this section, the Secretary shall reserve $2,000,000 in fiscal year 1996 and $5,000,000 in fiscal year 1997 to provide grants to States for the purpose of providing grants to family and day care home sponsoring organizations and other appropriate organizations to secure and provide training, materials, automated data processing assistance, and other assistance for the staff of such sponsoring organizations and for family and group day care homes in order to assist in the implementation of the requirements contained in subparagraph (A).

"(ii) From amounts appropriated to carry out this section, the Secretary shall reserve $5,000,000 in fiscal year 1998 and in each fiscal year thereafter to provide grants to States for the purpose of making grants to family or group day care home sponsoring organizations and other appropriate organizations to assist low- or moderate-income family or group day care homes (as such term is defined in subparagraph (A)(ii)(II)) to become licensed or registered for the program under this section or overcome other barriers to the program.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall take effect on July 1, 1996.

(2) GRANTS TO STATES.—The amendment made by subsection (c) shall take effect on the date of the enactment of this Act.

Subtitle C—Supplemental Security Income

SEC. 841. VERIFICATION OF ELIGIBILITY FOR CERTAIN SSI DISABILITY BENEFITS.

Section 1631 (42 U.S.C. 1383) is amended by adding at the end the following new subsection:

"(o)(1) Notwithstanding any other provision of law, if the Commissioner of Social Security determines that an individual, who is 18 years of age or older, is eligible to receive benefits pursuant to section 1614(a)(3), the Commissioner shall, at the time of the determination, either exempt the individual from an eligibility review or establish a schedule for reviewing the individual's continuing eligibility in accordance with paragraph (2).

"(2)(A) The Commissioner shall establish a periodic review with respect to the continuing eligibility of an individual to receive benefits, unless the individual is exempt from review under subparagraph (C) or is subject to a scheduled review under subparagraph (B). A periodic review under this subparagraph shall be initiated by the Commissioner not later than 30 months after the date a determination is made that the individual is eligible for benefits and every 30 months thereafter, unless a waiver is granted under section 221(i)(2). However, the Commissioner shall not postpone the initiation of a periodic review for more than 12 months in any case in which such waiver has been granted unless exigent circumstances require such postponement.

"(B)(i) In the case of an individual, other than an individual who is exempt from review under subparagraph (C) or with respect to whom subparagraph (A) applies, the Commissioner shall schedule a review regarding the individual's continuing eligibility to receive benefits at any time the Commissioner determines, based on the evidence available, that there is a significant possibility that the individual may cease to be entitled to such benefits.

"(ii) The Commissioner may establish classifications of individuals for whom a review of continuing eligibility is scheduled based on the impairments that are the basis for such individuals' eligibility for benefits. A review of an individual covered by a classification shall be scheduled in accordance with the applicable classification, unless the Commissioner determines that applying such schedule is inconsistent with the purpose of this Act or the integrity of the supplemental security income program.

"(C)(i) The Commissioner may exempt an individual from review under this subsection, if the individual's eligibility for benefits is based on a condition that, as a practical matter, has no substantial likelihood of improving to a point where the individual will be able to perform substantial gainful activity.

"(ii) The Commissioner may establish classifications of individuals who are exempt from review under this subsection based on the impairments that are the basis for such individuals' eligibility for benefits. Notwithstanding any such classification, the Commissioner may, at the time of determining an individual's eligibility, schedule a review of such individual's continuing eligibility if the Commissioner determines that a review is necessary to preserve the integrity of the supplemental security income program.

"(3) The Commissioner may revise a determination made under paragraph (1) and schedule a review under paragraph (2)(B), if the Commissioner obtains credible evidence that an individual may no longer be eligible for benefits or the Commissioner determines that a review is necessary to maintain the integrity of the supplemental security income program. Information obtained under section 1137 may be used as the basis to schedule a review.

"(4)(i) The requirements of sections 1614(a)(4) and 1633 shall apply to reviews conducted under this subsection.

"(ii) Such reviews may be conducted by the applicable State agency or the Commissioner, whichever is appropriate.".

SEC. 842. NONPAYMENT OF SSI DISABILITY BENEFITS TO SUBSTANCE ABUSERS.

(a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following new subparagraph:

"(I) Notwithstanding subparagraph (A), an individual shall not be considered disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.".

(b) ADDITIONAL ELIGIBILITY REQUIREMENTS.—Section 1611(e)(3)(A) (42 U.S.C. 1382(e)(3)(A)) is amended—

(1) in clause (i), by striking subclause (I) and inserting the following new subclause:

"(I) In the case of any individual who is eligible for benefits under this title by reason of disability for the month in which the Work and Gainful Employment Act becomes effective, whose alcoholism or drug addiction was a contributing factor material to the Commissioner's determination that such individual is disabled, whose benefits are terminated as a result of section 1614(a)(3)(I), and who subsequently becomes re-eligible for benefits under this title based on a disability, such individual shall comply with the provisions of this subparagraph. In any case in which an individual is required to comply with the provisions of this subparagraph, the Commissioner shall include in the individual's notification of such eligibility a notice informing the individual of such requirement."; and

(2) in clause (vi)—

(A) in subclause (I), by striking "who is eligible for benefits" through "is disabled," and inserting "described in clause (i),";

(B) in subclause (V), by striking "or (v)"; and

(C) by redesignating clause (vi) as clause (v).

(c) CONFORMING AMENDMENTS.—

(1) Section 1611(e)(3)(B)(iii)(II)(aa) (42 U.S.C. 1382(e)(3)(B)(iii)(II)(aa)) is amended by striking "with respect to whom" through "they are disabled" and inserting "described in subparagraph (A)(i)".

(2) Section 201(b)(3) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 425 note) is amended by striking subparagraph (C).

(d) MEDICAID BENEFITS.—Section 1634(e) (42 U.S.C. 1383c(e)) is amended—

(1) by striking "or (v)";

(2) by inserting "(1)" after "(e)"; and

(3) by inserting at the end thereof:

"(2) Each person who is eligible for benefits under this title by reason of disability for the month in which the Work and Gainful Employment Act becomes effective and whose benefits are terminated as a result of section 1614(a)(3)(I) shall be deemed to be receiving such benefits for purposes of title XIX.".

(e) PAYMENT OF BENEFITS TO REPRESENTATIVE PAYEES.—

(1) Section 1631(a)(2)(A)(ii)(II) (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amended to read as follows:

"(II) In the case of an individual described in section 1611(e)(3)(A)(i)(I), the payment of benefits under this title by reason of disability to a representative payee shall be deemed to serve the interest of the individual under this title. In any case in which payment is so deemed under this subclause to serve the interest of an individual, the Commissioner shall include, in the individual's notification of such eligibility, a notice that the Commissioner is required by the Social Security Act to pay the individual's benefits to a representative payee.".

(2) Section 1631(a)(2)(B)(vii) (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by striking ", if alcoholism" through "individual is disabled" and inserting in lieu thereof "who is described in section 1611(e)(3)(A)(i)(I)".

(3) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking "alcoholism or drug addiction is a contributing factor material to the Commissioner's determination that the individual is disabled" and inserting "who is described in section 1611(e)(3)(A)(i)(I)".

TITLE IX—LEGISLATIVE PROPOSALS; EFFECTIVE DATE

SEC. 901. SECRETARIAL SUBMISSION.

The Secretary of Health and Human Services shall, within 90 days after the date of the enactment of this Act, submit to the appropriate committees of the Congress, a legislative proposal providing such technical and conforming amendments in the law as are required by the provisions of this Act.

SEC. 902. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise specifically provided in this Act, this Act and the amendments made by this shall be effective with respect to calendar quarters beginning on or after October 1, 1995.

(b) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating

funds) in order to meet the additional requirements imposed by this Act or the amendments made by this Act, the State shall not be regarded as failing to comply with such requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of this subsection, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

LEVIN AMENDMENT NO. 2533

Mr. MOYNIHAN (for Mr. LEVIN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 417, line 15, strike "or" and insert "and".

DODD AMENDMENT NO. 2534

Mr. MOYNIHAN (for Mr. DODD) proposed an amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 397, strike lines 5 and 6 and insert the following:

"(1) 90 percent shall be reserved for making allotments under section 712;".

On page 397, line 15, strike "and" at the end thereof.

On page 397, line 17, strike the period and insert "; and".

On page 397, between lines 17 and 18, insert the following:

"(7) 2 percent shall be reserved for carrying out sections 775 and 776.".

On page 461, between lines 18 and 19, insert the following new sections and redesignate the remaining sections and cross references thereto, accordingly:

SEC. 775. NATIONAL RAPID RESPONSE GRANTS FOR DISLOCATED WORKERS.

(a) IN GENERAL.—From amounts reserved under section 734(b), the Secretary of Labor may award national rapid response grants to eligible entities to enable the entities to provide adjustment assistance to workers affected by major economic dislocations that result from plant closures, base closures, or mass layoffs.

(b) PROJECTS AND SERVICES.—

(1) IN GENERAL.—Amounts provided under grants awarded under this section shall be used to provide employment, training and related services through projects that relate to—

(A) industry-wide dislocations;

(B) multistate dislocations;

(C) dislocations resulting from reductions in defense expenditures;

(D) dislocations resulting from international trade actions;

(E) dislocations resulting from environmental laws and regulations, including the Clean Air Act (42 U.S.C. 7401 et seq.), and the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(F) dislocations affecting Indian Tribes and tribal organizations; and

(G) other dislocations that result from special circumstances or that State and local resources are insufficient to address.

(2) COMMUNITY PROJECTS.—The Secretary of Labor may award grants under this section for projects that provide comprehensive planning services to assist communities in addressing and reducing the impact of an economic dislocation.

(c) ADMINISTRATION.—

(1) APPLICATION.—To be eligible to receive a grant under this section, an eligible entity shall submit an application to the Secretary of Labor at such time, in such manner, and accompanied by such information as the Secretary of Labor determines to be appropriate.

(2) ELIGIBLE ENTITIES.—The Secretary of Labor may award a grant under this section to—

(A) a State;

(B) a local entity administering assistance provided under title I;

(C) an employer or employer association;

(D) a worker-management transition assistance committee or other employer-employee entities;

(E) a representative of employees;

(F) a community development corporation or community-based organization; or

(G) an industry consortium.

(d) USE OF FUNDS IN EMERGENCIES.—

(1) IN GENERAL.—Where the Secretary of Labor and the chief executive officer of a State determine that an emergency exists with respect to any particular distressed industry or any particularly distressed area within a State, the Secretary may use amounts made available under this section to provide emergency financial assistance to dislocated workers in the form of employment, training, and related services.

(2) ARRANGEMENTS.—The Secretary of Labor may enter into arrangements with eligible entities in a State described in paragraph (1) for the immediate provision of emergency financial assistance under paragraph (1) for the purposes of this section with any necessary supportive documentation to be submitted at a date agreed to by the chief executive officer and the Secretary.

SEC. 776. DISASTER RELIEF EMPLOYMENT ASSISTANCE.

(a) QUALIFICATION FOR FUNDS.—From amounts reserved under section 734(b), the Secretary of Labor may provide assistance to the chief executive officer of a State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(1) and (2)) (hereafter referred to in this section as the "disaster area").

(b) USE OF FUNDS.—

(1) PROJECTS RESTRICTED TO DISASTER AREAS.—Funds provided to a State under subsection (a)—

(A) shall be used solely to provide eligible individuals with employment in projects to provide clothing, shelter, and other humanitarian assistance for disaster victims and in projects regarding the demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(B) may be expended through public and private agencies and organizations administering such projects.

(2) ELIGIBILITY REQUIREMENTS.—An individual shall be eligible for employment in a project under this section if such individual is a dislocated worker or is temporarily or permanently laid off as a result of an emergency or disaster referred to in subsection (a).

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual may be employed using assistance provided under this section for a period of more than 6 months if such employment is related to recovery from a single emergency or disaster.

DORGAN AMENDMENT NO. 2535

Mr. MOYNIHAN (for Mr. DORGAN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place, add the following new section:

SEC. . SENSE OF THE SENATE ON LEGISLATIVE ACCOUNTABILITY FOR UNFUNDED MANDATES IN WELFARE REFORM LEGISLATION.

(a) FINDINGS.—The Senate finds that the purposes of the Unfunded Mandates Reform Act of 1995 are:

(1) "to strengthen the partnership between the Federal Government and State, local and tribal governments";

(2) "to end the imposition, in the absence of full consideration by Congress, of Federal mandates on State, local and tribal governments without adequate Federal funding, in a manner that may displace other essential State, local and tribal governmental priorities";

(3) "to assist Congress in its consideration of proposed legislation establishing or revising Federal programs containing Federal mandates affecting State, local and tribal governments, and the private sector by—

(A) providing for the development of information about the nature and size of mandates in proposed legislation; and

(B) establishing a mechanism to bring such information to the attention of the Senate and the House of Representatives before the Senate and the House of Representatives vote on proposed legislation";

(4) "to promote informed and deliberate decisions by Congress on the appropriateness of Federal mandates in any particular instance"; and

(5) "to require that Congress consider whether to provide funding to assist State, local and tribal governments in complying with Federal mandates".

(b) SENSE OF THE SENATE.—It is the sense of the Senate that prior to the Senate acting on the conference report on either H.R. 4 or any other legislation including welfare reform provisions, the Congressional Budget Office shall prepare an analysis of the conference report to include:

(1) estimates, over each of the next seven fiscal years, by state and in total, of—

(A) the costs to states of meeting all work requirements in the conference report, including those for single-parent families, two-parent families, and those who have received cash assistance for 2 years;

(B) the resources available to the states to meet these work requirements, defined as federal appropriations authorized in the conference report for this purpose in addition to what states are projected to spend under current welfare law;

(C) the amount of any additional revenue needed by the states to meet the work requirements in the conference report, beyond resources available as defined under subparagraph (b)(1)(B);

(2) an estimate, based on the analysis in paragraph (b)(1), of how many states would opt to pay any penalty provided for by the conference report rather than raise the additional revenue needed to meet the work requirements in the conference report; and

(3) estimates, over each of the next 7 fiscal years, of the costs to States of any other requirements imposed on them by such legislation.

LIEBERMAN AMENDMENTS NOS. 2536–2537

Mr. MOYNIHAN (for Mr. LIEBERMAN) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2536

On page 17, line 8, insert "and for each of fiscal years 1998, 1999, and 2000, the amount of the State's share of the out-of-wedlock pregnancy reduction bonus determined under subsection (f) for the fiscal year" after "year".

On page 17, line 22, insert "and the applicable percent specified under subsection (f)(3)(B)(ii) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) OUT-OF-WEDLOCK PREGNANCY REDUCTION BONUS.—

"(1) IN GENERAL.—Any State that meets the applicable percentage reduction with respect to the out-of-wedlock pregnancies in the State for a fiscal year shall be entitled to receive a share of the out-of-wedlock pregnancy reduction bonus for the fiscal year in accordance with the formula developed under paragraph (3).

"(2) APPLICABLE PERCENTAGE REDUCTION; PERCENTAGE OF OUT-OF-WEDLOCK PREGNANCIES.—

"(A) APPLICABLE PERCENTAGE REDUCTION.—The term 'applicable percentage reduction' means with respect to any fiscal year, a reduction of 2 or more whole percentage points of the percentage of out-of-wedlock pregnancies in the State for the preceding fiscal year over the percentage of out-of-wedlock pregnancies in the State for fiscal year 1995.

"(B) PERCENTAGE OF OUT-OF-WEDLOCK PREGNANCIES.—For purposes of this subsection, the term 'percentage of out-of-wedlock pregnancies' means—

"(i) the total number of abortions, live births, and spontaneous abortions among single teenagers in a State in a fiscal year, divided by—

"(ii) the total number of single teenagers in the State in the fiscal year.

"(3) ALLOCATION FORMULA; BONUS FUND.—

"(A) ALLOCATION FORMULA.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the out-of-wedlock pregnancy reduction bonus fund to States that achieve the applicable percentage reduction described in paragraph (2)(A).

"(B) OUT-OF-WEDLOCK PREGNANCY REDUCTION BONUS FUND.—

"(i) IN GENERAL.—The amount in the out-of-wedlock pregnancy reduction bonus fund for a fiscal year shall be an amount equal to—

"(I) the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

"For fiscal year:	The applicable percentage is:
1998	3
1999	4
2000 and each fiscal year thereafter	5.

On page 29, line 16, strike "(f)" and insert "(g)".

At the appropriate place, insert:

SEC. ___. NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) APPOINTMENT OF FEDERAL COORDINATOR AND SPOKESPERSON.—The Secretary of Health and Human Services, after consultation with the President, shall appoint an employee of the Department of Health and Human Services to coordinate all the activities of the Federal Government relating to the reduction of teenage pregnancies and to serve as the spokesperson for the Federal Government on issues related to teenage pregnancies.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. ___. ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

AMENDMENT NO. 2537

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) APPOINTMENT OF FEDERAL COORDINATOR AND SPOKESPERSON.—The Secretary of Health and Human Services, after consultation with the President, shall appoint an employee of the Department of Health and Human Services to coordinate all the activities of the Federal Government relating to the reduction of teenage pregnancies and to serve as the spokesperson for the Federal Government on issues related to teenage pregnancies.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

MOYNIHAN AMENDMENT NO. 2538

Mr. MOYNIHAN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 781(b), strike paragraph (1) (relating to the Trade Act of 1974).

In section 781(b)(2), strike "(2)" and insert "(1)".

In section 781(b)(3), strike "(3)" and insert "(2)".

In section 781(b)(4), strike "(4)" and insert "(3)".

In section 781(b)(5), strike "(5)" and insert "(4)".

In section 781(b)(6), strike "(6)" and insert "(5)".

In section 781(b)(7), strike "(7)" and insert "(6)".

In section 781(b)(8), strike "(8)" and insert "(7)".

COATS (AND ASHCROFT) AMENDMENT NO. 2539

Mr. HATCH (for Mr. COATS, for himself and Mr. ASHCROFT) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the end of the amendment, add the following new title:

TITLE XIII—MISCELLANEOUS PROVISIONS

SEC. 1301. CREDIT FOR CHARITABLE CONTRIBUTIONS TO CERTAIN PRIVATE CHARITIES PROVIDING ASSISTANCE TO THE POOR.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

"SEC. 23. CREDIT FOR CERTAIN CHARITABLE CONTRIBUTIONS.

"(a) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions which are paid by the taxpayer during the taxable year.

"(b) LIMITATION.—The credit allowed by subsection (a) for the taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013).

"(c) ELIGIBLE INDIVIDUAL; QUALIFIED CHARITABLE CONTRIBUTION.—For purposes of this section—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means, with respect to any charitable contribution, an individual who is certified by the qualified charity to whom the contribution was made by the individual as having performed at least 50 hours of volunteer service for the charity during the calendar year in which the taxable year begins.

"(2) QUALIFIED CHARITABLE CONTRIBUTION.—The term 'qualified charitable contribution' means any charitable contribution (as defined in section 170(c)) made in cash to a qualified charity but only if the amount of each such contribution, and the recipient thereof, are identified on the return for the taxable year during which such contribution is made.

"(d) QUALIFIED CHARITY.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified charity' means, with respect to the taxpayer, any organization—

"(A) which is described in section 501(c)(3) and exempt from tax under section 501(a), and

"(B) which, upon request by the organization, is certified by the Secretary as meeting the requirements of paragraphs (2) and (3).

"(2) CHARITY MUST PRIMARILY ASSIST THE POOR.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the predominant activity of such organization will be the provision of services to individuals and families which are designed to prevent or alleviate poverty among individuals and families whose incomes fall below 150 percent of the official poverty line (as defined by the Office of Management and Budget).

"(3) MINIMUM EXPENSE REQUIREMENT.—

"(A) IN GENERAL.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the annual poverty program expenses of such organization will not be less than 70 percent of the annual aggregate expenses of such organization.

"(B) POVERTY PROGRAM EXPENSE.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'poverty program expense' means any expense in providing program services referred to in paragraph (2).

"(ii) EXCEPTIONS.—Such term shall not include—

"(I) any management or general expense,

"(II) any expense for the purpose of influencing legislation (as defined in section 4911(d)),

"(III) any expense primarily for the purpose of fundraising, and

"(IV) any expense for a legal service provided on behalf of any individual referred to in paragraph (2).

"(4) ELECTION TO TREAT POVERTY PROGRAMS AS SEPARATE ORGANIZATION.—

"(A) IN GENERAL.—An organization may elect to treat one or more programs operated by it as a separate organization for purposes of this section.

"(B) EFFECT OF ELECTION.—If an organization elects the application of this paragraph, the organization, in accordance with regulations, shall—

"(i) maintain separate accounting for revenues and expenses of programs with respect to which the election was made,

"(ii) ensure that contributions to which this section applies be used only for such programs, and

"(iii) provide for the proportional allocation of management, general, and fundraising expenses to such programs to the extent not allocable to a specific program.

"(C) REPORTING REQUIREMENTS.—

"(i) ORGANIZATIONS NOT OTHERWISE REQUIRED TO FILE.—An organization not otherwise required to file any return under section 6033 shall be required to file such a return with respect to any poverty program treated as a separate organization under this paragraph.

"(ii) ORGANIZATIONS REQUIRED TO FILE.—An organization otherwise required to file a return under section 6033—

"(I) shall file a separate return with respect to any poverty program treated as a separate organization under this section, and

"(II) shall include on its own return the percentages equivalent to those required of qualified charities under the last sentence of section 6033(b) and determined with respect to such organization (without regard to the expenses of any poverty program under subclause (I)).

"(e) COORDINATION WITH DEDUCTION FOR CHARITABLE CONTRIBUTIONS.—

"(1) CREDIT IN LIEU OF DEDUCTION.—The credit provided by subsection (a) for any qualified charitable contribution shall be in lieu of any deduction otherwise allowable under this chapter for such contribution.

"(2) ELECTION TO HAVE SECTION NOT APPLY.—A taxpayer may elect for any taxable year to have this section not apply."

(b) RETURNS.—

(1) QUALIFIED CHARITIES REQUIRED TO PROVIDE COPIES OF ANNUAL RETURN.—Subsection (e) of section 6104 of such Code (relating to public inspection of certain annual returns and applications for exemption) is amended by adding at the end the following new paragraph:

"(3) QUALIFIED CHARITIES REQUIRED TO PROVIDE COPIES OF ANNUAL RETURN.—

"(A) IN GENERAL.—Every qualified charity (as defined in section 23(d)) shall, upon request of an individual made at an office where such organization's annual return filed under section 6033 is required under paragraph (1) to be available for inspection, provide a copy of such return to such individual without charge other than a reasonable fee for any reproduction and mailing costs. If the request is made in person, such

copies shall be provided immediately and, if made other than in person, shall be provided within 30 days.

"(B) PERIOD OF AVAILABILITY.—Subparagraph (A) shall apply only during the 3-year period beginning on the filing date (as defined in paragraph (1)(D) of the return requested)."

(2) ADDITIONAL INFORMATION.—Section 6033(b) of such Code is amended by adding at the end the following new flush sentence:

"Each qualified charity (as defined in section 23(d)) to which this subsection otherwise applies shall also furnish each of the percentages determined by dividing each of the following categories of the organization's expenses for the year by its total expenses for the year: program services; management and general; fundraising; and payments to affiliates."

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 22 the following new item:

"Sec. 23. Credit for certain charitable contributions."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the 90th day after the date of the enactment of this Act in taxable years ending after such date.

McCAIN AMENDMENT NOS. 2540–2544

Mr. HATCH (for Mr. McCAIN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2540

At the appropriate place, insert the following:

SEC. . REMOVAL OF BARRIERS TO INTERRACIAL AND INTERETHNIC ADOPTIONS.

(a) FINDINGS.—Congress finds that—

(1) nearly 500,000 children are in foster care in the United States;

(2) tens of thousands of children in foster care are waiting for adoption;

(3) 2 years and 8 months is the median length of time that children wait to be adopted, and minority children often wait twice as long as other children to be adopted; and

(4) child welfare agencies should work to eliminate racial, ethnic, and national origin discrimination and bias in adoption and foster care recruitment, selection, and placement procedures.

(b) PURPOSE.—The purpose of this section is to promote the best interests of children by—

(1) decreasing the length of time that children wait to be adopted; and

(2) preventing discrimination in the placement of children on the basis of race, color, or national origin.

(c) REMOVAL OF BARRIERS TO INTERRACIAL AND INTERETHNIC ADOPTIONS.—

(1) PROHIBITION.—A State or other entity that receives funds from the Federal Government and is involved in adoption or foster care placements may not—

(A) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or

(B) delay or deny the placement of a child for adoption or into foster care, or otherwise discriminate in making a placement decision, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

(2) PENALTIES.—

(A) STATE VIOLATORS.—A State that violates paragraph (1) shall remit to the Secretary of Health and Human Services all funds that were paid to the State under part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.) (relating to foster care and adoption assistance) during the period of the violation.

(B) PRIVATE VIOLATORS.—Any other entity that violates paragraph (1) shall remit to the Secretary of Health and Human Services all funds that were paid to the entity during the period of the violation by a State from funds provided under part E of title IV of the Social Security Act.

(3) PRIVATE CAUSE OF ACTION.—

(A) IN GENERAL.—Any individual or class of individuals aggrieved by a violation of paragraph (1) by a State or other entity may bring an action seeking relief in any United States district court or State court of appropriate jurisdiction.

(B) STATURE OF LIMITATIONS.—An action under this subsection may not be brought more than 2 years after the date the alleged violation occurred.

(4) ATTORNEY'S FEES.—In any action or proceeding under this Act, the court, in the discretion of the court, may allow the prevailing party, other than the United States, a reasonable attorney's fee, including litigation expenses and costs, and the States and the United States shall be liable for the fee to the same extent as a private individual.

(5) STATE IMMUNITY.—A State shall not be immune under the 11th amendment to the Constitution from an action of Federal or State court of appropriate jurisdiction for a violation of this section.

(6) NO EFFECT ON INDIAN CHILD WELFARE ACT OF 1978.—Nothing in this Act shall be construed to affect the application of the Indian Child Welfare Act of 1978 (25 U.S.C. 1901 et seq.).

(d) REPEAL.—Subpart 1 of part E of title V of the Improving America's Schools Act of 1994 (42 U.S.C. 5115a) is amended—

(1) by repealing sections 551 through 553; and

(2) by redesignating section 554 as section 551.

(e) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect 90 days after the date of enactment of this Act.

AMENDMENT NO. 2541

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. FEDERAL FUNDING FOR EXCESSIVE DATA REPORTING REQUIREMENTS.

Notwithstanding any other provision of law, a State shall not be required to comply with any data collection or data collection or data reporting requirements added by this Act that the General Accounting Office determines is in excess of normal Federal management needs (including systems development costs) unless the Federal Government provides the State with funding sufficient to allow States to comply with such requirements.

AMENDMENT NO. 2542

On page 215, line 24, add closing quotation marks and a period at the end.

On page 216, strike lines 1 through 5.

AMENDMENT NO. 2543

On page 36, line 10, strike "and".

On page 36, line 13, strike the end period.

On page 36, between lines 13 and 14, insert the following:

"(G) job readiness workshops in which an individual attends pre-employment classes to obtain business or industry specific training required to meet employer-specific needs (not to exceed 4 weeks with respect to any individual).

AMENDMENT NO. 2544

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. CORRECTIVE ACTION PLAN.

(a) IN GENERAL.—

(1) NOTIFICATION OF VIOLATION.—Notwithstanding any other provision of law, the Federal Government shall, prior to assessing a penalty against a State under any program established or modified under this Act, notify the State of the violation of law for which such penalty would be assessed and allow the State the opportunity to enter into a corrective action plan in accordance with this section.

(2) 60-DAY PERIOD TO PROPOSE A CORRECTIVE ACTION PLAN.—Any State notified under paragraph (1) shall have 60 days in which to submit to the Federal Government a corrective action plan to correct any violations described in such paragraph

(3) ACCEPTANCE OF PLAN.—The Federal Government shall have 60 days to accept or reject the State's corrective action plan and may consult with the State during this period to modify the plan. If the Federal Government does not accept or reject the corrective action plan during the period, the corrective action plan shall be deemed to be accepted.

(b) 90-DAY GRACE PERIOD.—If a corrective action plan is accepted by the Federal Government, no penalty shall be imposed with respect to a violation described in subsection (a) if the State corrects the violation pursuant to the plan within 90 days after the date on which the plan is accepted (or within such other period specified in the plan).

HARKIN AMENDMENT NO. 2545

Mr. HARKIN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 39, strike lines 4 through 10, and insert the following:

"(a) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY CONTRACT WITH EACH FAMILY RECEIVING ASSISTANCE.—

"(1) IN GENERAL.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to enter into—

"(A) a personal responsibility contract (as developed by the State) with the State; or

"(B) a limited benefit plan.

"(2) PERSONAL RESPONSIBILITY CONTRACT.—For purposes of this subsection, the term 'personal responsibility contact' means a binding contract between the State and each family receiving assistance under the State program funded under this part that—

"(A) outlines the steps each family and the State will take to get the family off of welfare and to become self-sufficient;

"(B) specifies a negotiated time-limited period of eligibility for receipt of assistance that is consistent with unique family circumstances and is based on a reasonable plan to facilitate the transition of the family to self-sufficiency;

"(C) provides that the family will automatically enter into a limited benefit plan if the family is out of compliance with the personal responsibility contract; and

"(D) provides that the contract shall be invalid if the State agency fails to comply with the contract.

"(3) LIMITED BENEFIT PLAN.—For purposes of this subsection, the term 'limited benefit plan' means a plan which provides for a reduced level of assistance and later termination of assistance to a family that has entered into the plan in accordance with a schedule to be determined by the State.

"(4) ASSESSMENT.—The State agency shall provide, through a case manager, an initial and thorough assessment of the skills, prior work experience, and employability of each parent for use in developing and negotiating a personal responsibility contract.

"(5) DISPUTE RESOLUTION.—The State agency described in section 402(a)(6) shall establish a dispute resolution procedure for disputes related to participation in the personal responsibility contract that provides the opportunity for a hearing.

CHAFEE AMENDMENT NO. 2546

Mr. CHAFEE proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less that 75 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to;

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

COHEN AMENDMENT NO. 2547

Mr. CHAFEE (for Mr. COHEN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

Beginning on page 112, line 13, strike all through page 114, line 23, and insert the following:

SEC. 201. DRUG ADDICTS AND ALCOHOLICS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

(a) TERMINATION OF SSI CASH BENEFITS FOR DRUG ADDICTS AND ALCOHOLICS.—Section 1611(e)(3) (42 U.S.C. 1382(e)(3)) is amended—

(1) by striking "(B)" and inserting "(C)";

(2) by striking "(3)(A) and inserting "(B)"; and

(3) by inserting before subparagraph (B) as redesignated by paragraph (2) the following new subparagraph:

"(3)(A) No cash benefits shall be payable under this title to any individual who is otherwise eligible for benefits under this title by reason of disability, if such individual's alcoholism or drug addiction is a contributing factor material to the Commissioner's determination that such individual is disabled.".

(b) TREATMENT REQUIREMENTS.—

(1) Section 1611(e)(3)(B)(i)(I) (42 U.S.C. 1382(e)(3)(B)(i)(I)), as redesignated by subsection (a), is amended to read as follows:

"(B)(i)(I)(aa) Any individual who would be eligible for cash benefits under this title but for the application of subparagraph (A) may elect to comply with the provisions of this subparagraph.

"(bb) Any individual who is eligible for cash benefits under this title by reason of disability (or whose eligibility for such benefits is suspended) or is eligible for benefits pursuant to section 1619(b), and who was eligible for such benefits by reason of disability, for which such individual's alcoholism or drug addiction was a contributing factor material to the Commissioner's determination that such individual was disabled, for the month preceding the month in which section 201 of the Work Opportunity Act of 1995 takes effect, shall be required to comply with the provisions of this subparagraph.

(2) Section 1611(e)(3)(B)(i)(II) (42 U.S.C. 1382(e)(3)(B)(i)(II)), as so redesignated, is amended by striking "who is required under subclause (I)" and inserting "described in division (bb) of subclause (I) who is required".

(3) Subclauses (I) and (II) of section 1611(e)(3)(B)(ii) (42 U.S.C. 1382(e)(3)(B)(ii)), as so redesignated, are each amended by striking "clause (i)" and inserting "clause (i)(I)".

(4) Section 1611(e)(3)(B) (42 U.S.C. 1382(e)(3)(B)), as so redesignated, is amended by striking clause (v) and by redesignating clause (vi) as clause (v).

(5) Section 1611(e)(3)(B)(v) (42 U.S.C. 1382(e)(3)(B)(v)), as redesignated by paragraph (4), is amended—

(A) in subclause (I), by striking "who is eligible" and all that follows through "is disabled" and inserting "described in clause (i)(I)"; and

(B) in subclause (V), by striking "or v".

(6) Section 1611(e)(3)(C)(i) (42 U.S.C. 1382(e)(3)(C)(i)), as redesignated by subsection (a), is amended by striking "who are receiving benefits under this title and who as a condition of such benefits" and inserting "described in subparagraph (B)(i)(I)(aa) who elect to undergo treatment; and the monitoring and testing of all individuals described in subparagraph (B)(i)(I)(bb) who".

(7) Section 1611(e)(3)(C)(iii)(II)(aa) (42 U.S.C. 1382(e)(3)(C)(iii)(II)(aa)), as so redesignated, is amended by striking "residing in the State" and all that follows through "they are disabled" and inserting "described in subparagraph (B)(i)(I) residing in the State".

(8) Section 1611(e)(3)(C)(iii) (42 U.S.C. 1382(e)(3)(C)(iii)), as so redesignated, is amended by adding at the end the following:

"(III) The monitoring requirements of subclause (II) shall not apply in the case of any individual described in subparagraph (B)(i)(I)(aa) who fails to comply with the requirements of subparagraph (B).".

(9) Section 1611(e)(3) (42 U.S.C. 1382(e)(3)), as amended by subsection (a), is amended by adding at the end the following new subparagraphs:

"(D) The Commissioner shall provide appropriate notification to each individual subject to the limitation on cash benefits contained in subparagraph (A) and the treatment provisions contained in subparagraph (B).

"(E) The requirements of subparagraph (B) shall cease to apply to any individual—

"(i) after three years of treatment, or

"(ii) if the Commissioner determines that such individual no longer needs treatment.".

(c) REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) Section 1631(a)(2)(A)(ii)(II) (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amended to read as follows:

"(II) In the case of an individual eligible for benefits under this title by reason of disability, if such individual also has an alcoholism or drug addiction condition (as determined by the Commissioner of Social Security), the payment of such benefits to a representative payee shall be deemed to serve the interest of the individual. In any case in which such payment is so deemed under this subclause to serve the interest of an individual, the Commissioner shall include, in the individual's notification of such eligibility, a notice that such alcoholism or drug addiction condition accompanies the disability upon which such eligibility is based and that the Commissioner is therefore required to pay the individual's benefits to a representative payee.".

(2) Section 1631(a)(2)(B)(vii) (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(3) Section 1631(a)(2)(B)(ix)(II) (42 U.S.C. 1383(a)(2)(B)(ix)(II)) is amended by striking all that follows "15 years, or" and inserting "described in subparagraph (A)(ii)(II)".

(4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(d) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634(e) (42 U.S.C. 1382(e)) is amended—

(1) by striking "clause (i) or (v) of section 1611(e)(3)(A)" and inserting "subparagraph (A) or subparagraph (B)(i)(II) of section 1611(e)(3)"; and

(2) by adding at the end the following: "This subsection shall not apply to any such person—

"(i) after three years of treatment, or

"(ii) if earlier, if the Commissioner determines that such individual no longer needs treatment, or

"(iii) if such person has previously received such treatment.".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this

section shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by this section, such amendments shall apply with respect to the benefits of such individual for months beginning after the cessation of the individual's treatment provided pursuant to such title as in effect on the day before the date of such enactment, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

MOYNIHAN (AND DOLE) AMENDMENT NO. 2548

Mr. MOYNIHAN (for himself and Mr. DOLE) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 87, between lines 5 and 6, insert the following:

SEC. 105A. DEVELOPMENT OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (hereafter in this section referred to as the "Commissioner") shall in accordance with the provisions of this section develop a prototype of a counterfeit-resistant social security card. Such prototype card shall—

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.—The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to achieve the purposes of this section.

(b) STUDY AND REPORT.—

(1) IN GENERAL.—The Commissioner shall conduct a study and issue a report to Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.—The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3, 5, and 10 year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3, 5, and 10 year phase-in options.

(3) DISTRIBUTION OF REPORT.—Copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) shall be submitted to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year of the date of the enactment of this Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated and are appropriated from the Federal Old-Age and Survivors Insurance Trust Fund such sums as may be necessary to carry out the purposes of this section.

KERREY AMENDMENT NO. 2549

Mr. MOYNIHAN (for Mr. KERREY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 229, strike lines 4 through 8 and insert the following:

"(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently elect to participate in the food stamp program in accordance with the other sections of this Act.

KOHL AMENDMENTS NOS. 2550–2551

Mr. MOYNIHAN (for Mr. KOHL) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2550

On page 244, strike lines 3 through 13 and insert the following:

"(B) REDUCTIONS IN ALLOTMENTS.—

"(i) REDUCTION FOR EXEMPTED INDIVIDUALS.—

"(I) DETERMINATION.—The Secretary shall determine the Federal costs of providing benefits to and administering the food stamp program for exempted individuals in each State participating in the program established under this section.

"(II) REDUCTION.—The Secretary shall reduce the allotment to each State participating in the program established under this section by the amount determined under subclause (I).

"(ii) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a pro rata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.

"(m) EXEMPTED INDIVIDUALS.—

"(1) DEFINITION.—Subject to paragraph (2), in this subsection, the term 'exempted individual' means a individual who is—

"(A) elderly;

"(B) a child; or

"(C) disabled.

"(2) EXEMPTION.—Notwithstanding any other provision of this section, an exempted individual shall not be subject to this section and shall be subject to the other sections of this Act.".

AMENDMENT NO. 2551

On page 158, between lines 14 and 15, insert the following:

SEC. 301. DECLARATION OF POLICY.

Section 2 of the Food Stamp Act of 1977 (7 U.S.C. 2011) is amended by adding at the end the following: "Congress intends that the food stamp program support the employment focus and family strengthening mission of public welfare and welfare replacement programs by—

"(1) facilitating the transition of low-income families and households from economic dependency to economic self-sufficiency through work;

"(2) promoting employment as the primary means of income support for economically dependent families and households and reducing the barriers to employment of economically dependent families and households; and

"(3) maintaining and strengthening healthy family functioning and family life.".

On page 185, line 7, strike "and".

On page 185, between lines 13 and 14, insert the following:

(D) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(E) by inserting after clause (v) the following:

"(vi) Case management, casework, and other services necessary to support healthy family functioning, enable participation in an employment and training program, or otherwise facilitate the transition from economic dependency to self-sufficiency through work.";

BRYAN AMENDMENTS NOS. 2552–2555

Mr. MOYNIHAN (for Mr. BRYAN) proposed four amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2552

At the appropriate place in the title X, insert the following new section:

At the appropriate place, insert the following new section:

SEC. . FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

(a) IN GENERAL.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributed to such reduction.

(b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes of subsection (a), the term "means-tested welfare or public assistance program for which Federal funds are appropriated" shall include the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and State programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

AMENDMENT NO. 2553

On page 87, between lines 5 and 6, insert the following:

SEC. . COOPERATION REQUIRED WITH RESPECT TO PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT FOR ELIGIBILITY FOR ASSISTANCE.

Subject to the provisions of titles IV and XIX of the Social Security Act and the Food Stamp Act of 1977, and notwithstanding any other provision of law, no Federal funds may be used to provide assistance based on need to, or on behalf of, a child in a family that includes an individual (including the noncustodial parent, if any) whom the agency responsible for administering such assistance determines is not cooperating in establishing the paternity of such child, or in establishing, modifying, or enforcing a support

order with respect to such child, without good cause as determined by such agency in accordance with standards prescribed by such agency which shall take into consideration the best interests of the child.

AMENDMENT NO. 2554

At the appropriate place in the amendment, insert the following new section:

SEC. . COLLECTION OF WELFARE OR PUBLIC ASSISTANCE BENEFIT OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

(a) IN GENERAL.—Paragraph (1) of section 6402(d) of the Internal Revenue Code of 1986 (relating to collection of debts owed to Federal agencies) is amended by inserting "or upon receiving notice from any State agency that a named person owes a past-due legally enforceable debt arising out of an overpayment under an applicable welfare program," before "the Secretary shall".

(b) APPLICABLE WELFARE PROGRAMS.—Section 6402(d) of such Code is amended by adding at the end the following new paragraph:

"(4) APPLICABLE WELFARE PROGRAM.—For purposes of this subsection, the term 'applicable welfare program' means any program established or significantly modified by the Work Opportunity Act of 1995."

(c) CONFORMING AMENDMENTS.—

(1) Section 6402(d)(2) of such Code is amended by inserting "or State" after "Federal".

(2) The heading for section 6402(d) of such Code is amended by inserting "or certain State" after "Federal".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to refunds payable after December 31, 1995.

AMENDMENT NO. 2555

At the appropriate place in the amendment, insert the following new section:

SEC. . Section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by striking the third sentence and inserting the following:

The State agency shall, at its option, consider either all income and financial resources of the individual rendered ineligible to participate in the food stamp program under this subsection, or such income, less a pro rate share, and the financial resources of the ineligible individual, to determine the eligibility and the value of the allotment of the household of which such individual is a member.

NICKLES AMENDMENT NO. 2556

Mr. HATCH (for Mr. NICKLES) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

SEC. 913 page 601 of the amendment, strike line 8 thru line 21 and insert in lieu thereof the following:

"(2) TIMING OF REPORT.—Each report required by paragraph (1) shall be made in accordance with the requirements of Section 1320b-7(3), Title 42 of U.S.C."

(c) REPORTING FORMAT.—Each report required under Section 1320b-7(3), Title 42 of U.S.C. shall include an indication of those employees newly hired during such quarter.

JEFFORDS AMENDMENT NO. 2557

Mr. HATCH (for Mr. JEFFORDS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 36, line 12, strike "12" and insert "24".

JEFFORDS (AND PELL) AMENDMENT NO. 2558

Mr. HATCH (for Mr. JEFFORDS for himself and Mr. PELL) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 381, strike lines 18 through 21, and insert the following:

(3) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a fiscal year, such agency shall distribute such funds for workforce education activities in such State as follows:

(A) 75 percent of such amount shall be distributed for secondary school vocational education in accordance with section 722, or for postsecondary and adult vocational education in accordance with section 723, or for both; and

(B) 25 percent of such amount shall be distributed for adult education in accordance with section 724.

KYL AMENDMENT NO. 2559

Mr. HATCH (for Mr. KYL) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 728, strike subsections (a) and (b) and insert the following:

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local workforce development boards described in subsection (b).

(2) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local workforce development board; collaborated in reaching the agreement.

(3) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local workforce development board, the Governor shall notify the board, and provide the board with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(4) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—There shall be a local workforce development board for every substate area in a State that receives assistance under this title.

(2) DUTIES.—Such a local workforce development board shall—

(A) have principal responsibility for implementing local workforce development activities (other than economic development activities), including one-stop centers or systems, school-to-work activities, and workfare activities; and

(B) shall have authority over economic development activities if no comparable oversight or policy group exists within the substate area.

(3) APPOINTMENT.—

(A) IN GENERAL.—A local workforce development board shall be appointed by the chief elected official of a unit of general purpose local government within the substate area involved, based on guidelines established by the Governor, in consultation with local elected officials in the substate area.

(B) CHIEF ELECTED OFFICIAL.—Such chief elected official shall be selected by the elected officials of 1 or more units of general purpose local government within the substate area.

(C) MEMBERSHIP.—A majority of the members of the board shall be representatives of business. The remainder of the board shall consist of such other members as the Governor may determine to be appropriate.

(4) REFERENCES.—Notwithstanding any other provision of this title, any reference in this title to a local partnership shall be deemed to be a reference to a local workforce development board established under this subsection.

DODD (AND OTHERS) AMENDMENT NO. 2560

Mr. DODD (for himself, Mr. KENNEDY, Mr. KOHL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Mrs. BOXER, Mr. LEAHY, and Mr. KERREY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 17, line 22, strike "subparagraph (B)" and insert "subparagraphs (B) and (C)".

On page 18, between lines 15 and 16, insert the following new subparagraph:

"(C) AMOUNT ATTRIBUTABLE TO CERTAIN CHILD CARE PAYMENTS.—For purposes of subparagraph (A), the amount determined under this subparagraph is an amount equal to the Federal payments to the State under subsections (g)(1)(A)(i), (g)(1)(A)(ii), and (i) of section 402 for fiscal year 1994 (as in effect during such fiscal year).".

On page 18, line 16, strike "(C)" and insert "(D)".

On page 22, line 12, strike "$16,795,323,000" and insert "$15,795,323,000".

At the end of title VI, add the following new section:

SEC. . WORK PROGRAM RELATED CHILD CARE.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services shall, upon the application of a State under subsection (c), provide a grant to such State for the provision of child care services to individuals.

(b) FUNDING.—For the purpose of providing child care services for eligible children through the awarding of grants to States under this section for a fiscal year, the Secretary of Health and Human Services shall pay, from funds in the Treasury not otherwise appropriated, an amount equal to the sum of—

(1) the outlays for child care services under sections 402(g)(1)(A)(i), 402(g)(1)(A)(ii), and 402(i) of the Social Security Act (as such sections existed on the day before the date of

enactment of this Act) for fiscal year 1994; and

(2)(A) for fiscal year 1996, $246,000,000;

(B) for fiscal year 1997, $311,000,000;

(C) for fiscal year 1998, $570,000,000;

(D) for fiscal year 1999, $1,122,000,000; and

(E) for fiscal year 2000, $3,776,000,000.

(c) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary of Health and Human Services an application at such time, in such manner, and containing such information as the Secretary may require.

(d) AMOUNT OF GRANT.—From the amounts available under subsection (b) for a fiscal year, the Secretary of Health and Human Services shall allot to each State (with an application approved under subsection (c)) an amount which bears the same relationship to such amounts as the total number of eligible children in the State bears to the total number of eligible children in all States (with applications approved under subsection (c)).

(e) USE OF FUNDS.—

(1) IN GENERAL.—Amounts received by a State under a grant awarded under this section shall be used to carry out programs and activities to provide child care services to eligible children residing within such State.

(2) ELIGIBLE CHILDREN.—For purposes of this section, the term "eligible child" means an individual—

(A) who is less than 13 years of age; and

(B) who resides with a parent or parents who are working pursuant to a work requirement contained in section 404 of the Social Security Act (as amended by section 101), are attending a job training or educational program, or are at risk of falling into welfare.

(3) GUARANTEE.—Notwithstanding any other provision of this Act, or of part A of title IV of the Social Security Act—

(A) no parent of a preschool age child shall be penalized or sanctioned for failure to participate in a job training, educational, or work program if child care assistance in an appropriate child care program is not provided for the child of such parent; and

(B) no parent of an elementary school age child shall be penalized or sanctioned for failure to participate in a job training, educational, or work program before or after normal school hours if assistance in an appropriate before or after school program is not provided for the child of such parent.

(f) GENERAL PROVISIONS.—

(1) OTHER REQUIREMENTS.—The requirements, standards, and criteria under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.), except for the provisions of section 658G of such Act, shall apply to the funds appropriated under this section to the extent that such requirements, standards, and criteria do not directly conflict with the provisions of this section.

(2) MAINTENANCE OF EFFORT.—A State, in utilizing the proceeds of a grant received under this section, shall maintain the expenditures of the State for child care activities at a level that is equal to not less than the level of such expenditures maintained by the State under the provisions of law referred to in subsection (b) for fiscal year 1994.

(g) SENSE OF THE SENATE REGARDING FINANCING.—

(1) FINDINGS.—The Senate finds that—

(A) child care is essential to the success of real welfare reform and this Act dramatically reduces the funds designated for child care while at the same time increasing the need for such care; and

(B) obsolete corporate subsidies and tax expenditures consume a larger and growing portion of the funds in the Treasury.

(2) SENSE OF THE SENATE.—It is the sense of the Senate that the new investment in child care, above the amounts appropriated under the provisions of law referred to in subsection (b)(1) for fiscal year 1994, provided under this section should be offset by corresponding reductions in corporate welfare.

ASHCROFT AMENDMENTS NOS. 2561-2562

Mr. ASHCROFT proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2561

At the appropriate place, add the following:

Subtitle F—SSI Flexibility

SEC. 251. SHORT TITLE.

This subtitle may be cited as the "Supplemental Social Security Income Flexibility Act of 1995".

SEC. 252. BLOCK GRANTS TO THE STATES FOR SUPPLEMENTAL SECURITY INCOME FOR THE DISABLED AND BLIND.

(a) IN GENERAL.—Title XVI (42 U.S.C. 1381-1383d) is amended by adding at the end the following new part:

"PART C—BLOCK GRANTS TO STATES FOR SUPPLEMENTAL SECURITY INCOME FOR THE DISABLED AND BLIND

"PURPOSE; IMPLEMENTATION

"SEC. 1651. (a) PURPOSE.—The purpose of this part is to consolidate Federal assistance to the States for supplemental income for individuals who are disabled or blind (other than individuals who have attained age 65) into a single grant for such purpose, thereby giving States maximum flexibility to—

"(1) require beneficiaries who are parents to ensure that their school-age children attend school;

"(2) require minors who are beneficiaries to attend school;

"(3) require parent beneficiaries to ensure that their children receive the full complement of childhood immunizations;

"(4) require beneficiaries not to use illegal drugs or abuse other drugs;

"(5) deny assistance to children solely on the basis that a child is unable to perform age-appropriate activities;

"(6) deny assistance to individuals whose disabilities are primarily the result of their abuse of illegal or legal drugs, or alcohol;

"(7) deny assistance to illegal aliens;

"(8) require individuals who sponsor the residency of legal aliens to support those they sponsor;

"(9) involve religious and charitable organizations, voluntary associations, civic groups, community organizations, nonprofit entities, benevolent and fraternal orders, philanthropic entities, and other groups in the private sector, as appropriate, in the provision of assistance to needy disabled and blind individuals which the funding States receive under this part.

"(b) IMPLEMENTATION.—This purpose shall be implemented in accordance with conditions in each State and as determined by State law.

"PAYMENTS TO STATES

"SEC. 1652. (a) AMOUNT.—

"(1) IN GENERAL.—Each State shall, subject to the requirements of this part, be entitled to receive quarterly payments for fiscal years 1997, 1998, 1999, and 2000 in an amount equal to 25 percent of the annual amount determined under paragraph (2) for such fiscal year for carrying out the purpose described in section 1651.

"(2) ANNUAL AMOUNT.—The annual amount determined for a State under this paragraph for each fiscal year beginning with fiscal year 1997 is equal to an amount which bears the same relationship to the total funds for such year specified in paragraph (3) as the annual amount determined for such State under part A of this title with respect to persons who are disabled or blind individuals, other than individuals who have attained age 65, for fiscal year 1994 bore to the total funds for all States under such part with respect to such persons for such year.

"(3) TOTAL FUNDS.—The total funds specified in this paragraph are as follows:

"(A) For fiscal year 1997, $20,203,000,000.

"(B) For fiscal year 1998, $22,065,000,000.

"(C) For fiscal year 1999, $24,457,000,000.

"(D) For fiscal year 2000, $29,311,000,000.

"(b) FUNDING REQUIREMENTS.—The Secretary of the Treasury shall make quarterly payments described in subsection (a)(1) directly to each State in accordance with section 6503 of title 31, United States Code.

"(c) EXPENDITURE OF FUNDS; RAINY DAY FUND.—Amounts received by a State under this part for any fiscal year shall be expended by the State in such fiscal year or in the succeeding fiscal year; except for such amounts as the State deems necessary to set aside in a separate account to provide, without fiscal limitation, for unexpected levels of assistance as a result of events which cause an unexpected increase in the need for providing supplemental income for individuals who are disabled or blind (other than individuals who have attained the age 65). Any amounts remaining in such segregated account after fiscal year 2000 shall be expended by a State for the purpose described in section 1651 of this part as in effect in fiscal year 2000.

"(d) PROHIBITION ON USE OF FUNDS.—Except as provided in subsection (e), a State to which a payment is made under this part may not use any part of such payment to provide medical services.

"(e) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

"(1) IN GENERAL.—A State may use not more than 30 percent of the annual amount paid to the State under this part for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

"(A) Part A of title IV of this Act.

"(B) Part D of title IV of this Act.

"(C) The Food Stamp Act.

"(D) The various Acts amended by title IV of the Work Opportunity Act of 1995.

"(E) The Child Care and Development Block Grant Act of 1990.

"(F) Title VII of the Work Opportunity Act of 1995.

"(G) Title XIX of this Act.

"(2) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified in paragraph (1) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"ADMINISTRATIVE AND FISCAL ACCOUNTABILITY

"SEC. 1653. (a) AUDITS; REIMBURSEMENTS.—

"(1) AUDITS.—

"(A) IN GENERAL.—A State shall, not less than annually, audit the State expenditures from amounts received under this part. Such audit shall—

"(i) determine the extent to which such expenditures were or were not expended in accordance with this part; and

"(ii) be conducted by an approved entity (as defined in subparagraph (B)) in accordance with generally accepted auditing principles.

"(B) APPROVED ENTITY.—For purposes of subparagraph (A), the term 'approved entity' means an entity that is—

"(i) approved by the Secretary of the Treasury;

"(ii) approved by the chief executive officer of the State; and

"(iii) independent of any agency administering activities funded under this part.

"(2) REIMBURSEMENT.—

"(A) IN GENERAL.—Not later than 30 days following the completion of an audit under this subsection, a State shall submit a copy of the audit to the State legislature and to the Secretary of the Treasury.

"(B) REPAYMENT.—Each State shall pay to the United States amounts ultimately found by the approved entity under paragraph (1)(A) not to have been expended in accordance with this part plus 10 percent of such amount as a penalty, or the Secretary of the Treasury may offset such amounts plus the 10 percent penalty against any other amount in any other year that the State may be entitled to receive under this part.

"(b) ADDITIONAL ACCOUNTING REQUIREMENTS.—The provisions of chapter 75 of title 31, United States Code, shall apply to the audit requirements of this section.

"(c) REPORTING REQUIREMENTS; FORM, CONTENTS.—

"(1) ANNUAL REPORTS.—A State shall prepare comprehensive annual reports on the activities carried out with amounts received by a State under this part.

"(2) CONTENT.—Reports prepared under this section—

"(A) shall be for the most recently completed fiscal year;

"(B) shall be in accordance with generally accepted accounting principles, including the provisions of chapter 75 of title 31, United States Code;

"(C) shall include the results of the most recent audit conducted in accordance with the requirements of subsection (a) of this section; and

"(D) shall be in such form and contain such other information as the State deems necessary—

"(i) to provide an accurate description of such activities; and

"(ii) to secure a complete record of the purposes for which amounts were expended in accordance with this part.

"(3) COPIES.—A State shall make copies of the reports required under this section available for public inspection within the State. Copies also shall be provided upon request to any interested public agency, and each such agency may provide its views on such reports to the Congress.

"(d) ADMINISTRATIVE SUPERVISION—

"(1) ROLE OF THE SECRETARY OF THE TREASURY.—

"(A) IN GENERAL.—The Secretary of the Treasury shall supervise the amounts received under this part in accordance with subparagraph (B).

"(B) LIMITED SUPERVISION—The supervision by the Secretary of the Treasury shall be limited to—

"(i) making quarterly payments to the States in accordance with section 1652(b);

"(ii) approving the entities referred to in subsection (a)(1)(B); and

"(iii) withholding payment to a State based on the findings of such an entity in accordance with subsection (a)(2)(B).

"(2) OTHER FEDERAL SUPERVISION.—No administrative officer or agency of the United States, other than the Secretary of the Treasury and, as provided for in section 1654, the Attorney General, shall supervise the amounts received by the States under this part or the use of such amounts by the States.

"(e) LIMITED FEDERAL OVERSIGHT.—With the exception of the Department of the Treasury as provided for in this section and section 1654 of this part, no Federal department or agency may promulgate regulations or issue rules regarding the purpose of this part.

"NONDISCRIMINATION PROVISIONS

"SEC. 1654. (a) NO DISCRIMINATION AGAINST INDIVIDUALS.—No individual shall be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity funded in whole or in part with amounts received under this part on the basis of such individual's—

"(1) disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);

"(2) sex under title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.); or

"(3) race, color, or national origin under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

"(b) COMPLIANCE.—If the Secretary of the Treasury determines that a State, or an entity that has received funds from amounts received by the State under this part, has failed to comply with a provision of law referred to in subsection (a), except as provided for in section 1655 of this part, the Secretary of the Treasury shall notify the chief executive officer of the State and shall request the officer to secure compliance with such provision of law. If, not later than 60 days after receiving such notification, the chief executive officer fails or refuses to secure compliance, the Secretary of the Treasury may—

"(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

"(2) exercise the powers and functions provided under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.); or section 505 of the Rehabilitation Act of 1973 (29 U.S.C. 794a), (as applicable); or

"(3) take such other action as may be provided by law.

"(c) AUTHORITY OF ATTORNEY GENERAL; CIVIL ACTIONS.—When a matter is referred to the Attorney General pursuant to subsection (b)(1), or if the Attorney General has reason to believe that an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a), the Attorney General may bring a civil action in an appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

"SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

"SEC. 1655. (a) IN GENERAL.—

(1) STATE OPTIONS.—Notwithstanding any other provision of law, a State may—

"(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

"(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

"(2) PROGRAMS DESCRIBED.—The programs described in this paragraph are the following programs:

"(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 101).

"(B) Any other program that is established or modified under titles I, II, or X that—

"(i) permits contracts with organizations; or

"(ii) permits certificates, vouchers, or other forms of disbursement to be provided to, or on behalf of, beneficiaries, as a means of providing assistance from an organization chosen by the beneficiaries.

"(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow religious organizations to contract, or to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

"(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—Religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2). Neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

"(d) RELIGIOUS CHARACTER AND FREEDOM.—

"(1) RELIGIOUS ORGANIZATIONS.—Notwithstanding any other provision of law, any religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

"(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

"(A) alter its form of internal governance;

"(B) form a separate, nonprofit corporation to receive and administer the assistance funded under a program described in subsection (a)(2) solely on the basis that it is a religious organization; or

"(C) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

"(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

"(1) IN GENERAL.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) with assistance from an alternative provider the value of which is not less than the value of the assistance which the individual would have received from such organization.

"(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives, applies for, or requests to

apply for, assistance under a program described in subsection (a)(2).

"(f) NONDISCRIMINATION IN EMPLOYMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall be construed to modify or affect the provisions of any other Federal or State law or regulation that relates to discrimination in employment on the basis of religion.

"(2) EXCEPTION.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), may require that an employee rendering service pursuant to such contract, or pursuant to the organization's acceptance of certificates, vouchers, or other forms of disbursement adhere to—

"(A) the religious tenets and teachings of such organization; and

"(B) any rules of the organization regarding the use of drugs or alcohol.

"(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

"(h) FISCAL ACCOUNTABILITY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

"(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

"(i) COMPLIANCE.—A religious organization which has its rights under this section violated may enforce its claim exclusively by asserting a civil action for such relief as may be appropriate, including injunctive relief or damages, in an appropriate State court against the entity or agency that allegedly commits such violation.

"SEC. 1656. LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.

"No funds provided directly to institutions or organizations to provide services and administer programs described in section 102(a)(2) and programs established or modified under this Act shall be expended for sectarian worship or instruction. This section shall not apply to financial assistance provided to or on behalf of beneficiaries of assistance in the form of certificates, vouchers, or other forms of disbursement, if such beneficiary may choose where such assistance shall be redeemed."

(b) CONFORMING AMENDMENT.—Section 1602 (42 U.S.C. 1381a) is amended by striking "Every" and inserting "(a) Every" and by adding at the end the following new subsection:

"(b) No person who is a disabled or blind individual (other than a person who has attained age 65) shall be an eligible individual or eligible spouse for purposes of this part with respect to any month beginning after September 30, 1996, but shall be eligible for services to the disabled or blind funded under part C of this title.".

SEC. 253. CONFORMING AMENDMENTS TO THE BUDGET ACT.

The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is amended in section 255(h) (2 U.S.C. 905(h), by striking "Supplemental Security Income Program (75-0406-0-1-609); and" and inserting "Supplemental Security Income Program and block grants to States for supplemental security income for disabled individuals; and".

SEC. 254. EFFECTIVE DATE.

The amendments made by this subtitle shall take effect on October 1, 1996.

AMENDMENT NO. 2562

Beginning on page 158, strike line 14 and all that follows through page 253, line 20, and insert the following:

SEC. 301. FOOD STAMP BLOCK GRANT PROGRAM.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Food Stamp Flexibility Act of 1995'.

"SEC. 2. DEFINITION.

"In this Act, the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, and the reservations of an Indian tribe whose tribal organization meets the requirements of this Act for participation as a State agency.

"SEC. 3. PURPOSE; IMPLEMENTATION.

"(a) PURPOSE.—The purpose of this Act is to strengthen individuals by helping them move from dependence on government benefits to economic independence by consolidating Federal assistance to the States for food assistance to the needy into a single grant that gives a State maximum flexibility to—

"(1) require a beneficiary who is a parent to ensure that any school-age child of the parent attend school;

"(2) require a minor who is a beneficiary to attend school;

"(3) require a beneficiary who is a parent to ensure that any child of the parent receive the full complement of childhood immunizations;

"(4) limit the amount of time a beneficiary may receive assistance;

"(5) require beneficiaries not to use illegal drugs or abuse other drugs;

"(6) deny assistance to illegal aliens;

"(7) require an individual who sponsors the residency of a legal alien to support the alien sponsored; and

"(8) involve religious and charitable organizations, voluntary associations, civic groups, community organizations, nonprofit entities, benevolent and fraternal orders, philanthropic entities, and other groups in the private sector, as appropriate, in the provision of services and assistance to needy individuals with the funding the State receives under this Act.

"(b) IMPLEMENTATION.—The purpose in subsection (a) shall be implemented in accordance with conditions in each State and as determined by State law.

"SEC. 4. PAYMENT TO STATES.

"(a) STATE MANDATES FOR WORK BY BENEFICIARIES.—

"(1) IN GENERAL.—As a condition of receiving a payment of funds under this Act, a State shall—

"(A) require each adult member of any family receiving assistance from a State under this Act to engage in work (as defined by the State) when the State determines the adult member is ready to engage in work, or after 24 months (whether or not consecutive) of receiving assistance from the State under this Act, whichever is earlier; and

"(B) satisfy the minimum participation rates specified in section 404 of the Social Security Act under rules similar to the rules specified in such section.

"(2) ELIGIBILITY.—Any individual who fails or refuses to work, and any member of the family of the individual residing with the individual, shall not be eligible for assistance from funds provided to the State under this Act.

"(b) AMOUNT.—

"(1) IN GENERAL.—Subject to the requirements of this Act, each State shall be entitled to receive quarterly payments for fiscal years 1996, 1997, 1998, 1999, and 2000 in an amount equal to 25 percent of the annual amount determined under paragraph (2) for the fiscal year for carrying out the purpose described in section 3.

"(2) ANNUAL AMOUNT.—The annual amount determined for a State under this paragraph for each fiscal year beginning with fiscal year 1996 is equal to an amount which bears the same relationship to the total funds for such year specified in paragraph (3) as the annual amount determined for such State under this Act for fiscal year 1995 bore to the total funds for all States under this Act for such year.

"(3) TOTAL FUNDS.—The total funds specified in this paragraph are as follows:

"(A) For fiscal year 1996, $25,427,000,000.

"(B) For fiscal year 1997, $26,425,000,000.

"(C) For fiscal year 1998, $27,539,000,000.

"(D) For fiscal year 1999, $28,658,000,000.

"(E) For fiscal year 2000, $29,994,000,000.

"(c) FUNDING REQUIREMENTS.—The Secretary of the Treasury shall make quarterly payments described in subsection (b)(1) directly to each State in accordance with section 6503 of title 31, United States Code.

"(d) EXPENDITURE OF FUNDS.—

"(1) IN GENERAL.—Any amount received by a State under this Act for a fiscal year shall be expended by the State in the fiscal year or in the succeeding fiscal year, except for such amounts as the State considers necessary to set aside in a separate account to provide, without fiscal limitation, for unexpected levels of assistance during a period of high unemployment or any other event that causes an unexpected increase in the need for food assistance to needy individuals.

"(2) REMAINING AMOUNTS.—Any amount in the separate account under paragraph (1) after fiscal year 2000 shall be expended by the State for the purpose described in section 3 of this Act.

"(e) PROHIBITION ON USE OF FUNDS.—Except as provided in subsection (f), a State to which a payment is made under this section may not use any part of the payment to provide medical services.

"(f) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

"(1) IN GENERAL.—A State may use not more than 30 percent of the annual amount paid to the State under this Act for a fiscal year to carry out a State program under—

"(A) part A of title IV of the Social Security Act;

"(B) part D of title IV of the Social Security Act;

"(C) title XVI of the Social Security Act;

"(D) the various Acts amended by title IV of the Work Opportunity Act of 1995;

"(E) the Child Care and Development Block Grant Act of 1990;

"(F) title VII of the Work Opportunity Act of 1995; or

"(G) title XIX of the Social Security Act.

"(2) APPLICABLE RULES.—Any amount paid to a State under this Act that is used to carry out a State program under a provision of law specified in paragraph (1) shall not be subject to the requirements of this Act, but

shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"SEC. 5. ADMINISTRATIVE AND FISCAL ACCOUNTABILITY.

"(a) AUDITS; REIMBURSEMENT.—

"(1) AUDITS.—

"(A) IN GENERAL.—A State shall, not less than annually, audit the State expenditures from amounts received under this Act. The audit shall—

"(i) determine the extent to which the expenditures were or were not expended in accordance with this Act; and

"(ii) be conducted by an approved entity in accordance with generally accepted accounting principles.

"(B) APPROVED ENTITY.—For purposes of subparagraphs (A), the term 'approved entity' means an entity that is—

"(i) approved by the Secretary of the Treasury;

"(ii) approved by the chief executive officer of a State; and

"(iii) independent of any agency administering activities funded under this Act.

"(2) REIMBURSEMENT.—

"(A) IN GENERAL.—Not later than 30 days following the completion of an audit under this subsection, a State shall submit a copy of the audit to the State legislature and to the Secretary of the Treasury.

"(B) REPAYMENT.—Each State shall pay to the United States amounts ultimately found by the approved entity under paragraph (1)(A) not to have been expended in accordance with this Act plus 10 percent of the amount as a penalty, or the Secretary of the Treasury may offset the amount plus the 10 percent penalty against any other amount in any other year that the State may be entitled to receive under this Act.

"(b) ADDITIONAL ACCOUNTING REQUIREMENT.—The provisions of chapter 75 of title 31, United States Code, shall apply to the audit requirements of this section.

"(c) REPORTING REQUIREMENTS; FORM, CONTENTS.—

"(1) ANNUAL REPORTS.—A State shall prepare comprehensive annual reports on activities carried out with amounts received by the State under this Act.

"(2) CONTENT.—Reports prepared under this section—

"(A) shall be for the most recently completed fiscal year;

"(B) shall be in accordance with generally accepted accounting principles and the provisions of section 6503 of title 31, United States Code;

"(C) shall include the results of the most recent audit conducted in accordance with the requirements of subsection (a) of this section; and

"(D) shall be in such form and contain such other information as the State considers necessary—

"(i) to provide an accurate description of each activity; and

"(ii) to secure a complete record of the purposes for which amounts were expended in accordance with this Act.

"(3) COPIES.—A State shall make copies of the reports required under this section available for public inspection within the State. Copies also shall be provided upon request to any interested public agency, and each agency may provide views on each report to the Congress.

"(d) ADMINISTRATIVE SUPERVISION.—

"(1) ROLE OF THE SECRETARY OF THE TREASURY.—

"(A) IN GENERAL.—The Secretary of the Treasury shall supervise any amounts received under this Act in accordance with subparagraph (B).

"(B) LIMITED SUPERVISION.—The supervision by the Secretary of the Treasury shall be limited to—

"(i) making quarterly payments to the States in accordance with section 4(c);

"(ii) approving an entity under subsection (a)(1)(B); and

"(iii) withholding payment to a State based on the findings of an approved entity under subsection (a)(2)(B).

"(2) OTHER FEDERAL SUPERVISION.—No administrative officer or agency of the United States, other than the Secretary of the Treasury and, as provided for in section 6, the Attorney General, shall supervise the amounts received by the States under this Act or the use of the funds by the States.

"(e) LIMITED FEDERAL OVERSIGHT.—With the exception of the Department of the Treasury under this section and section 6 of this Act, no Federal department or agency may promulgate regulations or issue rules regarding the purpose of this Act.

"SEC. 6. NONDISCRIMINATION PROVISIONS.

"(a) NO DISCRIMINATION AGAINST INDIVIDUALS.—No individual shall be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity funded in whole or in part with amounts received under this Act on the basis of—

"(1) disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);

"(2) sex under title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.); or

"(3) race, color, or national origin under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

"(b) COMPLIANCE.—

"(1) NOTIFICATION.—If the Secretary of the Treasury determines that a State, or an entity that has received funds from amounts received by the State under this Act, has failed to comply with a provision of law referred to in subsection (a), except as provided for in section 7 of this Act, the Secretary of the Treasury shall notify the chief executive officer of the State and shall request the officer to secure compliance with the provision of law.

"(2) ENFORCEMENT.—If, not later than 60 days after receiving a notification under paragraph (1), the chief executive officer fails or refuses to secure compliance, the Secretary of the Treasury 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 under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.); or section 505 of the Rehabilitation Act of 1973 (29 U.S.C. 794a); or

"(C) take such other action as may be provided by law.

"(c) AUTHORITY OF ATTORNEY GENERAL; CIVIL ACTIONS.—When a matter is referred to the Attorney General under subsection (b)(2)(A), or if the Attorney General has reason to believe that an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a), the Attorney General may bring a civil action in an appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

SEC. 7. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) IN GENERAL.—

(1) STATE OPTIONS.—Notwithstanding any other provision of law, a State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) PROGRAMS DESCRIBED.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 101).

(B) Any other program that is established or modified under titles I, II, or X that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to, beneficiaries, as a means of providing assistance.

(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow religious organizations to contract, or to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—Religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2). Neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) RELIGIOUS CHARACTER AND FREEDOM.—

(1) RELIGIOUS ORGANIZATIONS.—Notwithstanding any other provision of law, any religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance;

(B) form a separate, nonprofit corporation to receive and administer the assistance funded under a program described in subsection (a)(2) solely on the basis that it is a religious organization; or

(C) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

(1) IN GENERAL.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) with assistance from an alternative provider the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

(f) NONDISCRIMINATION IN EMPLOYMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall be construed to modify or affect the provisions of any other Federal or State law or regulation that relates to discrimination in employment on the basis of religion.

(2) EXCEPTION.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), may require that an employee rendering service pursuant to such contract, or pursuant to the organization's acceptance of certificates, vouchers, or other forms of disbursement adhere to—

(A) the religious tenets and teachings of such organization; and

(B) any rules of the organization regarding the use of drugs or alcohol.

(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) COMPLIANCE.—A religious organization which has its rights under this section violated may enforce its claim exclusively by asserting a civil action for such relief as may be appropriate, including injunctive relief or damages, in an appropriate State court against the entity or agency that allegedly commits such violation.

SEC. 8. LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.

No funds provided directly to institutions or organizations to provide services and administer programs described in section 102(a)(2) and programs established or modified under this Act shall be expended for sectarian worship or instruction. This section shall not apply to financial assistance provided to or on behalf of beneficiaries of assistance in the form of certificates, vouchers, or other forms of disbursement, if such beneficiary may choose where such assistance shall be redeemed.

SEC. 302. CONFORMING AMENDMENTS.

(a)(1) Section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) is amended—

(A) by inserting "and" at the end of subparagraph (A);

(B) by striking "; and" at the end of subparagraph (B) and inserting a period; and

(C) by striking subparagraph (C).

(2) Section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905) is amended—

(A) in subsection (h) (as enacted by section 255 of Public Law 99-177), by striking "Food stamp programs (12-3505-0-1-605 and 12-3550-0-1-605);"; and

(B) by redesignating subsection (h) (as added by section 13101(c)(4) of Public Law 101-508) as subsection (j).

(b) Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended—

(1) in subsection (h)(1), by striking "food stamps" and inserting "food assistance provided under the Food Stamp Flexibility Act of 1995"; and

(2) in subsection (i), by striking paragraph (1) and inserting the following:

"(1) food assistance provided under the Food Stamp Flexibility Act of 1995;".

(c) Section 205 of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended—

(1) by striking subsection (a); and

(2) in subsection (b), by striking "(b) Except" and inserting "Except".

(d)(1) Section 3(a)(2) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraphs (C) through (F) as subparagraphs (B) through (E), respectively.

(2) Section 3(e)(1)(D)(iii) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended—

(A) by striking subclause (II); and

(B) by redesignating subclauses (III) through (V) as subclauses (II) through (IV), respectively.

(e) Section 110(h)(2) of the Hunger Prevention Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended by striking "the Food Stamp Act of 1977," and inserting "the Food Stamp Flexibility Act of 1995,".

(f) The matter under the heading "FOOD STAMP PROGRAM" under the heading "FOOD AND NUTRITION SERVICE" of chapter I of title I of the Supplemental Appropriations Act, 1985 (99 Stat. 297; 7 U.S.C. 2012a) is amended by striking ": *Provided*," and all that follows through "health centers".

(g) The first sentence of section 1337 of the Agriculture and Food Act of 1981 (7 U.S.C. 2270) is amended by striking ", including but not limited to the Food Stamp Act of 1977,".

(h)(1) Section 1584 of the Food Security Act of 1985 (7 U.S.C. 3175a) is amended by striking "in households" and all that follows through "1977" and inserting "and families eligible to participate in programs under the Food Stamp Flexibility Act of 1995".

(2) Section 1585 of the Food Security Act of 1985 (7 U.S.C. 3175b) is amended—

(A) in the matter preceding paragraph (1), by striking "Food Stamp Act of 1977" and inserting "Food Stamp Flexibility Act of 1995"; and

(B) in paragraph (1), by striking "food stamps and other".

(i) Section 1114 of the Agriculture and Food Act of 1981 (7 U.S.C. 4004a) is amended by striking subsection (d).

(j)(1) Section 931(3) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102-237; 7 U.S.C. 5930 note) is amended by striking subparagraphs (B) and (C) and inserting the following:

"(B) are participating in the food assistance block grant program established under the Food Stamp Flexibility Act of 1995; or

"(C) have income below 185 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively.".

(2) Section 932(1) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102-237; 7 U.S.C. 5930 note) is amended by striking subparagraphs (B) and (C) and inserting the following:

"(B) is participating in the food assistance block grant program established under the Food Stamp Flexibility Act of 1995; or

"(C) has income below 185 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively.".

(k) Section 1679(c)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5932(c)(2)) is amended by striking "food stamp program, the expanded food and nutrition education program," and inserting "expanded food and nutrition education program".

(l) Section 245A(h)(1)(A)(iii) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(1)(A)(iii)) is amended by striking "Food Stamp Act of 1977" and inserting "Food Stamp Flexibility Act of 1995".

(m) Section 1956(c)(7)(D) of title 18, United States Code, is amended by striking "section 15" and all that follows through "$5,000," and inserting "the Food Stamp Flexibility Act of 1995".

(n) Section 231(d)(3)(A)(iii) of the Carl D. Perkins Vocational Education Act (20 U.S.C. 2341(d)(3)(A)(iii)) is amended by striking "Food Stamp Act of 1977" and inserting "Food Stamp Flexibility Act of 1995".

(o)(1) Section 32(j) of the Internal Revenue Code of 1986 is amended—

(A) by inserting "and" at the end of paragraph (3);

(B) by striking ", and" at the end of paragraph (4) and inserting a period; and

(C) by striking paragraph (5).

(2) Section 6103(*l*)(7) of the Code is amended—

(A) in the paragraph heading, by striking "FOOD STAMP ACT OF 1977" and inserting "FOOD STAMP FLEXIBILITY ACT OF 1995"; and

(B) in subparagraph (D)(vi), by striking "the Food Stamp Act of 1977" and inserting "the Food Stamp Flexibility Act of 1995".

(3) Section 6109 of the Code is amended—

(A) in subsection (f) (as added by section 1735(c) of Public Law 101-624)—

(i) in the subsection heading, by striking "FOOD STAMP ACT OF 1977" and inserting "THE FOOD STAMP FLEXIBILITY ACT OF 1995"; and

(ii) in paragraph (1)—

(I) in the first sentence, by striking "section 9 of the Food Stamp Act of 1977 (7 U.S.C. 2018)" and inserting "the Food Stamp Flexibility Act of 1995"; and

(II) in the second sentence, by striking "section 12 or 15 of such Act (7 U.S.C. 2021 or 2024)" and inserting "the Act".

(B) by redesignating subsection (f) (as added by section 2201(d) of Public Law 101-624) as subsection (g); and

(4) Section 7523(b)(3)(C) of the Code is amended by striking "food stamps" and inserting "food assistance under the Food Stamp Flexibility Act of 1995".

(p) Section 3(b) of the Act of June 6, 1933 (48 Stat. 114, chapter 49; 29 U.S.C. 49b(b)) is amended by striking "the food stamp" and all that follows through "2011 et seq.)," and inserting "food assistance under the Food Stamp Flexibility Act of 1995".

(q)(1) Section 4(8)(C) of the Job Training Partnership Act (29 U.S.C. 1503(8)(C)) is amended by striking "food stamps pursuant to the Food Stamp Act of 1977" and inserting "food assistance under the Food Stamp Flexibility Act of 1995".

(2) Section 205(a) of the Job Training Partnership Act (29 U.S.C. 1605(a)) is amended—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) through (14) as paragraphs (5) through (13), respectively.

(3) Section 655(b) of the Job Training Partnership Act (29 U.S.C. 1645(b)) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8), (9), and (10) as paragraphs (7), (8), and (9), respectively.

(4) Section 701(b)(2)(A) of the Job Training Partnership Act (29 U.S.C. 1792(b)(2)(A)) is amended—

(A) by inserting "and" at the end of clause (v);

(B) by striking clause (vii).

(r) Section 3803(c)(2)(C)(vii) of title 31, United States Code, is amended by striking "food stamp" and all that follows and inserting "Food Stamp Flexibility Act of 1995;".

(s) Section 522(b)(7)(C) of the Public Health Service Act (42 U.S.C. 290cc-22(b)(7)(C)) is amended by striking "food stamps" and inserting "food assistance under the Food Stamp Flexibility Act of 1995".

(t)(1) Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended—

(B) in clause (iii)(II), by striking the last sentence and inserting "Any information shared under this subclause may be used by the other agency or instrumentality only for the purpose of investigation of violations of Federal laws or enforcement of such laws."; and

(B) in clause (iv)—

(i) in the first sentence, by striking "section 9 of the Food Stamp Act of 1977 (7 U.S.C. 2018)" and inserting "the Food Stamp Flexibility Act of 1995"; and

(ii) in the second sentence, by striking "section 12 or 15 of such Act (7 U.S.C. 2021 or 2024)" and inserting "the Act".

(2) Section 303(d) of the Social Security Act (42 U.S.C. 503(d)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "food stamp agency" and inserting "food assistance agency"; and

(ii) in subparagraph (B), by striking "food stamp program" and all that follows and inserting "Food Stamp Flexibility Act of 1995.";

(B) in paragraph (2)—

(i) by striking subparagraph (B) and inserting the following:

"(B) The State agency charged with the administration of the State law—

"(i) may require each new applicant for unemployment compensation to disclose whether the applicant owes any amount to a State food assistance agency;

"(ii) may notify a State food assistance agency that the applicant has been determined to be eligible for unemployment compensation if—

"(I) the applicant disclosed under clause (i) that the applicant owes an amount to the food assistance agency; and

"(II) the applicant has been determined to be eligible for unemployment compensation;

"(iii) may deduct and withhold from any unemployment compensation otherwise payable to an individual any amount owed by the individual to a State food assistance agency; and

"(iv) shall pay any amount deducted and withheld under clause (iii) to the appropriate State food assistance agency.";

(ii) in subparagraph (C), by striking "food stamp agency" and all that follows and inserting "food assistance agency as repayment by the individual to the food assistance agency."; and

(iii) by striking subparagraph (D) and inserting the following:

"(D) A State food assistance agency shall reimburse the State agency charged with the administration of the State unemployment compensation law for the administrative costs incurred by the State agency under this paragraph that are attributable to payment to the food assistance agency under this paragraph."; and

(C) by striking paragraph (4) and inserting the following:

"(4) In this subsection, the term 'food assistance agency' means an agency designated by a State to provide food assistance under the Food Stamp Flexibility Act of 1995.".

(3) Section 402(a) of the Social Security Act (42 U.S.C. 602(a)) is amended—

(A) in the first sentence—

(i) in paragraph (7)(C)(i), by striking "family's monthly allotment of food stamp coupons" and inserting "food assistance the family receives under the Food Stamp Flexibility Act of 1995"; and

(ii) in paragraph (30)(B), by striking "food stamp" and inserting "food assistance under the Food Stamp Flexibility Act of 1995"; and

(B) in the second sentence, by striking "Food Stamp Act of 1977" and inserting "Food Stamp Flexibility Act of 1995".

(4) Section 410 of the Social Security Act (42 U.S.C. 610) is repealed.

(5) The first section of Public Law 94-585 (42 U.S.C. 610 note) is amended by striking subsection (b).

(6) The second sentence of section 416(c) of the Social Security Act (42 U.S.C. 616(c)) is amended by striking "food stamp program" and insert "Food Stamp Flexibility Act of 1995".

(7) Section 433(c) of the Social Security Act (42 U.S.C. 629c(c)) is amended—

(A) in paragraph (1), by striking "food stamp percentage" and inserting "food assistance percentage"; and

(B) in paragraph (2)—

(i) in the paragraph heading, by striking "FOOD STAMP" and inserting "FOOD ASSISTANCE"; and

(ii) by striking subparagraph (A) and inserting the following:

"(A) IN GENERAL.—As used in paragraph (1), the term 'food assistance percentage' means, with respect to a State and a fiscal year, the average monthly number of children receiving food assistance benefits in the State for months in the 3 fiscal years referred to in subparagraph (B) of this paragraph, as determined from sample surveys made under the Food Stamp Flexibility Act of 1995, expressed as a percentage of the average monthly number of children receiving food assistance benefits in the States described in paragraph (1) for months in the 3 fiscal years, as so determined.".

(8) Section 1136(f)(1) of the Social Security Act (42 U.S.C. 1320b-6(f)(1)) is amended by striking "the Federal food stamp program" and inserting "the food assistance program under the Food Stamp Flexibility Act of 1995".

(9) Section 1137 of the Social Security Act (42 U.S.C. 1320b-7) is amended—

(A) in paragraphs (2) and (5)(B) of subsection (a), by striking "food stamp program" each place it appears and inserting "food assistance program under the Food Stamp Flexibility Act of 1995; and

(B) in subsection (b), by striking paragraph (4) and inserting the following:

"(4) the food assistance program under the Food Stamp Flexibility Act of 1995; and".

(10) Section 1631(n) of the Social Security Act (42 U.S.C. 1383(n)) is amended—

(A) in the subsection heading, by striking "FOOD STAMP" and inserting "FOOD ASSISTANCE"; and

(B) by striking "food stamp program" and all that follows and inserting "food assistance program under the Food Stamp Flexibility Act of 1995."

(11) Section 1924(d)(4)(B) of the Social Security Act (42 U.S.C. 1396r-5(d)(4)(B)) is amended by striking "section 5(e) of the Food Stamp Act of 1977" and inserting "Food Stamp Flexibility Act of 1995".

(u) Section 8(k) of the United States Housing Act of 1937 (42 U.S.C. 1437f(k)) is amended by striking "the Food Stamp Act of 1977" and inserting "the Food Stamp Flexibility Act of 1995".

(v)(1) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(A) in subsection (b)—

(i) in paragraph (2)(C)(ii), by striking subclause (I) and inserting the following:

"(I) a family that is receiving food assistance under the Food Stamp Flexibility Act of 1995; or"; and

(ii) in paragraph (6)—

(I) in subparagraph (A), by striking clause (i) and inserting the following:

"(i) a member of a family receiving assistance under the Food Stamp Flexibility Act of 1995;"; and

(II) in subparagraph (B), by striking "food stamps" and inserting "food assistance under the Food Stamp Flexibility Act of 1995"; and

(ii) in subsection (d)(2)(B), by striking "the food stamp program under the Food Stamp Act of 1977" and inserting "a food assistance program under the Food Stamp Flexibility Act of 1995".

(2) Section 17(o)(5) of the National School Lunch Act (42 U.S.C. 1766(o)(5)) is amended by striking subparagraph (A) and inserting the following:

"(A) a member of a family receiving food assistance under the Food Stamp Flexibility Act of 1995; or".

(w) Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(1) in subsection (c)(1)—

(A) in subparagraph (A), by striking "food stamp program" and inserting "food assistance program under the Food Stamp Flexibility Act of 1995"; and

(B) in subparagraph (B), by striking "food stamps" and inserting "food assistance under the Act";

(2) in subsection (d)(2)(A)(ii)(I), strike "food stamps" and all that follows and insert "food assistance under the Food Stamp Flexibility Act of 1995; or";

(3) in subsection (e)(4)(A), by striking "food stamps" and inserting "food assistance under the Food Stamp Flexibility Act of 1995";

(4) in subsection (f)(1)(C)(iii), by striking "food stamp" and inserting "food assistance

programs under the Food Stamp Flexibility Act of 1995"; and

(5) in subsection (m)(7)(B)—

(A) by striking "the food stamp program carried out under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)" and inserting "any food assistance under the Food Stamp Flexibility Act of 1995"; and

(B) by striking "in lieu of food stamps".

(x)(1) Section 202(a) of the Older Americans Act of 1965 (42 U.S.C. 3012(a)) is amended—

(A) in paragraph (20)(A), by striking "benefits under the Food Stamp Act of 1977" and inserting "food assistance under the Food Stamp Flexibility Act of 1995"; and

(B) in paragraph (23), by striking "benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)" and inserting "food assistance under the Food Stamp Flexibility Act of 1995".

(2) Section 206(g)(1)(N) of the Older Americans Act of 1965 (42 U.S.C. 3017(g)(1)(N)) is amended by striking "food stamp benefits" and inserting "food assistance under the Food Stamp Flexibility Act of 1995".

(3) Section 509 of the Older Americans Act of 1965 (42 U.S.C. 3056g) is amended—

(A) in the section heading, by striking "FOOD STAMP" and inserting "FOOD ASSISTANCE"; and

(B) by striking "the Food Stamp Act of 1977" and inserting "the Food Stamp Flexibility Act of 1995".

(4) Section 706(a)(3) of the Older Americans Act of 1965 (42 U.S.C. 3058e(a)(3)) is amended to read as follows:

"(3) food assistance under the Food Stamp Flexibility Act of 1995.".

(5) Section 741(a)(4)(D) of the Older Americans Act of 1965 (42 U.S.C. 3058k(a)(4)(D)) is amended to read as follows:

"(D) a food assistance program established under the Food Stamp Flexibility Act of 1995;".

(y) Section 705(a)(2)(D) of the Older Americans Act Amendments of 1992 (Public Law 102-375; 42 U.S.C. 3058k note) is amended to read as follows:

"(D) a food assistance program established under the Food Stamp Flexibility Act of 1995; and"

(z) Section 412 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5179) is amended to read as follows:

"SEC. 412. FOOD ASSISTANCE.

"On the determination by the President that, as a result of a major disaster, low-income households in a State are unable to purchase adequate amounts of nutritious food, the State may distribute food assistance under the Food Stamp Flexibility Act of 1995.".

(aa) Section 802(d)(2)(A) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8011(d)(2)(A)) is amended—

(1) in the subparagraph heading, by striking "FOOD STAMPS" and inserting "FOOD ASSISTANCE"; and

(2) by striking clause (i) and inserting the following:

"(i) shall—

"(I) apply as a retail provider of food under any applicable food assistance program under the Food Stamp Flexibility Act of 1995; and

"(II) if approved as a retail provider of food, accept food assistance payments from individuals receiving assistance under the Act; and"

(bb) Section 2605 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624) is amended—

(1) in subsection (b)(2)(A), by striking clause (iii) and inserting the following:

"(iii) food assistance under the Food Stamp Flexibility Act of 1995; or"; and

(2) in subsection (f)—

(A) in paragraph (1), by striking "food stamps" and inserting "food assistance"; and

(B) in paragraph (2), by striking "and for purposes" and all that follows through "2014(e))".

(cc) Section 29 of the Alaska Native Claims Settlement Act (43 U.S.C. 1626) is amended—

(1) in subsection (b), by striking "Notwithstanding section 5(a)" and all that follows through "food stamp program," and inserting "In determining the eligibility of a household to participate in a food assistance program under the Food Stamp Flexibility Act of 1995,"; and

(2) in subsection (c), by striking paragraph (1) and inserting the following:

"(1) participate in a food assistance program under the Food Stamp Flexibility Act of 1995,".

SEC. 303. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on October 1, 1995.

KENNEDY AMENDMENTS NOS. 2563–2564

Mr. GRAHAM (for Mr. KENNEDY) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2563

On page 289, line 5, strike the period and insert ", but in no event shall such period extend beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act."

On page 291, line 14, strike the period and insert ", but in no event shall such period extend beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act."

On page 293, line 16, insert "but in no event shall the sponsor be required to provide financial support beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act." after "quarters".

AMENDMENT NO. 2564

On page 292, line 5, strike "and".

On page 292, line 11, strike the period and insert "; and".

On page 292, between lines 11 and 12, insert the following new subparagraph:

(F) benefits or services which serve a compelling humanitarian or compelling public interest as specified by the Attorney General in consultation with appropriate Federal agencies and departments.

GRAHAM (AND OTHERS) AMENDMENT NO. 2565

Mr. GRAHAM (for himself, Mr. BUMPERS, Mr. BRYAN, Ms. MOSELEY-BRAUN, Mr. PRYOR, Mr. JOHNSTON, and Mr. REID) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 17, line 2, strike "paragraphs (3) and (5), section 407 (relating to penalties)," and insert "section 407 (relating to penalties)".

On page 17, beginning on line 16, strike all through line 22, and insert the following:

"equal to the amount determined under paragraph (3), reduced by the amount (if any) determined under subparagraph (B)."

On page 18, beginning on line 22, strike all through page 22, line 8, and insert the following:

"(3) STATE FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), for purposes of paragraph (2), the amount of the State family assistance grant to a State for a fiscal year is an amount which bears the same ratio to the amount appropriated for such fiscal year under paragraph (4)(A) as the average number of minor children in families within the State having incomes below the poverty line for the 3-preceding fiscal years bears to the average number of minor children in families within all States having incomes below the poverty line for such 3-preceding fiscal years.

"(B) SPECIAL RULES.—

"(i) CEILING—Except as provided in clause (ii), the amount of the State family assistance grant for a fiscal year to a State shall not exceed—

"(I) for fiscal year 1996, an amount equal to 150 percent of the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995); and

"(II) for each fiscal year there-after, an amount equal to 150 percent of the total amount of the State family assistance grant to the State for the preceding fiscal year.

"(ii) MINIMUM ALLOCATION.—

"(I) IN GENERAL.—Subject to subclause (II), if the amount of the State family assistance grant determined under subparagraph (A) for a fiscal year is less than 0.6 percent of the total amount appropriated for such fiscal year under paragraph (4)(A), the amount of such grant for such fiscal year shall be an amount equal to the lesser of—

"(aa) 0.6 percent of the amount appropriated under paragraph (4)(A) for such fiscal year, or

"(bb) an amount equal to two times the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995).

"(II) REDUCTION IF AMOUNTS NOT AVAILABLE.—If the aggregate amount by which State family assistance grants for States is increased for a fiscal year under subclause (I) exceeds the aggregate amount by which State family assistance grants for States is decreased for the fiscal year under clause (i), the amount of the State family assistance grant to a State to which this clause applies shall be reduced by an amount which bears the same ratio to the aggregate amount of such excess as the average number of minor children in families within the State having incomes below the poverty line for the 3-preceding fiscal years bears to the average number of minor children in families within all States to which this clause applies having incomes below the poverty line for such 3-preceding fiscal years.

"(C) ALLOCATION OF REMAINDER.—

"(i) IN GENERAL.—A State that is an eligible State for a fiscal year shall be entitled to an increase in the State family assistance grant equal to the additional allocation amount determined under clause (ii) (if any) for such State for the fiscal year.

"(ii) ADDITIONAL ALLOCATION AMOUNT.—The additional allocation amount for an eligible State for a fiscal year determined under this clause is the amount which bears the same ratio to the remainder allocation amount for the fiscal year determined under clause (iii) as the average number of minor children in

families within the eligible State having incomes below the poverty line for the 3-preceding fiscal years bears to the average number of minor children in families within all eligible States having incomes below the poverty line for such 3-preceding fiscal years.

"(iii) REMAINDER ALLOCATION AMOUNT.—The remainder allocation amount determined under this clause is the amount (if any) that is equal to the difference between—

"(I) the amount appropriated for the fiscal year under paragraph (4)(A), and

"(II) an amount equal to the sum of the family assistance grants determined under this paragraph (without regard to this subparagraph) for all States for such fiscal year.

"(iv) ELIGIBLE STATE.—For purposes of this subparagraph, the term 'eligible State' means a State whose State family assistance grant for the fiscal year, as determined under this paragraph (without regard to this subparagraph), is less than the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995).

"(D) OPTION TO BASE ALLOCATIONS ON PRECEDING FISCAL YEAR DATA.—The Secretary may in lieu of using data for the 3-preceding fiscal years, allocate funds under this paragraph based on data for the most recent fiscal year for which accurate data are available.

"(E) DEFINITIONS AND SPECIAL RULES.— For purposes of this paragraph—

"(i) POVERTY LINE.—The term 'poverty line' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(ii) 3-PRECEDING FISCAL YEARS.—The term '3-preceding fiscal years' means the 3 most recent fiscal years preceding the current fiscal year for which data are available.

"(iv) PUBLICATION OF ALLOCATIONS.—Not later than January 15th of each calendar year, the Secretary shall publish in the Federal Register the amount of the family assistance grant to which each State is entitled under this subsection for the fiscal year that begins in such calendar year.

On page 23, beginning on line 7, strike all through page 24, line 18.

GRAHAM AMENDMENT NOS. 2566–2567

Mr. GRAHAM proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2566

At the appropriate place, insert the following new section:

SEC. . UNFUNDED FEDERAL INTERGOVERNMENTAL MANDATES.

(a) IN GENERAL.—Notwithstanding any other provision of law—

(1) no later than 15 days after the beginning of fiscal year 1996, and annually thereafter through fiscal year 2000, the Director of the Congressional Budget Office shall, in a manner similar to section 424(a) (1) and (2) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658c(a) (1) and (2)), estimate the direct costs for the fiscal year of each Federal intergovernmental mandate resulting from the enactment of this Act or any other legislation that includes welfare reform provisions and determine whether there are sufficient appropriations for the fiscal year to provide for the direct costs.

(2) each responsible Federal agency shall, for each fiscal year described in paragraph (1), identify any appropriations bill or other legislation that provides Federal funding of the direct costs described in paragraph (1) which relate to each Federal intergovernmental mandate within the agency's jurisdiction and shall determine whether there are insufficient appropriations for the fiscal year to provide such direct costs, and

(3) no later 30 days after the beginning of each fiscal year described in paragraph (1), the responsible Federal agency shall notify the appropriate authorizing committees of Congress of the agency's determination under paragraph (2) and submit either—

(A) a statement that the agency has determined based on a re-estimate of the direct costs of such mandate, after consultation with State, local, and tribal governments, that the amount appropriated is sufficient to pay for the direct costs of such Federal intergovernmental mandate for the fiscal year, or

(B) legislative recommendations for—

(i) implementing a less costly Federal intergovernmental mandate, or

(ii) making such mandate ineffective for the fiscal year.

(b) LEGISLATIVE ACTION.—

(1) IN GENERAL.—The Congress shall consider on an expedited basis, under procedures similar to the procedures set forth in section 425 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658d), the statement or legislative recommendations described in subsection (a)(3) no later than 30 days after the statement or recommendations are submitted to Congress.

(a) LEGISLATIVE ACTION REQUIRED.—The Federal intergovernmental mandate to which a statement described in subsection (a)(2) relates shall—

(i) cease to be effective on the date that is 60 days after the date the statement is submitted under subsection (a)(3)(A) unless Congress has approved the agency's determination under subsection (a)(3)(A) by joint resolution during the 60-day period;

(ii) cease to be effective on the date that is 60 days after the date of the legislative recommendations described in subsection (a)(3)(B) are submitted to the Congress, unless Congress provides otherwise by law; or

(iii) in the case that such mandate has not yet taken effect, continue not to be effective unless Congress provides otherwise by law.

(c) DEFINITIONS.—For purposes of this section:

(1) RESPONSIBLE FEDERAL AGENCY.—The term "responsible Federal agency" means the agency that has jurisdiction with respect to a Federal intergovernmental mandate created by the provisions of this Act or any other legislation that is enacted that includes welfare reform provisions.

(2) FEDERAL INTERGOVERNMENTAL MANDATE; DIRECT COSTS.—The terms "Federal intergovernmental mandate" and "direct costs" have the meanings given such terms by section 421 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658).

(3) WELFARE REFORM PROVISIONS.—The term "welfare reform provisions" means provisions of Federal law relating to any Federal benefit for which eligibility is based on need.

AMENDMENT NO. 2567

On page 64, line 10, after the period, insert the following: "In ranking States under this subsection, the Secretary shall take into account the average number of minor children in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families."

GRAHAM AMENDMENT NOS. 2568–2569

Mr. GRAHAM proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2568

On page 12, strike lines 10 and 11, and insert the following:

"(C) Satisfy the work participation rate goals established for the State pursuant to section 404(b)(6).

On page 29, beginning with line 19, strike all through the table preceding line 3, on page 30, and insert the following:

"SEC. 404. NATIONAL WORK PARTICIPATION RATE GOALS.

"(a) NATIONAL GOALS FOR WORK PARTICIPATION RATES.—A State to which a grant is made under section 403 shall make every effort to achieve the national work participation rate goals specified in the following tables for the fiscal year with respect to—

"(1) all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The national participation rate goal for all families is:
1996	25
1997	30
1998	35
1999	40
2000 or thereafter	50;

and

"(2) with respect to 2-parent families receiving such assistance:

"If the fiscal year is:	The national participation rate goal is:
1996	60
1997 or 1998	75
1999 or thereafter	90.

On page 35, between lines 2 and 3, insert the following:

"(6) MODIFICATIONS TO NATIONAL PARTICIPATION RATE GOALS TO REFLECT THE NUMBER OF FAMILIES RECEIVING ASSISTANCE IN EACH STATE.—The Secretary, after consultation with the States, shall establish specific work participation rate goals for each State by adjusting the national participation rate goals to reflect the level of Federal funds a State is receiving under this part for the fiscal year and the average number of minor children in families having incomes below the poverty line that are estimated for the State for the fiscal year. Not later than January 15, 1996, and each year thereafter, the Secretary shall publish in the Federal Register the participation rate goals for each State for the current fiscal year.

On page 52, beginning on line 24, strike all through "fiscal year," on page 53, line 4, and insert the following:

"(3) FAILURE TO SATISFY PARTICIPATION RATE.—

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the work participation rate goals specified for the State pursuant to section 404(b)(6) for a fiscal year,

AMENDMENT NO. 2569

On page 300, line 10, insert "other than section 506 of this Act," after "law,".

On page 302, between lines 5 and 6, insert the following:

SEC. 506. APPLICATION OF TITLE TO CERTAIN BENEFICIARIES.

The provisions of, and amendments made by, this title shall not apply to any noncitizen who is lawfully present in the U.S. and receiving benefits under a program on the date of the enactment of this Act.

DODD (AND LEAHY) AMENDMENT NO. 2570

Mr. DODD (for himself and Mr. LEAHY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Section 320 is amended by adding at the end thereof the following:

"(4) STATE ELECTRONIC BENEFITS TRANSFER OPTIONS IN GENERAL.—States may implement electronic benefit transfer systems under the authorities and conditions set forth in section 7(i) and related provisions, or the authorities and conditions set forth in paragraph (5).

"(5) ELECTRONIC BENEFITS TRANSFER CARD SYSTEMS ASSISTANCE OPTION.—If a State notifies the Secretary of its intention to convert to a state-wide electronic benefits transfer card system, or a multiple-State regional electronic benefits transfer card system with other state-wide systems, within three years of the date of enactment of this paragraph, the Secretary shall allow the establishment of an electronic benefits transfer card system within the State under the following terms—

"(A) COORDINATION AND LAW ENFORCEMENT.—

"(i) CONVERSION.—The Secretary shall coordinate with, and assist, the State or States in a regional system in eliminating the use of food stamp coupons and the full conversion to an electronic benefits transfer card system within three years after the decision of the State to convert to the system set forth in this paragraph.

"(ii) OPERATIONS.—States shall take into account generally accepted standard operating rules for carrying out this paragraph, based on—

"(I) commercial electronic funds transfer technology;

"(II) the need to permit interstate operation and law enforcement monitoring; and

"(III) the need to permit monitoring and investigations by authorized law enforcement agencies.

"(iii) LAW ENFORCEMENT.—The Secretary, in consultation with the Inspector General of the United States Department of Agriculture and the United States Secret Service, shall inform the State of proper security features, good management techniques, and methods of deterring counterfeiting.

"(B) PAPER AND OTHER ALTERNATIVE BENEFIT TRANSFER SYSTEMS.—Beginning on the date of the implementation of the electronic benefits transfer card system in a State under authority of this paragraph, the Secretary shall also permit the use of paper-based and other benefit transfer approaches for providing benefits to food stamp households in the case of special-need retail food stores.

"(C) STATE-PROVIDED EQUIPMENT.—

"(i) ELECTRONIC BENEFITS TRANSFER CARD SYSTEM.—

"(I) IN GENERAL.—A retail food store that does not have point-of-sale electronic benefits transfer equipment, and does not intend to obtain point-of-sale electronic benefits transfer equipment in the near future, shall be provided by a State agency with, or reimbursed for, the costs of purchasing and installing single-function, point-of-sale equipment, and related telephone equipment, which shall be used only for Federal and State assistance program.

"(II) EQUIPMENT REQUIREMENTS.—Equipment provided under this subparagraph shall be capable of interstate operations and based on generally accepted commercial electronic benefits transfer operating principles that permit interstate law enforcement monitoring and shall be capable of providing a recipient with access to multiple Federal and State benefit programs.

"(ii) PAPER AND OTHER ALTERNATIVE BENEFIT SYSTEMS.—A special-need retail store that does not obtain, and does not intend to obtain in the near future, point-of-sale paper-based or other alternative benefits transfer equipment shall be provided by the State agency or compensated for the costs of purchasing such equipment which shall be used only for Federal and State assistance programs. Such paper systems includes using the electronic benefit transfer card to make an impression on a point-of-sale paper document.

"(iii) RETURN OF ELECTRONIC BENEFITS TRANSFER EQUIPMENT.—A retail food store may at any time return the equipment to the State and obtain equipment with funds of the store.

"(iv) COST TO STORES.—The cost of documents of systems that may be required pursuant to this paragraph may not be imposed upon a retail food store participating in the program.

"(D) CHARGING FOR ELECTRONIC BENEFITS TRANSFER CARD REPLACEMENT.—

"(i) IN GENERAL.—Under this paragraph, the Secretary shall reimburse State agencies for the costs of purchasing and issuing electronic benefits transfer cards; and

"(ii) REPLACEMENT CARDS.—Under this paragraph, the Secretary may charge a household through allotment reduction or otherwise for the cost of replacing a lost or stolen electronic benefit transfer card, unless the card was stolen by force or threat of force.".

"(E) TRANSITION FUND.—At the beginning of each fiscal year during the 10-year period beginning with the first full fiscal year following the date of enactment of this paragraph, the Secretary shall place the amount of the funds generated by the transaction fees provided in subparagraph (F) into an account, to be known as the Transition Conversion Account, to remain available until expended.

"(F) TRANSACTION FEE.—

(i) During the 10-year period beginning on the date of enactment of this paragraph, the Secretary shall, to the extent necessary to not increase costs to the Secretary under this paragraph, impose a transaction fee of not more than 2 cents for each transaction made at a retail food store using an electronic benefits transfer card authorized by this paragraph, to be taken from the benefits of the household using the card, except that no household shall be assessed more than 16 cents under this paragraph per month. The Secretary may reduce the fee on a household receiving the maximum benefits available under the program.

"(ii) FEES LIMITED TO USES.—A fee imposed under clause (i) shall be in an amount not greater than is necessary to carry out the uses of the Transition Conversion Account in subparagraph (G).

"(G)(i)DUTY OF SECRETARY.—Out of funds in the Transition Conversion Account, and, only to the extent necessary, out of funds provided to carry out this Act, the Secretary shall provide funds to provide transition assistance and funds to States participating under this paragraph for—

"(I) the reasonable cost of purchasing and installing, or for the cost of reimbursing a retail food store for the cost of purchasing and installing single-function, point-of-sale equipment described in subparagraph (C), to be used only for Federal and State assistance programs;

"(II) the reasonable start-up cost of purchasing and installing telephone equipment or connections for single-function, point-of-sale equipment, to be used only for Federal and State assistance programs; and

"(III) assistance to modify an electronic benefits transfer system implemented by a State prior to the date of enactment of this paragraph to the extent necessary to operate statewide or multi-statewide under this paragraph.

"(ii) USE OF ACCOUNT.—The Secretary shall use funds in the Transition Conversion Account in implementing this paragraph and to—

"(I) provide start-up training for State agencies, employees and recipients based on a plan approved by Secretary;

"(II) pay for other one-time reasonable costs of converting to an electronic benefits transfer system that is capable of interstate functions and is capable of being monitored by law enforcement agencies;

"(III) pay for liabilities assumed by the Secretary under subparagraph (I);

"(IV) pay other liabilities related to the electronic benefits transfer system established under this paragraph that are incurred by the Secretary; and

"(V) expand and implement a nationwide program to monitor compliance with program rules related to retail food stores and the electronic delivery of benefits under this Act.

"(H) COMPETITIVE BIDDING.—In purchasing point-of-sale equipment described in subparagraph (C), electronic benefits transfer cards, and telephone equipment or connections referred to in subparagraph (G), States shall use competitive bidding systems to ensure that they obtain the lowest prices for the equipment and cards that meet specifications. States shall not enter into purchase agreements which condition the purchase of additional services or equipment from suppliers of equipment or cards under this paragraph. The Secretary shall monitor the sale prices for such equipment and cards and the Inspector General shall investigate possible wrongdoing or fraud as appropriate.

"(I) LIABILITY OR REPLACEMENT BENEFITS FOR UNAUTHORIZED USE OF EBT CARDS.—

"(i) IN GENERAL.—The Secretary shall require State agencies that choose to implement an electronic benefits transfer system under this paragraph to advise any household participating in the food stamp program how to promptly report a lost, destroyed, damaged, improperly manufactured, dysfunctional, or stolen electronic benefits transfer card.

"(ii) REGULATIONS.—Under this paragraph, the Secretary shall issue regulations providing that—

"(I) a household shall not receive any replacement for benefits lost due to the unauthorized use of an electronic benefits transfer card; and

"(III) a household shall not be liable for any amounts in excess of the benefits available to the household at the time of the unauthorized use.

"(iii) SPECIAL LOSSES.—Notwithstanding clause (ii), under this paragraph a household

shall receive a replacement for any benefits lost if the loss was caused by—

"(I) force or the threat of force.

"(II) unauthorized use of the card after the State agency receives notice that the card was lost or stolen; or

"(III) a system error or malfunction, fraud, abuse, negligence, or mistake by the service provider, the card issuing agency, or the State agency, or an inaccurate execution of a transaction by the service provider.

"*Provided*, That with respect to losses described in subclause (II) and (III), the State shall reimburse the Secretary. Nothing in subclause (III) shall prevent a State from obtaining reimbursement from the service provider or the card issuing agency for system error or malfunction, fraud, abuse, negligence, or mistake by such service provider or card issuing agency.

"(J) ELIMINATION OF FOOD STAMP COUPONS.—

"(i) IN GENERAL.—Except as provided in clause (ii) and (iii) and notwithstanding any other provision of this Act, effective beginning on the date 3 years after the date a chief executive officer of a State informs the Secretary that the State intends to implement an electronic benefits transfer system authorized by this paragraph, the Secretary shall not provide any food stamp coupons to the State.

"(ii) EXCEPTIONS.—

"(I) EXTENSION.—Clause (i) shall not apply to the extent that the chief executive officer of a State determines that an extension is necessary and so notifies the Secretary in writing, except that the extension shall not extend beyond 5 years after the date that a chief executive officer of a State informs the secretary of the decision to implement an electronic benefits transfer system under this paragraph.

"(II) WAIVER.—In addition to any extension under subclause (I), the Secretary may grant a waiver to a State to phase-in or delay, implementation of electronic benefits transfer for good cause shown by the State, except that the waiver shall not extend for more than 6 months.

"(iii) DISASTER RELIEF.—The Secretary may provide food stamp coupons for disaster relief under section 5(h).".

"(K) SPECIAL RULE.—A State agency may require a household to explain the circumstances regarding each occasion that—

"(i) the household reports a lost or stolen electronic benefits transfer card; and

"(ii) the card was used for an unauthorized transaction.

In the appropriate circumstances, the state agency shall investigate and ensure that appropriate cases are acted upon either through administrative disqualification or referral to courts of appropriate jurisdiction, or referral for prosecution.

"(L) ESTABLISHMENT.—In carrying out this paragraph, the States shall—

"(i) take into account the needs of law enforcement personnel and the need to permit and encourage further technological developments and scientific advances;

"(ii) ensure that security is protected by appropriate means such as requiring that a personal identification number be issued with each electronic benefits transfer card to help protect the integrity of the program;

"(iii) provide for—

"(I) recipient protection regarding privacy, ease of use, and access to and service in retail food stores;

"(II) financial accountability and the capability of the system to handle interstate operations and interstate monitoring by law enforcement agencies including the Inspector General of the Department of Agriculture;

"(III) rules prohibiting store participation unless any appropriate equipment necessary to permit households to purchase food with the benefits issued under the Food Stamp Act of 1977 is operational and reasonably available; and

"(IV) rules providing for monitoring and investigation by an authorized law enforcement agency including the Inspector General of the Department of Agriculture.

"(M) ADDITIONAL EMPLOYEES.—The Secretary shall assign additional employees to investigate and adequately monitor compliance with program rules related to electronic benefits transfer systems and retail food store participation.

"(N) REQUEST FOR STATEMENT.—Under this paragraph on the request of a household, the State, through a person issuing benefits to the household, shall provide once per month a statement of benefit transfers and balances for such household for the month preceding the request.

"(O) ERRORS.—Under this paragraph—

"(i) IN GENERAL.—States shall design systems to timely resolve disputes over alleged errors.

"(ii) CORRECTED ERRORS.—Households able to obtain corrections of errors under this subparagraph shall not be entitled to a fair hearing regarding the resolved dispute.

"(P) APPLICABLE LAW.

"For purposes of this Act, fraud and related activities related to electronic benefits transfer shall be governed by section 15 of this Act (U.S.C. 2024) and section 1029 of title 18, United States Code, in addition to any other applicable law.

"(Q) DEFINITIONS.—For the purpose of this paragraph—

"(i) ELECTRONIC BENEFITS TRANSFER CARD SYSTEM.—The term 'electronic benefits transfer card system' means a system to support transactions conducted with electronic benefits transfer cards, paper, or other alternative benefits transfer systems approved by the Secretary for the provision of program benefits in accordance with this paragraph.

"(ii) RETAIL FOOD STORE.—The term 'retail food store' means a retail food store, a farmer's market, or a house-to-house trade route authorized to participate in the food stamp program.

"(iii) SPECIAL-NEED RETAIL FOOD STORE.—The term 'special-need retail food store' means—

"(I) a retail food store located in a very rural area;

"(II) a retail food store without access to dependable electricity or regular telephone service; or

"(III) a farmers' market or house-to-house trade route that is authorized to participate in the food stamp program.

"(R) LEAD ROLE OF INDUSTRY AND STATES.—The Secretary shall consult with the Secretary of the Treasury, the Secretary of Health and Human Services, the Inspector General of the United States Department of Agriculture, the United States Secret Service, the National Governor's Association, the Food Marketing Institute, the National Association of Convenience Stores, the American Public Welfare Association, the National Conference of State Legislatures, the American Bankers Association, the financial services community, State agencies, and food advocates to obtain information helpful to retail stores, the financial services industry, and States in the conversion to electronic benefits transfer, including information regarding—

"(i) the degree to which an electronic benefits transfer system could be easily integrated with commercial networks;

"(ii) the usefulness of appropriate electronic benefits transfer security features and local management controls, including features in an electronic benefits transfer card to deter counterfeiting of the card;

"(iii) the use of laser scanner technology with electronic benefits transfer technology so that only eligible food items can be purchased by food stamp participants in stores that use scanners;

"(iv) how to maximize technology that uses data available from an electronic benefits transfer system to identify fraud and allow law enforcement personnel to quickly identify or target a suspected or actual program violator;

"(v) means of ensuring the confidentiality of personal information in electronic benefits transfer systems and the applicability of section 552a of title 5, United States Code, to electronic benefits transfer systems;

"(vi) the best approaches for maximizing the use of then current point-of-sale terminals and systems to reduce costs; and

"(vii) the best approaches for maximizing the use of electronic benefits transfer systems for multiple Federal and State benefit programs so as to achieve the highest cost savings possible through the implementation of electronic benefits transfer systems.".

(b) CONFORMING AMENDMENTS.—

(1) Section 3 of the Food Stamp Act of 1977 (42 U.S.C. 2012) is amended—

(A) in subsection (a), by striking "coupons" and inserting "benefits";

(B) in the first sentence of subsection (c), by striking "authorization cards" and inserting "allotments";

(C) in subsection (d), by striking "the provisions of this Act" and inserting "sections 5(h) and 7";

(D) in subsection (e)—

(i) by striking "Coupon issuer" and inserting "Benefit issuer"; and

(ii) by striking "coupons" and inserting "benefits";

(E) in the last sentence of subsection (i), by striking "coupons" and inserting "allotments"; and

(F) by adding at the end the following new subsection:

"(v) 'Electronic benefits transfer card' means a card issued to a household participating in the program that is used to purchase food.

(2) Section 4(a) of such Act (7 U.S.C. 2013(a)) is amended—

(A) in the first sentence by inserting "and to funds made available under

Section 7" after "this Act".

(B) in the first and second sentences, by striking "coupons" each place it appears and inserting "electronic benefits transfer cards or coupons"; and

(C) by striking the third sentence and inserting the following new sentence: "The Secretary, through the facilities of the Treasury of the United States, shall reimburse the stores for food purchases made with electronic benefits transfer cards or coupons provided under this Act.".

(3) The first sentence of section 6(b)(1) of such Act (7 U.S.C. 2015(b)(1)) is amended—

(A) by striking "coupons or authorization cards" and inserting "electronic benefits transfer cards, coupons, or authorization cards"; and

(B) in clauses (ii) and (iii), by inserting "or electronic benefits transfer cards" after "coupons" each place it appears.

(4) Section 7 of such Act (7 U.S.C. 2016) is amended—

(A) by striking the section heading and inserting the following new section heading:

"ISSUANCE AND USE OF ELECTRONIC BENEFITS TRANSFER CARDS OR COUPONS";

(B) in subsection (a), by striking "Coupons" and all that follows through "necessary, and" and inserting "Electronic benefits transfer cards or coupons";

(C) in subsection (b), by striking "Coupons" and inserting "Electronic benefits transfer cards or coupons";

(D) in subsection (e), by striking "coupons to coupon issuers" and replace with "benefits to benefits issuers"; and by striking "by coupon issuers" in inserting "by benefits issuers".

(E) in subsection (f)—

(i) by striking "issuance of coupons" and inserting "issuance of electronic benefits transfer cards or coupons";

(ii) by striking "coupon issuer" and inserting "electronic benefits transfer or coupon issuer"; and

(iii) by striking "coupons and allotments" and inserting "electronic benefits transfer cards, coupons, and allotments";

(F) by deleting "(1) The" in subsections (g) and (h) and inserting the following: "(1) Except with respect to electronic benefit transfer care systems operated under section 7(j)(5), the"; and

(G) by striking subparagraph (i)(2)(A); and by relettering (B) through (H) as (A) through (G).

(5) Section 8(b) of such Act (7 U.S.C. 2017(b)) is amended by striking "coupons" and inserting "electronic benefits transfer cards or coupons".

(6) Section 9 or such Act (7 U.S.C. 2018) is amended—

(A) in subsections (a) and (b), by striking "coupons" each place it appears and inserting "coupons, or accept electronic benefits transfer cards,"; and

(B) in subsection (a)(1)(B), by striking "coupon business" and inserting "electronic benefits transfer cards and coupon business".

(7) Section 10 of such Act (7 U.S.C. 2019) is amended—

(A) by striking the section heading and inserting the following:

REDEMPTION OF COUPONS OR ELECTRONIC BENEFITS TRANSFER CARDS;

and

(B) in the first sentence—

(i) by inserting after "provide for" the following: "reimbursing stores for program benefits provided and for";

(ii) by inserting after "food coupons" the following: "or use their members' electronic benefits transfer cards"; and

(iii) by striking the period at the end and inserting the following: "unless the center organization, institution, shelter, group living arrangement, or establishment is equipped with a point-of-sale device for the purpose of participating in the electronic benefits transfer system.".

(8) Section 11 of such Act (7 U.S.C. 2020) is amended—

(A) in the first sentence of subsection (a), by striking "coupons" and inserting "electronic benefits transfer cards or coupons,";

(B) in subsection (e)—

(i) in paragraph (2)—

(I) by striking "a coupon allotment" and inserting "an allotment"; and

(II) by striking "issuing coupons" and inserting "issuing electronic benefits transfer cards or coupons";

(ii) in paragraph (7), by striking "coupon issuance" and inserting "electronic benefits transfer card or coupon issuance";

(iii) in paragraph (8)(C), by striking "coupons" and inserting "benefits";

(iv) in paragraph (9), by striking "coupons" each place it appears and inserting "electronic benefits transfer cards or coupons";

(v) in paragraph (11), by striking "in the form of coupons";

(vi) in paragraph (16), by striking "coupons" and inserting "electronic benefits transfer card or coupons";

(vii) in paragraph (17), by striking "food stamps" and replacing with "benefits";

(viii) in paragraph (21), by striking "coupons" and inserting "electronic benefits transfer cards or coupons";

(ix) in paragraph (24), by striking "coupons" and inserting "benefits"; and

(x) in paragraph (25), by striking "coupons" each place it appears and inserting "electronic benefits transfer cards or coupons"; and

(C) in subsection (h), by striking "face value of any coupon or coupons" and inserting "value of any benefits"; and

(D) in subsection (n)—

(i) by striking "both coupons" each place it appears and inserting "benefits under this Act"; and

(ii) by striking "of coupons" and inserting "of benefits."

(9) Section 12 of such Act (7 U.S.C. 2021) is amended—

(A) in subsection (b)(3), by striking "coupons" each place it appears and inserting "electronic benefits transfer cards or coupons";

(B) in subsection (d)—

(i) in the first sentence—

(I) by inserting after "redeem coupons" the following: "and to accept electronic benefits transfer cards"; and

(II) by striking "value of coupons" and inserting "value of benefits and coupons"; and

(ii) in the third sentence, by striking "coupons" each place it appears and inserting "benefits"; and

(C) in the first sentence of subsection (f)—

(i) by inserting after "to accept and redeem food coupons" the following: "electronic benefits transfer cards, or to accept and redeem food coupons,"; and

(ii) by inserting before the period at the end the following: "or program benefits".

(10) Section 13 of such Act (7 U.S.C. 2022) is amended by striking "coupons" each place it appears and inserting "benefits".

(11) Section 15 of such Act (7 U.S.C. 2024) is amended—

(A) in subsection (a), by striking "issuance or presentment for redemption" and inserting "issuance, presentment for redemption, or use of electronic benefits transfer cards or"; (B) in the first sentence of subsection (b)(1)—

(i) by inserting after "coupons authorization cards," each place it appears the following: "electronic benefits transfer cards,'; and

(ii) by striking "coupons or authorization cards" and place it appears and inserting the following: "coupons, authorization cards, or electronic benefits transfer cards";

(C) in the first sentence of subsection (c)—

(i) by striking "coupons" and inserting " a coupon or electronic benefits transfer card"; and

(ii) strike "such coupons are" and inserting "the payment or redemption is";

(D) in subsection (d) striking coupons" and replacing with "Benefits";

(E) in subsection (e) after "coupons" inserting "or electronic benefits transfer card";

(F) in subsection (f) after "coupon" inserting "or electronic benefits transfer card"; and

(G) in the first sentence of subsection (g), by inserting after "coupons, authorization cards," the following: "electronic benefits transfer cards,".

(12) Section 16 (7 U.S.C. 2025) is amended—

(A) in subsection (a)—

(i) in paragraph (2) after "coupons" by inserting "electronic benefits transfer cards";

(ii) in paragraph (3) by inserting after "households" the following: ", including the cost of providing equipment necessary for retail food stores to participate in an electronic benefits transfer system"

(B) by deleting subsection (d);

(C) by redesignating subsections (e) through (j) as subsections (d) through (i), respectively;

(D) in subsection (g)(5) (as redesignated by paragraph (3))—

(i) in subparagraph (A), by striking "(A)"; and

(ii) by striking subparagraph (B);

(E) in subsection (h) (as redesignated by paragraph (3)), by striking paragraph (3); and

(F) by striking subsection (i) (as redesignated by paragraph (3)).

(13) Section 17 of such Act (7 U.S.C. 2026) is amended—

(A) in the last sentence of subsection (a)(2), by striking "coupon" and inserting "benefit";

(B) by deleting the last sentence of paragraph (b)(2);

(C) by deleting the last sentence of subsection (c);

(D) in subsection (d)(1)(B), by striking "coupons" each place it appears and inserting "benefits";

(E) by deleting the last sentence of subsection (e);

(F) by striking subsection (f); and

(G) by redesignating subsections (g) through (k) as subsections (f) through (j), respectively.

(14) Section 21 of such Act (7 U.S.C. 2030) is amended—

(A) by striking "coupons" each place it appears (other than in subsections (b)(2)(A)(ii) and (d)) and inserting "benefits";

(B) in subsection (b)(2)(A)(ii), by striking "coupons" and inserting "electronic benefits transfer cards or coupons"; and

(C) in subsection (d)—

(i) in paragraph (2), by striking "Coupons" and inserting "Benefits"; and

(ii) in paragraph (3), by striking "in food coupons".

(15) Section 22 of such Act (7 U.S.C. 2031) is amended—

(A) in subsection (b)—

(i) in paragraph (3)(D)—

(I) in clause (ii), by striking "coupons" and inserting "benefits"; and

(II) in clause (iii), by striking "coupons" and inserting "electronic benefits transfer benefits";

(ii) in paragraph (9), by striking "coupons" and inserting "benefits";

(iii) in paragraph (10)(B)—

(I) in the second sentence of clause (I), by striking "Food coupons" and inserting "Program benefits"; and

(II) in clause (ii)—

(aa) in the second sentence, by striking "Food coupons" and inserting "Benefits"; and

(bb) in the third sentence, by striking "food coupons" each place it appears and inserting "benefits";

(B) in subsection (d), by striking "coupons" each place it appears and inserting "benefits";

(C) in subsection (g)(1)(A), by striking "coupon"; and

(D) in subsection (h), by striking "food coupons" and inserting "benefits".

(16) Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting "electronic benefits transfer cards or "before "coupons having".

JEFFORDS AMENDMENT NO. 2571

Mr. JEFFORDS proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

In section 403(a)(5) of the amendment, strike B–D, and insert the following:

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph, the term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) job education, training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

DOMENICI AMENDMENTS NOS. 2572–2574

Mr. SANTORUM (for Mr. DOMENICI) proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2572

On page 590, after line 23, strike "(a) incentive Payments" and all that follows through page 595, line 2 and insert the following:

Share collections 50/50 with all States.

Set national standards that all States must reach before incentives are made. National standards will be set up for Paternity Establishment, Support Order establishment, percentage of cases with collections, ratio of support due to support collected and cost effectiveness.

Set basic matching rate at 50% and allow incentive matching rates up to 90% of expenditures for the performance categories.

Change audit process to invoke audit sanctions if States do not meet 50% of the performance standard.

Require IRS COBRA notices to be sent to the State Child Support Agency.

AMENDMENT NO. 2573

On page 21, after line 25, insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—Beginning with fiscal year 1997, if a State does not maintain the expenditures of the State under the program for the proceeding fiscal year at a level equal to or greater than 75% of the level of historic State expenditures, the amount of the grant otherwise determined under paragraph (1) shall be reduced in accordance with subparagraph (B).

"(B) REDUCTION.—The amount of the reduction determined under this subparagraph shall be equal to—

(i)(I) the difference between the historic State expenditures and the expenditures of the State under the State program for the preceding fiscal year;

(ii) the amount determined under clause (i)(I)

"(C) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph, the term "historic State expenditures" means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(D) DETERMINING STATE EXPENDITURES.—

"(i) IN GENERAL.—Subject to (ii) and (iii), for purposes of this paragraph the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be determined by adding the expenditures of that State under its State program for—

"(I) cash assistance;

"(II) child care assistance;

"(III) job education and training, and work; and

"(IV) administrative costs; in that fiscal year.

"(ii) EXCLUSION OF GRANT AMOUNTS.—The determination under (i) shall not include grant amounts paid under paragraph (1) (or, in the case of historic State expenditures, amounts paid in accordance with section 403, as in effect during fiscal year 1994).

"(iii) RESERVATION OF FEDERAL AMOUNTS.—For any fiscal year, if a State has expended amounts reserved in accordance with subsection (b)(3), such expenditures shall not be considered a State expenditure under the State program."

AMENDMENT NO. 2574

At the appropriate place in the bill, insert the following new provision:

"SEC. . SENSE OF THE SENATE.

"It is the sense of the Senate that—

"(a) States should diligently continue their efforts to enforce child support payments to the non-custodial parent to the custodial parent, regardless of the employment status or location of the non-custodial parent; and

"(b) States are encouraged to pursue pilot programs in which the parents of a non-adult, non-custodial parent who refuses to or is unable to pay child support must—

"(1) pay or contribute to the child support owed by the non-custodial parent; or

"(2) otherwise fulfill all financial obligations and meet all conditions imposed on the non-custodial parent, such as participation in a work program or other related activity."

DOMENICI AMENDMENT NO. 2575

Mr. SANTORUM (for Mr. DOMENICI) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page XX, after line XX, strike —— and all that follows through page XX, Line XX.

DOMENICI (AND BIDEN) AMENDMENT NO. 2576

Mr. SANTORUM (for Mr. DOMENICI for himself and Mr. BIDEN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 792, after line 22, add the following new title:

TITLE —CHILD CUSTODY REFORM

SEC. 01. SHORT TITLE.

This title may be cited as the "Child Custody Reform Act of 1995".

SEC. 02. REQUIREMENTS FOR EXCLUSIVE CONTINUING JURISDICTION MODIFICATION.

Section 1738A of title 28, United States Code, is amended—

(1) in subsection (d) to read as follows:

"(d)(1) Subject to paragraph (2) the jurisdiction of a court of a State that has made a child custody or visitation determination in accordance with this section continues exclusively as long as such State remains the residence of the child or of any contestant.

"(2) Continuing jurisdiction under paragraph (1) shall be subject to any applicable provision of law of the State that issued the initial child custody determination in accordance with this section, when such State law establishes limitations on continuing jurisdiction when a child is absent from such State.";

(2) in subsection (f)

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (1), respectively and transferring paragraph (2) (as so redesignated) so as to appear after paragraph (1) (as so redesignated); and

(B) in paragraph (1) (as so redesignated), by inserting "pursuant to subsection (d)," after "the court of the other State no longer has jurisdiction,"; and

(3) in subsection (g), by inserting "or continuing jurisdiction" after "exercising jurisdiction".

SEC. 03. ESTABLISHMENT OF NATIONAL CHILD CUSTODY REGISTRY.

Section 453 of the Social Security Act (42 U.S.C. 653) (as amended by section 916) is further amended by adding at the end the following new subsection:

"(p)(1) Not later than 1 year after the date of enactment of this subsection, the Secretary, in consultation with the Attorney General, shall conduct and conclude a study regarding the most practicable and efficient way to create a national child custody registry to carry out the purposes of paragraph (3). Pursuant to this study, and subject to the availability of appropriations, the Secretary shall create a national child custody registry and promulgate regulations necessary to implement such registry. The study and regulations shall include—

"(A) a determination concerning whether a new national database should be established or whether an existing network should be expanded in order to enable courts to identify child custody determinations made by, or proceedings filed before, any court of the United States, its territories or possessions;

"(B) measures to encourage and provide assistance to States to collect and organize the data necessary to carry out subparagraph (A);

"(C) if necessary, measures describing how the Secretary will work with the related and interested State agencies so that the database described in subparagraph (A) can be linked with appropriate State registries for the purpose of exchanging and comparing the child custody information contained therein;

"(D) the information that should be entered in the registry (such as the court of jurisdiction where a child custody proceeding

has been filed or a child custody determination has been made, the name of the presiding officer of the court in which a child custody proceeding has been filed, the telephone number of such court, the names and social security numbers of the parties, the name, date of birth, and social security numbers of each child) to carry out the purposes of paragraph (3);

"(E) the standards necessary to ensure the standardization of data elements, updating of information, reimbursement, reports, safeguards for privacy and information security, and other such provisions as the Secretary determines appropriate;

"(F) measures to protect confidential information and privacy rights (including safeguards against the unauthorized use or disclosure of information) which ensure that—

"(i) no confidential information is entered into the registry;

"(ii) the information contained in the registry shall be available only to courts or law enforcement officers to carry out the purposes in paragraph (3); and

"(iii) no information is entered into the registry (or where information has previously been entered, that other necessary means will be taken) if there is a reason to believe that the information may result in physical harm to a person; and

"(G) an analysis of costs associated with the establishment of the child custody registry and the implementation of the proposed regulations.

"(2) As used in this subsection—

"(A) the term 'child custody determination' means a judgment, decree, or other order of a court providing for custody or visitation of a child, and includes permanent and temporary orders, and initial orders and modifications; and

"(B) the term 'custody proceeding'—

"(i) means a proceeding in which a custody determination is one of several issues, such as a proceeding for divorce or separation, as well as neglect, abuse, dependency, wardship, guardianship, termination of parental rights, adoption, protective action from domestic violence, and Hague Child Abduction Convention proceedings; and

"(ii) does not include a judgment, decree, or other order of a court made in a juvenile delinquency, or status offender proceeding.

"(3) The purposes of this subsection are to—

"(A) encourage and provide assistance to State and local jurisdictions to permit—

"(i) courts to identify child custody determinations made by, and proceedings in, other States, local jurisdictions, and countries;

"(ii) law enforcement officers to enforce child custody determinations and recover parentally abducted children consistent with State law and regulations;

"(B) avoid duplicative and or contradictory child custody or visitation determinations by assuring that courts have the information they need to—

"(i) give full faith and credit to the child custody or visitation determination made by a court of another State as required by section 1738A of title 28, United States Code; and

"(ii) refrain from exercising jurisdiction when another court is exercising jurisdiction consistent with section 1738A of title 28, United States Code.

"(4) There are authorized to be appropriated such sums as may be necessary to establish the child custody registry and implement the regulations pursuant to paragraph (1).".

SEC. 04. SENSE OF THE SENATE REGARDING SUPERVISED CHILD VISITATION CENTERS.

It is the sense of the Senate that local governments should take full advantage of the Local Crime Prevention Block Grant Program established under subtitle B of title III of the Violent Crime Control and Law Enforcement Act of 1994, to establish supervised visitation centers for children who have been removed from their parents and placed outside the home as a result of abuse or neglect or other risk of harm to such children, and for children whose parents are separated or divorced and the children are at risk because of physical or mental abuse or domestic violence.

D'AMATO AMENDMENT NO. 2577

Mr. SANTORUM (for Mr. D'AMATO) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 17, line 20, strike "February 14" and insert "May 15".

D'AMATO AMENDMENT NOS. 2578–2579

Mr. SANTORUM (for Mr. D'AMATO) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2578

On page 124, between lines 9 and 10, insert:

(3) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS TITLE.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made under programs which are repealed or substantially amended in this title and which involve State expenditures in cases where assistance or services were provided during a prior fiscal year, shall be treated as expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. States shall complete the filing of all claims no later than September 30, 1997. Federal department heads shall—

(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs, and

(B) reimburse States for any payments made for assistance of services provided during a prior fiscal year from funds for fiscal year 1995, rather than the funds authorized by this title.

AMENDMENT NO. 2579

On page 124, between lines 9 and 10, insert: Notwithstanding the preceding sentence, the Secretary of Health and Human Services shall cease efforts to recover previously granted funds, shall pay any amounts being deferred, and shall forgive any disallowance pending appeal before the Departmental Appeals Board or before any Federal court unless the Secretary determines that there was not substantial compliance with the program requirements underlying the claims or, upon probable cause, believes that there is evidence of fraud on the part of the State. The preceding sentence shall not be construed as diminishing the right of a State to administrative or judicial review of a disallowance of funds.

GRAMS AMENDMENT NO. 2580

Mr. SANTORUM (for Mr. GRAMS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 36, between lines 13 and 14, insert the following:

"(4) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i)(I) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

JEFFORDS AMENDMENT NO. 2581

Mr. JEFFORDS proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

Strike the matter between lines 11 and 12 of page 51 (as inserted by the modification of September 8, 1995).

WELLSTONE AMENDMENT NO. 2582

Mr. DODD (for Mr. WELLSTONE) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 576, between lines 12 and 13, insert the following:

Subtitle D—Minimum Wage Rate

SEC. 841. INCREASE IN THE MINIMUM WAGE RATE.

Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $4.25 an hour during the period ending December 31, 1995, not less than $4.70 an hour during the year beginning January 1, 1996, and not less than $5.15 an hour after December 31, 1996;".

WELLSTONE (AND MURRAY) AMENDMENT NOS. 2583–2584

Mr. DODD (for Mr. WELLSTONE, for himself and Mrs. MURRAY) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2583

On page 14, between lines 12 and 13, insert the following:

"(8) CERTIFICATION REGARDING BATTERED INDIVIDUALS.—A certification from the chief executive officer of the State specifying that—

"(A) the State will exempt from the requirements of sections 404, 405 (a) and (b), and 406 (b), (c), and (d), or modify the application of such sections to, any woman, child, or relative applying for or receiving assistance under this part, if such woman, child, or relative was battered or subjected to extreme cruelty and the physical, mental, and emotional well-being of the woman, child, or relative will be endangered by application of such sections to such woman, child, or relative, and

"(B) the State will take into consideration the family circumstances and the counseling and other supportive service needs of the woman, child, or relative.

On page 14, line 13, strike "(8)" and insert "(9)".

On page 16, between lines 22 and 23, insert the following:

"(6) BATTERED OR SUBJECTED TO EXTREME CRUELTY.—The term 'battered or subjected to extreme cruelty' includes, but is not limited to—

"(A) physical acts resulting in, or threatening to result in, physical injury;

"(B) sexual abuse, sexual activity involving a dependent child, forcing the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities, or threats of or attempts at physical or sexual abuse;

"(C) mental abuse; and

"(D) neglect or deprivation of medical care.

On page 35, between lines 2 and 3, insert the following:

"(6) CERTAIN INDIVIDUALS EXCLUDED IN CALCULATION OF PARTICIPATION RATES.—An individual who is battered or subjected to extreme cruelty and with respect to whom an exemption or modification is in effect at any time during a fiscal year by reason of section 402(a)(8) shall not be included for purposes of calculating the State's participation rate for the fiscal year under this subsection.

On page 36, after line 25, add the following: The penalties described in paragraphs (1) and (2) shall not apply with respect to an individual who is battered or subjected to extreme cruelty and with respect to whom an exemption or modification is in effect by reason of section 402(a)(8).

On page 74, between lines 2 and 3, insert: Such requirements, limits, and penalties shall contain exemptions described in section 402(a)(8) for individuals who have been battered or subject to extreme cruelty.

On page 175, line 16, strike "and".

On page 175, line 20, strike the period and insert "; and".

On page 175, between lines 20 and 21, insert the following:

(C) by adding at the end the following new subparagraph:

"(F) The provisions of this subsection shall not apply with respect to any alien who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6) of the Social Security Act (42 U.S.C. 602(d)(6)).".

On page 183, line 11, strike the end quotation marks and the end period.

On page 183, between lines 11 and 12, insert: "(E) EXCEPTION FOR BATTERED INDIVIDUALS.—The requirements of this paragraph shall not apply to an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6) of the Social Security Act) if such application would endanger the physical, mental, or emotional well-being of the individual.".

On page 192, between line 16 insert at the end: "The standards shall provide a good cause exception to protect individuals who have been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6) of the Social Security Act).".

On page 197, line 13, after "section" insert "6(d)(1)(E) or".

On page 287, line 21, strike "or (V)" and insert "(V), or (VI)".

On page 291, lines 18 and 19, strike "or (V)" and insert "(V), or (VI)".

On page 299, line 11, strike "or".

On page 299, line 14, strike "title II" and insert "title II; or (VI) a noncitizen who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6))".

On page 612, line 24, strike "rights" and inserting "rights, and only if such resident parent or such resident parent's child is not an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6)) by such absent parent".

On page 715, line 8, strike "arrangements." and insert "arrangements. Such programs shall not provide for access or visitation if any individual involved is an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6)) by the absent parent.".

AMENDMENT NO. 2584

At the end of the amendment, insert the following new title:

TITLE —PROTECTION OF BATTERED INDIVIDUALS

SEC. 01. EXEMPTION OF BATTERED INDIVIDUALS FROM CERTAIN REQUIREMENTS.

(a) IN GENERAL.—Notwithstanding any other provision of, or amendment made by, this Act, the applicable administering authority of any specified provision shall exempt from (or modify) the application of such provision to any individual who was battered or subjected to extreme cruelty if the physical, mental, or emotional well-being of the individual would be endangered by the application of such provision to such individual. The applicable administering authority shall take into consideration the family circumstances and the counseling and other supportive service needs of the individual.

(b) SPECIFIED PROVISIONS.—For purposes of this section, the term "specified provision" means any requirement, limitation, or penalty under any of the following:

(1) Sections 404, 405 (a) and (b), 406 (b), (c), and (d), 414(d), 453(c), 469A, and 1614(a)(1) of the Social Security Act.

(2) Sections 5(i) and 6 (d), (j), and (n) of the Food Stamp Act of 1977.

(3) Sections 501(a) and 502 of this Act.

(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) BATTERED OR SUBJECTED TO EXTREME CRUELTY.—The term "battered or subjected to extreme cruelty" includes, but is not limited to—

(A) physical acts resulting in, or threatening to result in, physical injury;

(B) sexual abuse, sexual activity involving a dependent child, forcing the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities, or threats of or attempts at physical or sexual abuse;

(C) mental abuse; and

(D) neglect or deprivation of medical care.

(2) CALCULATION OF PARTICIPATION RATES.—An individual exempted from the work requirements under section 404 of the Social Security Act by reason of subsection (a) shall not be included for purposes of calculating the State's participation rate under such section.

STEVENS (AND MURKOWSKI) AMENDMENT NO. 2585

Mr. STEVENS (for himself and Mr. MURKOWSKI) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 16 of the pending amendment, beginning on line 13, strike all through line 17 and insert in lieu thereof the following:

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(B) IN ALASKA.—For purposes of grants under section 414 on behalf of Indians in Alaska, the term 'Indian tribe' shall mean only the following Alaska Native regional non-profit corporations—

"(i) Arctic Slope Native Association,

"(ii) Kawerak, Inc.,

"(iii) Maniilaq Association,

"(iv) Association of Village Council Presidents,

"(v) Tanana Chiefs Conference,

"(vi) Cook Inlet Tribal Council,

"(vii) Bristol Bay Native Association,

"(viii) Aleutian and Pribilof Island Association,

"(ix) Chugachmuit,

"(x) Tlingit Haida Central Council,

"(xi) Kodiak Area Native Association, and

"(xii) Copper River Native Association.".

COHEN AMENDMENT NO. 2586

Mr. SANTORUM (for Mr. COHEN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 102(c) of the amendment, insert "so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution" after "subsection (a)(2)".

In section 102(d)(2) of the amendment, strike subparagraph (B), and redesignate subparagraph (C) as subparagraph (B).

SPECTER (AND SIMON) AMENDMENT NO. 2587

Mr. SANTORUM (for Mr. SPECTER, for himself and Mr. SIMON) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In title VII, strike chapters 1 and 2 of subtitle C and insert the following:

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. DEFINITIONS.

As used in this subtitle:

(1) AT-RISK YOUTH.—The term "at-risk youth" means an individual who—

(A) is not less than age 15 and not more than age 24;

(B) is low-income (as defined in section 723(e));

(C) is 1 or more of the following:

(i) Basic skills deficient.

(ii) A school dropout.

(iii) Homeless or a runaway.

(iv) Pregnant or parenting.

(v) Involved in the juvenile justice system.

(vi) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

(2) ENROLLEE.—The term "enrollee" means an individual enrolled in the Job Corps.

(3) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(4) JOB CORPS.—The term "Job Corps" means the Job Corps described in section 743.

(5) JOB CORPS CENTER.—The term "Job Corps center" means a center described in section 743.

(6) OPERATOR.—The term "operator" means an entity selected under this chapter to operate a Job Corps center.

(7) SECRETARY.—The term "Secretary" means the Secretary of Labor.

CHAPTER 2—JOB CORPS

SEC. 742. PURPOSES.

The purposes of this chapter are—

(1) to maintain a national Job Corps program, carried out in partnership with States and communities, to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of Job Corps centers in which enrollees will participate in intensive programs of workforce development activities; and

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps.

SEC. 743. ESTABLISHMENT.

There shall be established in the Department of Labor a Job Corps program, to carry out activities described in this chapter for individuals enrolled in the Job Corps and assigned to a center.

SEC. 744. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 745. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps, after considering recommendations from the Governors, State workforce development boards established under section 715, local partnerships and local workforce development boards established under section 728, and other interested parties.

(2) METHODS.—In prescribing standards and procedures under paragraph (1) for the screening and selection of Job Corps applicants, the Secretary shall—

(A) require enrollees to take drug tests within 30 days of enrollment in the Job Corps;

(B) allocate, where necessary, additional resources to increase the applicant pool;

(C) establish standards for outreach to and screening of Job Corps applicants;

(D) where appropriate, take measures to improve the professional capability of the individuals conducting such screening; and

(E) require Job Corps applicants to pass background checks, conducted in accordance with procedures established by the Secretary.

(3) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) one-stop career centers;

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(4) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual considered for selection can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

SEC. 746. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—After the Secretary has determined that an enrollee is to be assigned to a Job Corps center, the enrollee shall be assigned to the center that is closest to the residence of the enrollee, except that the Secretary may waive this requirement for good cause, including to ensure an equitable opportunity for at-risk youth from various sections of the Nation to participate in the Job Corps program, to prevent undue delays in assignment of an enrollee, to adequately meet the educational or other needs of an enrollee, and for efficiency and economy in the operation of the program.

(c) PERIOD OF ENROLLMENT.—No individual may be enrolled in the Job Corps for more than 2 years, except—

(1) in a case in which completion of an advanced career training program under section 748(d) would require an individual to participate for more than 2 years; or

(2) as the Secretary may authorize in a special case.

SEC. 747. JOB CORPS CENTERS.

(a) OPERATORS AND SERVICE PROVIDERS.—

(1) ELIGIBLE ENTITIES.—The Secretary shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the operation of each Job Corps center. The Secretary shall enter into an agreement with an appropriate entity to provide services for a Job Corps center.

(2) SELECTION PROCESS.—Except as provided in subsection (c)(d), the Secretary shall select an entity to operate a Job Corps center on a competitive basis, after reviewing the operating plans described in section 750. In selecting a private or public entity to serve as an operator, the Secretary may convene and obtain the recommendation of a selection panel described in section 752(b). In selecting an entity to serve as an operator or to provide services for a Job Corps center, the Secretary shall take into consideration the previous performance of the entity, if any, relating to operating or providing services for a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 748. In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.

(c) CIVILIAN CONSERVATION CENTERS.—

(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers operated under agreement with the Secretary of Agriculture or Secretary of Interior, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(2) SELECTION PROCESS.—The Secretary may select a nongovernmental entity to operate a Civilian Conservation Center on a competitive basis, if the center fails to meet such national performance standards as the Secretary shall establish.

(d) The Secretary may enter into agreement with Indian Tribes to operate Job Corps centers for Native American Indians.

SEC. 748. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 716(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment, participating successfully in secondary education or postsecondary education programs, enrolling in other suitable training programs, or satisfying Armed Forces requirements, on completion of their enrollment.

(b) ARRANGEMENTS.—The Secretary shall arrange for enrollees assigned to Job Corps centers to receive workforce development activities through or in cooperation with the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—The Secretary shall establish a Job Placement Accountability System in conjunction with the job placement accountability system described in section 731(d) in the State in which the center is located.

(d) ADVANCED CAREER TRAINING PROGRAMS.—

(1) IN GENERAL.—The Secretary may arrange for programs of advanced career training for selected enrollees in which the enrollees may continue to participate for a period of not to exceed 1 year in addition to the period of participation to which the enrollees would otherwise be limited.

(2) POSTSECONDARY EDUCATIONAL INSTITUTIONS.—The advanced career training may be provided through a postsecondary educational institution for an enrollee who has obtained a secondary school diploma or its recognized equivalent, has demonstrated commitment and capacity in previous Job Corps participation, and has an identified occupational goal.

(3) COMPANY-SPONSORED TRAINING PROGRAMS.—The Secretary may enter into contracts with private for-profit businesses and labor unions to provide the advanced career training through intensive training in company-sponsored training programs, combined with internships in work settings.

(4) BENEFITS.—

(A) IN GENERAL.—During the period of participation in an advanced career training program, an enrollee shall be eligible for full Job Corps benefits, or a monthly stipend equal to the average value of the residential support, food, allowances, and other benefits provided to enrollees assigned to residential Job Corps centers.

(B) CALCULATION.—The total amount for which an enrollee shall be eligible under subparagraph (A) shall be reduced by the amount of any scholarship or other educational grant assistance received by such enrollee for advanced career training.

(5) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate that participants in such program have achieved a reasonable rate of completion and placement in training-related jobs before the operator may carry out such additional enrollment.

SEC. 749. SUPPORT.

The Secretary shall provide enrollees assigned to Job Corps centers with such personal allowances, including readjustment allowances, as the Secretary may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 750. OPERATING PLAN.

(a) IN GENERAL.—To be eligible to operate a Job Corps center, an entity shall prepare and submit an operating plan to the Secretary for approval. Prior to submitting the plan to the Secretary, the entity shall submit the plan to the Governor of the State in which the center is located for review and comment. The entity shall submit any comments prepared by the Governor on the plan to the Secretary with the plan. Such plan shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan submitted under section 714 for the State in which the center is located;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the region in which the center is located;

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) by the State; and

(4) an implementation strategy to ensure that the curricula of all such enrollees is integrated into the school-to-work activities of the State, including work-based learning, work experience, and career-building activities, and that such enrollees have the opportunity to obtain secondary school diplomas or their recognized equivalent.

(b) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities carried out through the statewide system of the State in which the center is located.

SEC. 751. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The Secretary shall provide, and directors of Job Corps center shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding the actions described in subsection (b)(2)(A).

(b) DISCIPLINARY MEASURES.—

(1) IN GENERAL.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Job Corps if the director determines that the retention of the enrollee in the Job Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

(2) ZERO TOLERANCE POLICY.—

(A) GUIDELINES.—The Secretary shall adopt guidelines establishing a zero tolerance policy for an act of violence, for use, sale, or possession of a controlled substance, for abuse of alcohol, or for another illegal or disruptive activity.

(B) DEFINITIONS.—As used in this paragraph:

(i) CONTROLLED SUBSTANCE.—The term "controlled substance" has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(ii) ZERO TOLERANCE POLICY.—The term "zero tolerance policy" means a policy under which an enrollee shall be automatically dismissed from the Job Corps after a determination by the director that the enrollee has carried out an action described in subparagraph (A).

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the Secretary.

SEC. 752. COMMUNITY PARTICIPATION.

(a) ACTIVITIES.—The Secretary shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities shall include the use of any local partnerships or local workforce development boards established in the State under section 728 to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

(b) SELECTION PANELS.—The Governor may recommend individuals to serve on a selection panel convened by the Secretary to provide recommendations to the Secretary regarding any competitive selection of an operator for a center in the State. In recommending individuals to serve on the panel, the Governor may recommend members of State workforce development boards established under section 715, if any, members of any local partnerships or local workforce development boards established in the State under section 728, or other representatives selected by the Governor.

(c) ACTIVITIES.—Each Job Corps center director shall—

(1) give officials of nearby communities appropriate advance notice of changes in the rules, procedures, or activities of the Job Corps center that may affect or be of interest to the communities;

(2) afford the communities a meaningful voice in the affairs of the Job Corps center that are of direct concern to the communities, including policies governing the issuance and terms of passes to enrollees; and

(3) encourage the participation of enrollees in programs for improvement of the communities, with appropriate advance consultation with business, labor, professional, and other interested groups, in the communities.

SEC. 753. COUNSELING AND PLACEMENT.

The Secretary shall ensure that enrollees assigned to Job Corps centers receive academic and vocational counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 716(a)(2).

SEC. 754. ADVISORY COMMITTEES.

The Secretary is authorized to make use of advisory committees in connection with the operation of the Job Corps program, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.

SEC. 755. APPLICATION OF PROVISIONS OF FEDERAL LAW.

(a) ENROLLEES NOT CONSIDERED TO BE FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees shall not be considered to be Federal employees and shall not be subject to the provisions of law relating to Federal employment, including such provisions regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(2) PROVISIONS RELATING TO TAXES AND SOCIAL SECURITY BENEFITS.—For purposes of the Internal Revenue Code of 1986 and title II of the Social Security Act (42 U.S.C. 401 et seq.), enrollees shall be deemed to be employees of the United States and any service performed by an individual as an enrollee shall be deemed to be performed in the employ of the United States.

(3) PROVISIONS RELATING TO COMPENSATION TO FEDERAL EMPLOYEES FOR WORK INJURIES.—For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed to be civil employees of the Government of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of such subchapter shall apply as specified in section 8143(a) of title 5, United States Code.

(4) FEDERAL TORT CLAIMS PROVISIONS.—For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered to be employees of the Government.

(b) ADJUSTMENTS AND SETTLEMENTS.—Whenever the Secretary finds a claim for damages to a person or property resulting from the operation of the Job Corps to be a proper charge against the United States, and the claim is not cognizable under section 2672 of title 28, United States Code, the Secretary may adjust and settle the claim in an amount not exceeding $1,500.

(c) PERSONNEL OF THE UNIFORMED SERVICES.—Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Job Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade in such services.

SEC. 756. SPECIAL PROVISIONS.

(a) ENROLLMENT OF WOMEN.—The Secretary shall immediately take steps to achieve an enrollment of 50 percent women in the Job Corps program, consistent with the need to—

(1) promote efficiency and economy in the operation of the program;

(2) promote sound administrative practice; and

(3) meet the socioeconomic, educational, and training needs of the population to be served by the program.

(b) STUDIES, EVALUATIONS, PROPOSALS, AND DATA.—The Secretary shall assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the

course of carrying out the Job Corps program shall become the property of the United States.

(c) GROSS RECEIPTS.—Transactions conducted by a private for-profit contractor or a nonprofit contractor in connection with the operation by the contractor of a Job Corps center or the provision of services by the contractor for a Job Corps center shall not be considered to be generating gross receipts. Such a contractor shall not be liable, directly or indirectly, to any State or subdivision of a State (nor to any person acting on behalf of such a State or subdivision) for any gross receipts taxes, business privilege taxes measured by gross receipts, or any similar taxes imposed on, or measured by, gross receipts in connection with any payments made to or by such contractor for operating or providing services for a Job Corps center. Such a contractor shall not be liable to any State or subdivision of a State to collect or pay any sales, excise, use, or similar tax imposed on the sale to or use by such contractor of any property, service, or other item in connection with the operation of or provision of services for a Job Corps center.

(d) MANAGEMENT FEE.—The Secretary shall provide each operator or entity providing services for a Job Corps center with an equitable and negotiated management fee of not less than 1 percent of the contract amount.

(e) DONATIONS.—The Secretary may accept on behalf of the Job Corps or individual Job Corps centers charitable donations of cash or other assistance, including equipment and materials, if such donations are available for appropriate use for the purposes set forth in this chapter.

SEC. 757. REVIEW OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS REVIEW.—Not later than March 31, 1997, the Governing Board shall conduct a review of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the review, including—

(1) information on the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part, information on the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses;

(5) information on the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report;

(6) a summary of the information described in paragraphs (2) through (5) for all Job Corps centers;

(7) an assessment of the need to serve at-risk youth in the Job Corps program, including—

(A) a cost-benefit analysis of the residential component of the Job Corps program;

(B) the need for residential education and training services for at-risk youth, analyzed for each State and for the United States; and

(C) the distribution of training positions in the Job Corps program, as compared to the need for the services described in subparagraph (B), analyzed for each State;

(8) an overview of the Job Corps program as a whole and an analysis of individual Job Corps centers, including a 5-year performance measurement summary that includes information, analyzed for the program and for each Job Corps center, on—

(A) the number of enrollees served;

(B) the number of former enrollees who entered employment, including the number of former enrollees placed in a position related to the job training received through the program and the number placed in a position not related to the job training received;

(C) the number of former enrollees placed in jobs for 32 hours per week or more;

(D) the number of former enrollees who entered employment and were retained in the employment for more than 13 weeks;

(E) the number of former enrollees who entered the Armed Forces;

(F) the number of former enrollees who completed vocational training, and the rate of such completion, analyzed by vocation;

(G) the number of former enrollees who entered postsecondary education;

(H) the number and percentage of early dropouts from the Job Corps program;

(I) the average wage of former enrollees, including wages from positions described in subparagraph (B);

(J) the number of former enrollees who obtained a secondary school diploma or its recognized equivalent;

(K) the average level of learning gains for former enrollees; and

(L) the number of former enrollees that did not—

(i) enter employment or postsecondary education;

(ii) complete a vocational education program; or

(iii) make identifiable learning gains;

(9) information regarding the performance of all existing Job Corps centers over the 3 years preceding the date of submission of the report; and

(10) job placement rates for each Job Corps center and each entity providing services to a Job Corps center.

(b) RECOMMENDATIONS OF GOVERNING BOARD.—

(1) RECOMMENDATIONS.—The Governing Board shall, based on the results of the review described in subsection (a), make recommendations to the Secretary of Labor, regarding improvements in the operation of the Job Corps program, including—

(A) closing 5 Job Corps centers by September 30, 1997, and 5 additional Job Corps centers by September 30, 2000;

(B) relocating Job Corps centers described in paragraph (2)(A)(iii) in cases in which facility rehabilitation, renovation, or repair is not cost-effective; and

(C) taking any other action that would improve the operation of a Job Corps center.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the advisory committee shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the review described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the review described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the advisory committee may determine to be appropriate.

(B) COVERAGE OF STATES AND REGIONS.—Notwithstanding subparagraph (A), the advisory committee shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) ALLOWANCE FOR NEW JOB CORPS CENTERS.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the advisory committee shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) REPORT.—Not later than June 30, 1997, the Governing Board shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the Board resulting from the review described in subsection (a) together with the recommendations described in paragraph (1).

(c) IMPLEMENTATION OF PERFORMANCE IMPROVEMENTS.—The Secretary shall, after reviewing the report submitted under subsection (b)(3), implement improvements in the operation of the Job Corps program, including the closings of 10 individual Job Corps centers pursuant to subsection (b). The Secretary may close additional centers as he deems appropriate. Funds saved through the implementation of such improvements shall be used to maintain overall Job Corps program service levels, improve facilities at existing Job Corps centers, relocate Job Corps centers, initiate new Job Corps centers, and make other performance improvements in the Job Corps program.

(d) REPORT TO CONGRESS.—The Secretary shall annually report to Congress the information specified in paragraphs (8), (9), and (10) of subsection (a) and such additional information relating to the Job Corps program as the Secretary may determine to be appropriate.

SEC. 758. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) REPORT.—Section 757 shall take effect on the date of enactment of this Act.

In section 759(a), strike "to States to assist the States in paying for the cost of carrying

out" and insert "for States, to enable the Secretary of Labor to carry out in the States, and to assist the States in paying for the cost of carrying out,".

In section 759(b)(1), strike "The State shall use a portion of the funds made available to the State through an allotment received under subsection (c)" and insert "The Secretary of Labor shall use the funds made available for a State through an allotment made under subsection (c)(2), and, at the election of the State, a portion of the funds made available to the State through an allotment received under subsection (c)(3),".

In section 759(b)(1), strike "section 755" and insert "section 757".

In section 759(b)(2), strike "the funds described in paragraph (1)" and insert "the funds made available to a State through an allotment received under subsection (c)(3)".

In section 759(c)(1), in the matter preceding subparagraph (A), strike "allot to" and insert "allot for".

In section 759(c)(1)(A), strike "available to" and insert "available for".

In section 759(c)(2), strike "to each State" and insert "for each State".

In section 759(c)(2), strike "to carry out" and insert "to enable the Secretary of Labor to carry out".

In section 759(c)(2), strike "section 755(a)(2)" and insert "section 757(a)(2), (3), and (4)".

In section 759(d)(1), strike "subsection (c)" and insert "subsection (c)(3)".

In section 771(b), strike "this title" and insert "this title (other than subtitle C)".

In section 772(a)(4)(B), strike "this title" and insert "this title (other than subtitle C)".

In section 776(c)(2)(H), strike "this title" and insert "this title (other than subtitle C)".

In the first sentence of section 776(c)(5)(A), strike "this title" and insert "this title (other than subtitle C)".

In the second sentence of section 776(c)(5)(A), strike "this title" and insert "this title (other than subtitle C)".

CHAFEE AMENDMENT NO. 2588

Mr. SANTORUM (for Mr. CHAFEE) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 50, beginning with line 12, strike all through line 17, and insert the following:

(2) VOUCHERS FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—States must provide vouchers in lieu of cash assistance which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child.

MCCAIN AMENDMENT NO. 2589

Mr. SANTORUM (for Mr. MCCAIN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 583, between lines 6 and 7, insert the following:

"(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(32).

On page 712, between lines 9 and 10, insert the following:

SEC. 972. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.

(a) CHILD SUPPORT ENFORCEMENT AGREEMENTS.—Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a), 912(b), 913(a), 933, 943(a), and 970(a)(2) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (31) and inserting "; and"; and

(3) by adding after paragraph (31) the following new paragraph:

"(32) provide that a State that receives funding pursuant to section 429 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) shall, through the State administering agency, make reasonable efforts to enter into cooperative agreements with an Indian tribe or tribal organization (as defined in paragraphs (1) and (2) of section 428(c)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement.".

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

"(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(32). The Secretary shall provide for an appropriate adjustment to the State allotment under this section to take into account any payments made under this subsection to Indian tribes or tribal organizations located within such State.

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42 U.S.C. 654) is amended by inserting "and Indian tribes or tribal organizations (as defined in section 450(b) of title 25, United States Code)" after "law enforcement officials".

MOYNIHAN (AND OTHERS) AMENDMENT NO. 2590

Mr. MOYNIHAN (for himself, Ms. SNOWE, Mr. ROCKEFELLER, and Mr. BYRD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 26, between lines 21 and 22, insert the following:

"(f) ADDITIONAL AMOUNT FOR STUDIES AND DEMONSTRATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated and there are appropriated for each fiscal year described in subsection (a)(1) an additional amount equal to 0.20 percent of the amount appropriated under subparagraph (A) of subsection (a)(4) for the purpose of paying—

"(A) the Federal share of any State-initiated study approved under section 410(g);

"(B) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to part A of title IV of this Act, that are in effect or approved under section 1115 as of October 1, 1995, and are continued after such date;

"(C) the cost of conducting the research described in section 410(a); and

"(D) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under section 410(b).

"(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

"(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

"(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

On page 26, line 22, strike "(f)" and insert "(g)".

On page 53, beginning on line 7, strike all through page 55, line 7, and insert the following:

"(a) IN GENERAL.—The Secretary, in consultation with State and local government officials and other interested persons, shall develop a quality assurance system of data collection and reporting that promotes accountability and ensures the improvement and integrity of programs funded under this part.

"(b) STATE SUBMISSIONS.—

"(1) IN GENERAL.—Not later than the 15th day of the first month of each calendar quarter, each State to which a grant is made under section 403 shall submit to the Secretary the data described in paragraphs (2) and (3) with respect to families described in paragraph (4).

"(2) DISAGGREGATED DATA DESCRIBED.—The data described in this paragraph with respect to families described in paragraph (4) is a sample of monthly disaggregated case record data containing the following:

"(A) The age of the adults and children (including pregnant women) in each family.

"(B) The marital and familial status of each member of the family (including whether the family is a 2-parent family and whether a child is living with an adult relative other than a parent).

"(C) The gender, educational level, work experience, and race of the head of each family.

"(D) The health status of each member of the family (including whether any member of the family is seriously ill, disabled, or incapacitated and is being cared for by another member of the family).

"(E) The type and amount of any benefit or assistance received by the family, including—

"(i) the amount of and reason for any reduction in assistance, and

"(ii) if assistance is terminated, whether termination is due to employment, sanction, or time limit.

"(F) Any benefit or assistance received by a member of the family with respect to housing, food stamps, job training, or the Head Start program.

"(G) The number of months since the family filed the most recent application for assistance under the program and if assistance was denied, the reason for the denial.

"(H) The number of times a family has applied for and received assistance under the State program and the number of months assistance has been received each time assistance has been provided to the family.

"(I) The employment status of the adults in the family (including the number of hours worked and the amount earned).

"(J) The date on which an adult in the family began to engage in work, the number of hours the adult engaged in work, the work activity in which the adult participated, and the amount of child care assistance provided to the adult (if any).

"(K) The number of individuals in each family receiving assistance and the number of individuals in each family not receiving assistance, and the relationship of each individual to the youngest child in the family.

"(L) The citizenship status of each member of the family.

"(M) The housing arrangement of each member of the family.

"(N) The amount of unearned income, child support, assets, and other financial factors considered in determining eligibility for assistance under the State program.

"(O) The location in the State of each family receiving assistance.

"(P) Any other data that the Secretary determines is necessary to ensure efficient and effective program administration.

"(3) AGGREGATED MONTHLY DATA.—The data described in this paragraph is the following aggregated monthly data with respect to the families described in paragraph (4):

"(A) The number of families.

"(B) The number of adults in each family.

"(C) The number of children in each family.

"(D) The number of families for which assistance has been terminated because of employment, sanctions, or time limits.

"(4) FAMILIES DESCRIBED.—The families described in this paragraph are—

"(A) families receiving assistance under a State program funded under this part for each month in the calendar quarter preceding the calendar quarter in which the data is submitted,

"(B) families applying for such assistance during such preceding calendar quarter, and

"(C) families that became ineligible to receive such assistance during such preceding calendar quarter.

"(5) APPROPRIATE SUBSETS OF DATA COLLECTED.—The Secretary shall determine appropriate subsets of the data described in paragraphs (2) and (3) that a State is required to submit under paragraph (1) with respect to families described in subparagraphs (B) and (C) of paragraph (4).

"(6) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of each State's program performance. The Secretary is authorized to develop and implement procedures for verifying the quality of data submitted by the States.

On page 58, between lines 5 and 6, insert the following:

"(j) REPORT TO CONGRESS.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

"(1) whether the States are meeting—

"(A) the participation rates described in section 404(a); and

"(B) the objectives of—

"(i) increasing employment and earnings of needy families, and child support collections; and

"(ii) decreasing out-of-wedlock pregnancies and child poverty;

"(3) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

"(4) the characteristics of each State program funded under this part; and

"(5) the trends in employment and earnings of needy families with minor children.

On page 58, beginning on line 8, strike all through page 58, line 21, and insert the following:

"(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

"(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

"(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

On page 58, line 22, strike "(d)" and insert "(c)".

On page 59, line 4, strike "(e)" and insert "(d)".

On page 59, line 22, strike "(f)" and insert "(e)".

On page 60, between lines 13 and 14, insert the following:

"(g) STATE-INITIATED STUDIES.—A State shall be eligible to receive funding to evaluate the State's family assistance program funded under this part if—

"(1) the State submits a proposal to the Secretary for such evaluation,

"(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States, and

"(3) unless otherwise waived by the Secretary, the State provides a non-Federal share of at least 10 percent of the cost of such study.

BOXER AMENDMENT NO. 2591

Mr. MOYNIHAN (for Mrs. BOXER) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 17, line 2, strike "and (5)" and insert "(5), and (6)".

On page 24, between lines 18 and 19, and insert the following:

"(6) CHILD CARE MAINTENANCE OF EFFORT.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, and 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for child care for the preceding fiscal year is less than historic State child care expenditures.

"(B) HISTORIC STATE CHILD CARE EXPENDITURES.—For purposes of this paragraph, the term 'historic State child care expenditures' means amounts expended for fiscal year 1994 for child care under—

"(i) section 402(g)(1)(A)(i) of this Act (relating to AFDC–JOBs child care) (as in effect during such year);

"(ii) section 402(g)(1)(A)(ii) of this Act (relating to transitional child care) (as so in effect); and

"(iii) section 402(i) of this Act (relating to at-risk child care) (as so in effect).

"(C) DETERMINING STATE EXPENDITURES.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

"(D) BONUS FOR STATES WITH HIGH WORK PARTICIPATION RATES.—The Secretary shall distribute (in a manner to be determined by the Secretary) amounts by which State grants are reduced under this section to States that exceed the minimum participation rates specified under section 404(a). If no State qualifies for such distribution, the Secretary may retain such amounts for distribution in succeeding years.".

BOXER AMENDMENTS NOS. 2592–2593

Mr. MOYNIHAN (for Mrs. BOXER) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2592

On page 292, line 5, strike "and".

On page 292, line 11, strike the end period and insert ", and".

On page 292, between lines 11 and 12, insert:

(F) payments for foster care and adoption assistance under part E of title IV of the Social Security Act.

AMENDMENT NO. 2593

At the appropriate place, insert the following new section:

SEC. ___. SENSE OF SENATE REGARDING GAG RULE.

It is the sense of the Senate that, notwithstanding any other provision of law, receipt of Federal funding by providers of health care or social services shall not permit the Federal Government, States, counties, or any other political subdivisions to restrict the content of any medical information provided by those providers in furtherance of the provision of health care or social services to their patients or clients.

FAIRCLOTH (AND GRAMM) AMENDMENT NO. 2594

Mr. SANTORUM (for Mr. FAIRCLOTH for himself and Mr. GRAMM) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 49, strike line 13 through line 19 and insert the following.

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS UNLESS CERTAIN CONDITIONS ARE MET.—Notwithstanding subsection (d), a State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age or unless the following conditions are met:

"(A) The individual is in, or has graduated from, a secondary school or a program offering the equivalent of vocational or technical training, or has obtained a certificate of high school equivalency.

"(B) Any cash benefits for the child or the individual are provided only to—

(I) an adult with whom the individual or child reside, and whom the State recognizes as acting in loco parentis with respect to the individual; or

(ii) the maternity home, foster home, or other adult-supervised supportive living arrangement in which the individual lives.

"(C) Any vouchers provided in lieu of cash benefits for the individual or the child may be used only to pay for—

(i) particular goods and services specified by the State as suitable for the care of the child (such as diapers, clothing, or cribs): or

(ii) the costs associated with a maternity home, foster home, or other adult supervised supportive living arrangement in which the individual and child live.

"(D) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest."

FAIRCLOTH AMENDMENTS NOS. 2595–2607

Mr. SANTORUM (for Mr. FAIRCLOTH) proposed thirteen amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2595

At the appropriate place, insert the following:

SEC. ___. REPORT ON DISQUALIFICATION OF ILLEGAL ALIENS FROM HOUSING ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Committees on the Judiciary of the House of Representatives and the Senate, the Committee on Banking and Financial Services of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report describing the manner in which the Secretary is enforcing section 214 of the Housing and Community Development Act of 1980.

(b) CONTENTS.—The report submitted under subsection (a) shall include statistics with respect to the number of aliens denied financial assistance under such section.

Amend the table of contents accordingly.

AMENDMENT NO. 2596

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE CONGRESS REGARDING A WORK REQUIREMENT FOR PUBLIC HOUSING RESIDENTS.

It is the sense of the Congress that able-bodied residents of public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937) should be required to perform work service to improve and maintain the facilities in which they live.

Amend the table of contents accordingly.

AMENDMENT NO. 2597

At the end of section 731, insert the following:

(f) EVALUATIONS.—

(1) COVERED ACTIVITIES.—The activities referred to in this subsection are activities carried out under this subtitle or subtitle C.

(2) IN GENERAL.—Each State that carries out activities described in paragraph (1) shall conduct ongoing evaluations of such activities.

(3) METHODS.—The State shall conduct such evaluations through controlled experiments using experimental and control groups chosen by random assignment. In conducting the evaluations, the State shall, at a minimum, determine whether activities described in paragraph (1) effectively raise the hourly wage rates of participants in such activities.

(4) ONGOING NATURE OF EVALUATIONS.—At any given time during the 2-year period of the program, the State shall conduct at least 1 such evaluation of the activities described in paragraph (1).

AMENDMENT NO. 2598

At the end of section 712, insert the following:

(d) TRANSFERABILITY TO OPERATE WORK PROGRAMS.—

(1) TRANSFERS TO OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives an allotment under this section may use 25 percent of the funds made available through the allotment—

(A) to enable the State to meet the minimum participation rates described in section 404(a) of the Social Security Act (as amended by section 101), including the provision of such child care services as the Governor may determine to be necessary to meet the rates; or

(B) for the implementation of work and training programs for recipients of Federal means tested assistance (as defined by the Federal Partnership), including the provision of the child care services described in subparagraph (A).

(2) TRANSFERS FROM OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives funds under part A of title IV of the Social Security Act, or Federal financial assistance to carry out the programs described in paragraph (1)(B), may use 25 percent of the funds or financial assistance to carry out the activities described in this subtitle.

AMENDMENT NO. 2599

In section 759(b), add at the end the following:

(3) TRANSFERS TO OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives an allotment under this section may use 25 percent of the funds made available through the allotment—

(A) to enable the State to meet the minimum participation rates described in section 404(a) of the Social Security Act (as amended by section 101), including the provision of such child care services as the Governor may determine to be necessary to meet the rates; or

(B) for the implementation of work and training programs for recipients of Federal means tested assistance (as defined by the Federal Partnership), including the provision of the child care services described in subparagraph (A).

(4) TRANSFERS FROM OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives funds under part A of title IV of the Social Security Act, or Federal financial assistance to carry out the programs described in paragraph (3)(B), may use 25 percent of the funds or financial assistance to carry out the activities described in this subtitle.

AMENDMENT NO. 2600

On page 200, between lines 11 and 12, insert the following:

SEC. 321. CASH AID IN LIEU OF ALLOTMENT.

Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) (as amended by section 320) is further amended by adding at the end the following:

"(k) CASH AID IN LIEU OF COUPONS.—

"(1) ELIGIBLE INDIVIDUALS.—For purposes of this subsection, an individual shall be eligible if the individual is—

"(A) receiving benefits under this Act;

"(B) receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(C) participating in subsidized employment, on-the-job training, or a community service program under section 404 of the Social Security Act.

"(2) STATE OPTION.—In the case of an eligible individual described in paragraph (1), a State agency may—

"(A) convert the food stamp benefits of the household of which the individual is a member to cash, and provide the cash in a single integrated payment with cash aid under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(B) sanction the individual, or a household that contains the individual, or reduce the benefits of the individual or household under the same rules and procedures as the State uses under part A of title IV of the Act (42 U.S.C. 601 et seq.).

AMENDMENT NO. 2601

On page 190, strike lines 9 through 17 and insert the following:

"(i) COMPARABLE TREATMENT UNDER SEPARATE PROGRAMS.—

"(1) IN GENERAL.—If a disqualification, penalty, or sanction is imposed on a household or part of a household for a failure of an individual to perform an action required under a Federal, State, or local law relating to a welfare or public assistance program, the State agency may impose the same disqualification, penalty, or sanction on the household or part of the household under the food stamp program using the rules and procedures that apply to the welfare or public assistance program.

AMENDMENT NO. 2602

On page 36, between lines 13 and 14, insert the following:

"(4) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i)(I) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

AMENDMENT NO. 2603

On page 49, strike lines 13 through 19, and insert the following:

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other than statutory rape) or incest.

"(3) EXCEPTION FOR VOUCHERS.—Paragraph (1) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(4) STATE MAY ELECT NOT TO HAVE PROVISION APPLY.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to a State during any period during which there is in effect a State law which provides that individuals described in paragraph (1) are eligible for cash benefits from funds made available under section 403.

"(B) TIME FOR ELECTION.—Subparagraph (A) shall only apply if such State law is in effect on or before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(C) TRANSITION RULE.—Paragraph (1) shall not apply in a State before the first day of the first calendar quarter described in subparagraph (B) unless there is in effect before such day a State law prohibiting cash benefits to individuals described in paragraph (1).

AMENDMENT NO. 2604

On page 49, beginning with line 20, strike all through page 50, line 5, and insert the following:

"(c) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a minor child who is born to—

"(A) a recipient of benefits under the program operated under this part; or

"(B) a person who received such benefits at any time during the 10-month period ending with the birth of the child.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other than statutory rape) or incest.

"(3) EXCEPTION FOR VOUCHERS.—Paragraph (1) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(4) STATE MAY ELECT NOT TO HAVE PROVISION APPLY.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to a State during any period during which there is in effect a State law which provides that individuals described in paragraph (1) are eligible for cash benefits from funds made available under section 403.

"(B) TIME FOR ELECTION.—Subparagraph (A) shall only apply if such State law is in effect on or before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(C) TRANSITION RULE.—Paragraph (1) shall not apply in a State before the first day of the first calendar quarter described in subparagraph (B) unless there is in effect before such day a State law prohibiting cash benefits to individuals described in paragraph (1).

AMENDMENT NO. 2605

On page 49, strike lines 13 through 19, and insert the following:

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other than statutory rape) or incest.

"(3) STATE OPTION.—Nothing in paragraph (1) shall be construed to prohibit a State from using funds provided by section 403 from providing aid in the form of vouchers that may be used only to pay for particular goods and services specified by the State as suitable for the care of the child such as diapers, clothing, and school supplies.

AMENDMENT NO. 2606

On page 42, between lines 21 and 22, insert the following:

"(f) PROVISIONS RELATING TO PATERNITY ESTABLISHMENT.—

"(1) PATERNITY NOT ESTABLISHED.—If a State provides cash benefits to families from grant funds received by the State under section 403, the State shall provide that if a family applying for such benefits includes a child who has not attained age 18 and who was born on or after January 1, 1996, with respect to whom paternity has not been established, such benefits shall not be available for—

"(A) such child (until the child attains age 18); and

"(B) the parent or caretaker relative of such child if the parent or caretaker relative of such child is not the parent or caretaker relative of another child for whom benefits are available.

"(2) EXCEPTIONS.—Notwithstanding paragraph (1)—

"(A) the State may use grant funds received by the State under section 403 to provide cash benefits to a minor child who is up to 6 months of age for whom paternity has not been established if the parent or caretaker relative of the child provides the name, address, and such other identifying information as the State may require of an individual who may be the father of the child; and

"(B) the State may exempt up to 25 percent of all families in the population described in paragraph (1) applying for cash benefits from grant funds received by the State under section 403 which include a child who was born on or after January 1, 1996, and with respect to whom paternity has not been established, from the reduction imposed under paragraph (1).

AMENDMENT NO. 2607

On page 11, beginning on line 5, strike ", and establish" and all that follows through line 7, and insert a period.

On page 11, between lines 7 and 8, insert the following:

"SEC. 401A. GOALS AND PLAN FOR REDUCING ILLEGITIMACY.

"(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, each State to which a grant is made under section 403 shall—

"(1) establish formal numeric goals for the State's illegitimacy ratio for fiscal years 1997 through 2007; and

"(2) submit a plan to the Secretary that—

"(A) outlines how the State intends to reduce the State's illegitimacy ratio; and

"(B) evaluates the potential impact of the States's plan for reducing the State's illegitimacy ratio on the State's abortion rate.

"(b) ILLEGITIMACY RATIO AND ABORTION RATE.—

"(1) ILLEGITIMACY RATIO.—For purposes of this section, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(A) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

"(B) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(2) ABORTION RATE.—For purposes of this section, the term 'abortion rate' means, with respect to a State and a fiscal year, the number of abortions performed in the State per 1,000 women who are residents of the State and are between the ages of 15 and 44 during the most recent fiscal year for which such information is available.

FAIRCLOTH (AND GRAMM) AMENDMENT NO. 2608

Mr. SANTORUM (for Mr. FAIRCLOTH, for himself, and Mr. GRAMM) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 425, between lines 15 and 16, insert the following:

"(d) ABSTINENCE EDUCATION PROGRAM.—

"(1) FUNDS EARMARKED.—Of the amounts appropriated under subsection (a), $200,000,000 shall be allocated to the States pursuant to the allocation formula and rules under title V of the Social Security Act (42 U.S.C. 701 et seq.) to be used exclusively for abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most likely to bear children out-of-wedlock.

"(2) ABSTINENCE EDUCATION.—For purposes of this subsection, the term 'abstinence education' shall mean an educational or motivational program which—

"(A) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

"(B) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

"(C) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

"(D) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

"(E) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

"(F) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

"(G) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

"(H) teaches the importance of attaining self-sufficiency before engaging in sexual activity.

FAIRCLOTH AMENDMENT NO. 2609

Mr. SANTORUM (for Mr. FAIRCLOTH) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 50, line 13, insert "except as provided in paragraph (3)," after "(A)".

On page 51, between lines 11 and 12, insert the following:

"(3) REQUIREMENT THAT ADULT RELATIVE OR GUARDIAN NOT HAVE A HISTORY OF ASSISTANCE.—A State shall not use any part of the

grant paid under section 403 to provide assistance to an individual described in paragraph (2) if such individual resides with a parent, guardian, or other adult relative who—

(A) has had a child out-of-wedlock; and

(B) during the preceding 2-year period, received assistance as an adult under a State program funded under this part or under the program for aid to families with dependent children.

MOYNIHAN AMENDMENT NO. 2610

Mr. MOYNIHAN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. POVERTY DATA CORRECTION.

(a) IN GENERAL.—Chapter 5 of title 13, United States Code, is amended by adding after subchapter V the following:

"SUBCHAPTER VI—POVERTY DATA

"SEC. 197. CORRECTION OF SUBNATIONAL DATA RELATING TO PROVERTY.

"(a) Any data relating to the incidence of poverty produced or published by or for the Secretary for subnational areas shall be corrected for differences in the cost of living, and data produced for State and sub-State areas shall be corrected for differences in the cost of living for at least all States of the United States.

"(b) Data under this section shall be published in 1997 and at least every second year thereafter.

"SEC. 198. DEVELOPMENT OF STATE COST-OF-LIVING INDEX AND STATE POVERTY THRESHOLDS.

"(a) To correct any data relating to the incidence of poverty for differences in the cost of living, the Secretarty shall—

"(1) develop or cause to be developed a State cost-of-living index which ranks and assigns an index value to each State using data on wage, housing, and other costs relevant to the cost of living; and

"(2) multiply the Federal Government's statistical poverty thresholds by the index value for each State's cost of living to produce State poverty thresholds for each State.

"(b) The State cost-of-living index and resulting State poverty thresholds shall be published prior to September 30, 1996, for calendar year 1995 and shall be updated annually for each subsequent calendar year.".

(b) CONFORMING AMENDMENT.—The table of subchapters of chapter 5 of title 13, United States Code, is amended by adding at the end the following:

"SUBCHAPTER VI—POVERTY DATA

"Sec. 197. Correction of subnational data relating to poverty.

"Sec. 198. Development of State cost-of-living index and State poverty thresholds.".

MOYNIHAN AMENDMENT NO. 2611

Mr. MOYNIHAN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place, insert:

TITLE ___—STATE MINIMUM RETURN OF FEDERAL TAX BURDEN

SEC. ___01. SHORT TITLE.

This title may be cited as the "State Minimum Return Act of 1995".

SEC. ___02. STATEMENT OF POLICY.

It is the purpose of this title to provide, within existing budgetary limits, authority to reallocate the distribution of certain Federal spending to various States in order to ensure by the end of fiscal year 2000 that each State receive in each fiscal year a percentage of total allocable Federal expenditures equal to a minimum of 90 percent of the percentage of total Federal tax burden attributable to such State for such fiscal year.

SEC. ___03. DEFINITIONS.

As used in this title—

(1) The term "Director" means the Director of the Office of Management and Budget.

(2) The term "Federal agency" means any agency defined in section 551(1) of title 5, United States Code.

(3) The term "State" means each of the several States and the District of Columbia.

(4) The term "historic share" means the average percentage share of Federal expenditures received by any State during the most recent three fiscal years.

(5) The term "Federal expenditures" means all outlays by the Federal Government as defined in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(1)) which the Bureau of the Census can allocate to the several States.

(6) The term "Federal tax revenues" means all revenues collected pursuant to the Internal Revenue Code of 1986.

(7) The term "need-based program" means any program which results in direct payment to individuals and which involves an income test to help determine the eligibility of an individual for assistance under such program.

SEC. ___04. DESIGNATION OF ELIGIBLE STATES.

(a) Any State shall be eligible for a positive reallocation of allocable Federal expenditures described in section ___05 and received by such State under section ___07(a), if such State, for any fiscal year, has an allocable Federal expenditure to Federal tax ratio which is less than 90 percent.

(b) Any State shall be eligible for a positive reallocation of Federal expenditures described in section ___05 and received by such State under paragraph (1) of section ___07(a), if such State, for any fiscal year, has an allocable Federal expenditure to Federal tax ratio which is less than 100 percent but greater than or equal to 90 percent.

(c) During each fiscal year, the Director, after consultation with the Secretary of the Treasury and the Director of the Census Bureau, shall determine the eligibility of any State under this section using the most recent fiscal year data and estimated data available concerning Federal tax revenues and allocable Federal expenditures attributable to such State. The Secretary of the Treasury shall determine the attribution of Federal tax revenues to each State after consultation with the Comptroller General of the United States and other interested public and private persons.

(d) For purposes of determining the eligibility of any State under subsection (c), any water or power program in which the Federal Government, through Government corporations, provides water or power to any State at less than market price shall be taken into account in computing such State's allocable Federal expenditure to Federal tax ratio by characterizing as an imputed Federal expenditure the difference between the market price as determined by the Secretary of the Treasury in consultation with the Director and the Secretary of Energy and the Secretary of the Interior and the program's actual price of providing such water or power to such State.

SEC. ___05. DESIGNATION OF REALLOCABLE FEDERAL EXPENDITURES.

All allocable Federal expenditures in any fiscal year shall be subject to reallocation to ensure the objective described in section ___02 with respect to eligible States designated under section ___04, except for such expenditures with respect to the following:

(1) Water and power programs which are described in section ___04(d).

(2) Compensation and allowances of officers and employees of the Federal Government.

(3) Maintenance of Federal Government buildings and installations.

(4) Offsetting receipts.

(5) Programs for which the Federal Government assumes the total cost and in which a direct payment is made to a recipient other than a governmental unit. Such programs include, but are not limited to:

(A) Social Security, including disability, retirement, survivors insurance, unemployment compensation, and Medicare, including hospital and supplementary medical insurance;

(B) Supplemental Security Income;

(C) Food Stamps;

(D) Black Lung Disability;

(E) National Guaranteed Student Loan interest subsidies;

(F) Pell grants;

(G) lower income housing assistance;

(H) social insurance payments for railroad workers;

(I) railroad retirement;

(J) excess earned income tax credits;

(K) veterans assistance, including pensions, service connected disability, nonservice connected disability, educational assistance, dependency payments, and pensions for spouses and surviving dependents;

(L) Federal workers' compensation;

(M) Federal retirement and disability;

(N) Federal employee life and health insurance; and

(O) farm income support programs.

SEC. ___06. REALLOCATION AUTHORITY.

(a) Notwithstanding any other provision of law, during any fiscal year the head of each Federal agency shall, after consultation with the Director, make such reallocations of allocable expenditures described in section ___05 to eligible States designated under section ___04 as are necessary to ensure the objective described in section ___02.

(b) Notwithstanding any other provision of law and to the extent necessary in the administration of this title, the head of each Federal agency shall waive any administrative provision with respect to allocation, allotments, reservations, priorities, or planning and application requirements (other than audit requirements) for the expenditures reallocated under this title.

(c) The head of each Federal agency having responsibilities under this title is authorized and directed to cooperate with the Director in the administration of the provisions of this title.

SEC. ___07. REALLOCATION MECHANISMS.

(a) Notwithstanding any other provision of law, for purposes of this title, during any fiscal year reallocations of expenditures required by section ___06 shall be accomplished in the following manner:

(1)(A) With respect to procurement contracts, and subcontracts in excess of $25,000, the head of each Federal agency shall—

(i) identify qualified firms in eligible States designated under section ___04 and disseminate any information to such firms

necessary to increase participation by such firms in the bidding for such contracts and subcontracts,

(ii) in order to ensure the objective described in section ___02, increase the national share of such contracts and subcontracts for each eligible State designated under section ___04(a) by up to 10 percent each fiscal year, and

(iii) thirty days after the end of each fiscal year, report to the Director regarding progress made during such fiscal year to increase the share of such contracts and subcontracts for such eligible States, including the percentage increase achieved under clause (ii) and if the goal described in clause (ii) is not attained, the reasons therefor.

Within ninety days after the end of each fiscal year, the Director shall review, evaluate, and report to the Congress as to the progress made during such fiscal year to increase the share of procurement contracts and subcontracts the preponderance of the value of which has been performed in such eligible States.

(B) With respect to each fiscal year, if any Federal agency does not attain the goal described in subparagraph (A)(ii), then, during the subsequent fiscal year, such agency shall report to the Director prior to the awarding of any contract or subcontract described in subparagraph (A) to any firm in an ineligible State the reasons such contract or subcontract was not awarded to any firm in an eligible State.

(C) In the case of any competitive procurement contract or subcontract, the head of the contracting Federal agency shall award such contract or subcontract to the lowest bid from a qualified firm that will perform the preponderance of the value of the work in an eligible State designated under section ___04 if the bid for such contract or subcontract is lower or equivalent to any bid from any qualified firm that will perform the preponderance of the value of the work in an ineligible State.

(D) In the case of any noncompetitive procurement contract or subcontract, the head of each Federal agency shall identify and award such contract or subcontract to a qualified firm that will perform the preponderance of the value of the work in an eligible State designated under section ___04 and that complete such contract or subcontract at a lower or equivalent price as any qualified firm that will perform the preponderance of the value of the work in an ineligible State.

(E) For purposes of this paragraph, in the case of any procurement contract or subcontract, any firm shall be qualified if—

(i) such firm has met the elements of responsibility provided for in section 8(b)(7) of the Small Business Act (15 U.S.C. 637(b)(7)) as determined by the head of the contracting Federal agency to be necessary to complete the contract or subcontract in a timely and satisfactory manner, and

(ii) with respect to any prequalification requirement, such firm has been notified in writing of all standards which a prospective contractor must satisfy in order to become qualified, and upon request, is provided a prompt opportunity to demonstrate the ability of such firm to meet such specified standards.

(F) In order to reallocate expenditures with respect to subcontracts as required by subparagraph (A), each Federal agency shall collect necessary data to identify such subcontracts beginning in fiscal year 1991.

(2)(A) With respect to all other expenditures described in section ___05, including all grants administered by the Department of Transportation, the Department of the Interior, the Department of Agriculture, the Environmental Protection Agency, and the United States Army Corps of Engineers, any eligible State designated under section ___04(a) shall receive 110 percent of such State's historic share with respect to such expenditures.

(b) No reallocation shall be made under this section with respect to allocable expenditures for any program to any State in any fiscal year which results in a reduction of 10 percent or more of the amount of such expenditures to such State.

(c) No reallocation shall be made under the provisions of this title which will result in any allocable Federal expenditure to Federal tax ratio of any State being reduced below 90 percent.

SEC. ___08. AMENDMENTS.

No provision of law shall explicitly or implicitly amend the provisions of this title unless such provision specifically refers to this title.

SEC. ___09. STUDY.

(a) The Secretary of the Treasury or a delegate of the Secretary shall conduct a study on the impact of Federal spending, tax policy, and fiscal policy on State economies and the economic growth rate of States and regions of the United States. In particular, the Secretary or his delegate shall examine the extent to which the economies of States which have allocable Federal expenditure to Federal tax ratios below 100 are harmed by such a fiscal relationship with the Federal Government.

(b) The report of the study required by subsection (a) shall be submitted to Congress not later than December 31, 1996.

SEC. ___10. EFFECTIVE DATE.

The provisions of this title shall take effect for fiscal years beginning after the date of the enactment of this title.

GRAMM AMENDMENTS NOS. 2612–2614

Mr. SANTORUM (for Mr. GRAMM) proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2612

On page 34, line 20, strike "For any fiscal year" and insert "Solely for the first 12-month period to which the requirement to engage in work under this section is in effect".

AMENDMENT NO. 2613

On page 34, beginning on line 24, strike "and may exclude" and all that follows through page 35, line 2, and insert a period.

AMENDMENT NO. 2614

On page 53, strike lines 1 through 8, and insert the following:

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the minimum participation rates specified in section 404(a) for a fiscal year, the Secretary shall reduce the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year by—

"(i) in the first year in which the State fails to satisfy such rates, 5 percent; and

"(ii) in subsequent years in which the State fails to satisfy such rates, the percent reduction determined under this subparagraph (if any) in the preceding year, increased by 5 percent.

GRAMM (AND FAIRCLOTH) AMENDMENTS NOS. 2615–2617

Mr. SANTORUM (for Mr. GRAMM, for himself and Mr. FAIRCLOTH) proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2615

On page 792, strike lines 1 through 22 and insert the following:

SEC. 1202. REDUCTIONS IN FEDERAL BUREAUCRACY.

(a) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Labor shall reduce the Federal workforce within the Department of Health and Human Services and the Department of Labor, respectively, by an amount equal to the sum of—

(1) 75 percent of the full-time equivalent positions at each such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under this Act and the amendments made by this Act; and

(2) an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at each such Department that bears the same relationship to the amount appropriated for the programs referred to in paragraph (1) as such amount relates to the total amount appropriated for use by each such Department.

(b) REDUCTIONS IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Notwithstanding any other provision of this Act, the Secretary of Health and Human Services shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services—

(1) by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 101(b); and

(2) by 60 full-time equivalent managerial positions in the Department.

(c) REDUCTIONS IN THE DEPARTMENT OF LABOR.—Notwithstanding any other provision of this Act, the Secretary of Labor shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Labor—

(1) by 675 full-time equivalent positions related to the programs converted into a block grant under titles VII and VIII; and

(2) by 156 full-time equivalent managerial positions in the Department.

AMENDMENT NO. 2616

On page 42, between lines 21 and 22, insert the following:

"(f) PROVISIONS RELATING TO PATERNITY ESTABLISHMENT.—

"(1) PATERNITY NOT ESTABLISHED.—If a State provides cash benefits to families from grant funds received by the State under section 403, the State shall provide that if a family applying for such benefits includes a child who has not attained age 18 and who was born on or after January 1, 1996, with respect to whom paternity has not been established, such benefits shall not be available for—

"(A) such child (until the child attains age 18); and

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"(B) the parent or caretaker relative of such child if the parent or caretaker relative of such child is not the parent or caretaker relative of another child for whom benefits are available.

"(2) EXCEPTIONS.—Notwithstanding paragraph (1)—

"(A) the State may use grant funds received by the State under section 403 to provide cash benefits to a minor child who is up to 6 months of age for whom paternity has not been established if the parent or caretaker relative of the child provides the name, address, and such other identifying information as the State may require of an individual who may be the father of the child; and

"(B) the State may exempt up to 25 percent of all families in the population described in paragraph (1) applying for cash benefits from grant funds received by the State under section 403 which include a child who was born on or after January 1, 1996, and with respect to whom paternity has not been established, from the reduction imposed under paragraph (1).

AMENDMENT NO. 2617

At the appropriate place, insert the following:

SEC. . RESTRICTIONS ON TAXPAYER FINANCED LEGAL CHALLENGES.

(a) IN GENERAL.—No legal aid organization or other entity that provides legal services and which receives Federal funds or IOLTA funds may challenge (or act as an attorney on behalf of any party who seeks to challenge) in any legal proceeding—

(1) the legal validity—

(A) under the United States Constitution—

(i) of this Act or any regulations promulgated under this Act; and

(ii) of any law or regulation enacted or promulgated by a State pursuant to this Act;

(B) under this Act or any regulation adopted under this Act of any State law or regulation; and

(C) under any State Constitution of any law or regulation enacted or promulgated by a State pursuant to this Act; and

(2) the conflict—

(A) of this Act or any regulations promulgated under this Act with any other law or regulation of the United States; and

(B) of any law or regulation enacted or promulgated by a State pursuant to this Act with any law or regulation of the United States.

(b) IOLTA FUNDS DEFINED.—For purposes of this section, the term "IOLTA funds" means interest on lawyers trust account funds that—

(1) are generated when attorneys are required by State court or State bar rules to deposit otherwise noninterest-bearing client funds into an interest-bearing account while awaiting the outcome of a legal proceeding; and

(2) are pooled and distributed by a subdivision of a State bar association or the State court system to organizations selected by the State courts administration.

(c) LEGAL PROCEEDING DEFINED.—For purposes of this section, the term "legal proceeding" includes—

(1) a proceeding—

(A) in a court of the United States;

(B) in a court of a State; and

(C) in an administrative hearing in a Federal or State agency; and

(2) any activities related to the commencement of a proceeding described in subparagraph (A).

MOYNIHAN AMENDMENT NO. 2618

Mr. MOYNIHAN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page , strike title XII and insert the following new title:

"TITLE XII—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

"SEC. 1201. REDUCTIONS.

"(a) DEFINITIONS.—As used in this section:

"(1) APPROPRIATE EFFECTIVE DATE.—The term 'appropriate effective date', used with respect to a department referred to in this section, means the date on which all provisions of this Act that the Department is required to carry out, and amendments and repeals made by this Act to provisions of Federal law that the Department is required to carry out, are effective.

"(2) COVERED ACTIVITY.—The term 'covered activity', used with respect to a Department referred to in this section, means an activity that the Department is required to carry out under—

"(A) a provision of this Act; or

"(B) a provision of Federal law that is amended or repealed by this Act.

"(b) REPORTS.—

"(1) CONTENTS.—Not later than December 31, 1995, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant committees described in paragraph (3) a report containing—

"(A) the determinations described in subsection (c);

"(B) appropriate documentation in support of such determinations; and

"(C) a description of the methodology used in making such determinations.

"(2) SECRETARY.—The Secretaries referred to in this paragraph are—

"(A) the Secretary of Agriculture;

"(B) the Secretary of Education;

"(C) the Secretary of Labor,

"(D) the Secretary of Housing and Urban Development, and

"(E) the Secretary of Health and Human Services.

"(3) RELEVANT COMMITTEES.—The relevant Committees described in this paragraph are the following:

"(A) With respect to each Secretary described in paragraph (2), the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

"(B) With respect to the Secretary of Agriculture, the Committee on Agriculture and the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(C) With respect to the Secretary of Education, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(D) With respect to the Secretary of Labor, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(E) With respect to the Secretary of Housing and Urban Development, the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(F) With respect to the Secretary of Health and Human Services, the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on Labor and Human Resources of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate.

"(4) REPORT ON CHANGES.—Not later than December 31, 1996, and each December 31 thereafter, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant Committees described in paragraph (3), a report concerning any changes with respect to the determinations made under subsection (c) for the year in which the report is being submitted.

"(c) DETERMINATIONS.—Not later than December 31, 1995, each Secretary referred to in subsection (b)(2) shall determine—

"(1) the number of full-time equivalent positions required by the Department (or the Federal Partnership established under section 771) headed by such Secretary to carry out the covered activities of the Department (or Federal Partnership), as of the day before the date of enactment of this Act;

"(2) the number of such positions required by the Department (or Federal Partnership) to carry out the activities, as of the appropriate effective date for the Department (or Federal Partnership); and

"(3) the difference obtained by subtracting the number referred to in paragraph (2) from the number referred to in paragraph (1).

"(d) ACTIONS.—Not later than 30 days after the appropriate effective date for the Department involved, each Secretary referred to in subsection (b)(2) shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the number of positions of personnel of the Department by at least the difference referred to in subsection (c)(3).

"(e) CONSISTENCY.—

"(1) EDUATION.—The Secretary of Education shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and section 776(1)(2).

"(2) LABOR.—The Secretary of Labor shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and section 776(1)(2).

"(f) CALCULATION.—In determining, under subsection (c), the number of full-time equivalent positions required by a Department to carry out a covered activity, a Secretary referred to in subsection (b)(2), shall include the number of such positions occupied by personnel carrying out program functions or other functions (including budgetary, legislative, administrative, planning, evaluation, and legal functions) related to the activity.

"(g) GENERAL ACCOUNTING OFFICE REPORT.—Not later than July 1, 1996, the Comptroller General of the United States shall prepare and submit to the committees described in subsection (b)(3), a report concerning the determinations made by each Secretary under subsection (c). Such report shall contain an analysis of the determinations made by each Secretary under subsection (c) and a determination as to whether further reductions in full-time equivalent positions are appropriate.".

KENNEDY AMENDMENTS NOS. 2619–2631

Mr. MOYNIHAN (for Mr. KENNEDY) proposed 13 amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2619

On page 289, line 5, strike the period and insert ", but in no event shall such period extend beyond the date (if any) on which the

alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act."

AMENDMENT NO. 2620

On page 292, strike lines 5 through lines 11 and insert the following:

Nutrition Act of 1966;

(E) public health assistance for immunizations with respect to immunizable diseases and for testing and treatment for communicable diseases if the Secretary of Health and Human Services determines that such testing and treatment is necessary; and

(F) benefits or services which serve a compelling humanitarian or compelling public interest as specified by the Attorney General in consultation with appropriate Federal agencies and departments.

AMENDMENT NO. 2621

On pages 77 through 83, strike sec. 102 and sec. 103.

AMENDMENT NO. 2622

On page 159, strike lines 1 through 5.

On page 792, after line 22, add the following new title:

TITLE ___—CORPORATE WELFARE REDUCTION

SEC. ___01. SHORT TITLE.

This title may be cited as the "Corporate Welfare Reduction Act of 1995".

SEC. ___02. FOREIGN OIL AND GAS INCOME.

(a) SPECIAL RULES FOR FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN OIL AND GAS INCOME.—

(1) CERTAIN TAXES NOT CREDITABLE.—

(A) IN GENERAL.—Subsection (a) of section 907 of the Internal Revenue Code of 1986 (relating to reduction in amount allowed as foreign tax under section 901) is amended to read as follows:

"(a) CERTAIN TAXES NOT CREDITABLE.—

"(1) IN GENERAL.—For purposes of this subtitle, the term 'income, war profits, and excess profits taxes' shall not include—

"(A) any taxes which are paid or accrued to any foreign country with respect to foreign oil and gas income and which are not imposed under a generally applicable income tax law of such country, and

"(B) any taxes (not described in subparagraph (A)) which are paid or accrued to any foreign country with respect to foreign oil and gas income to the extent that the foreign law imposing such amount of tax is structured, or in fact operates, so that the amount of tax imposed with respect to foreign oil and gas income will generally be materially greater, over a reasonable period of time, than the amount generally imposed on income that is not foreign oil and gas income.

In computing the amount not treated as tax under subparagraph (B), such amount shall be treated as a deduction under the foreign law.

"(2) FOREIGN OIL AND GAS INCOME.—For purposes of this paragraph, the term 'foreign oil and gas income' means the amount of foreign oil and gas extraction income and foreign oil related income.

"(3) GENERALLY APPLICABLE INCOME TAX LAW.—For purposes of this paragraph, the term 'generally applicable income tax law' means any law of a foreign country imposing an income tax if such tax generally applies to all income from sources within such foreign country—

"(A) without regard to the residence or nationality of the person earning such income, and

"(B) in the case of any income earned by a corporation, partnership, or other entity, without regard to—

"(i) where such corporation, partnership, or other entity is organized, and

"(ii) the residence or nationality of the persons owning interests in such corporation, partnership, or entity."

(B) CONFORMING AMENDMENT.—Section 907 of such Code is amended by striking subsections (b), (c)(3), (c)(4), (c)(5), and (f).

(2) SEPARATE BASKETS FOR FOREIGN OIL AND GAS EXTRACTION INCOME AND FOREIGN OIL RELATED INCOME.—

(A) IN GENERAL.—Paragraph (1) of section 904(d) of such Code (relating to separate application of section with respect to certain categories of income) is amended by striking "and" at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (K) and by inserting after subparagraph (H) the following new subparagraphs:

"(I) foreign oil and gas extraction income,

"(J) foreign oil related income, and".

(B) DEFINITIONS.—Paragraph (2) of section 904(d) of such Code is amended by redesignating subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively, and by inserting after subparagraph (G) the following new subparagraphs:

"(H) FOREIGN OIL AND GAS EXTRACTION INCOME.—The term 'foreign oil and gas extraction income' has the meaning given such term by section 907(c)(1). Such term shall not include any dividend from a noncontrolled section 902 corporation.

"(I) FOREIGN OIL RELATED INCOME.—The term 'foreign oil related income' has the meaning given such term by section 907(c)(2). Such term shall not include any dividend from a noncontrolled section 902 corporation and any shipping income."

(C) CONFORMING AMENDMENT.—Clause (i) of section 904(d)(3)(F) of such Code is amended by striking "or (E)" and inserting "(E), (I), or (J)".

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this subsection shall apply to taxable years beginning after December 31, 1995.

(B) DISALLOWANCE RULE.—

(i) Section 907(a) of such Code (as amended by paragraph (1)) shall apply to taxes paid or accrued after December 31, 1995, in taxable years ending after such date.

(ii) In determining the amount of taxes deemed to be paid in a taxable year beginning after December 31, 1995, under section 902 or 960 of such Code, section 907(a) of such Code (as amended by paragraph (1)) shall apply to all taxes whether paid or accrued before, on, or after December 31, 1995.

(C) LOSS RULE.—Notwithstanding the amendments made by paragraph (1)(B), section 907(c)(4) of such Code shall continue to apply with respect to foreign oil and gas extraction losses for taxable years beginning before January 1, 1996.

(D) TRANSITIONAL RULES.—

(i) Any taxes paid or accrued in a taxable year beginning before January 1, 1996, with respect to income which was described in subparagraph (I) of section 904(d)(1) of such Code (as in effect on the day before the date of the enactment of this Act) shall be treated as taxes paid or accrued with respect to foreign oil and gas extraction income or foreign oil related income (as the case may be) to the extent such taxes were paid or accrued with respect to such type of income.

(ii) Any unused oil and gas extraction taxes which under section 907(f) of such Code (as so in effect) would have been allowed as a carryover to the taxpayer's first taxable year beginning after December 31, 1995 (determined without regard to the limitation of paragraph (2) of such section 907(f) for such first taxable year), shall be allowed as carryovers under section 904(c) of such Code in the same manner as if they were unused taxes under section 904(c) with respect to foreign oil and gas extraction income.

(b) ELIMINATION OF DEFERRAL FOR FOREIGN OIL AND GAS EXTRACTION INCOME.—

(1) GENERAL RULE.—Paragraph (1) of section 954(g) of the Internal Revenue Code of 1986 (defining foreign base company oil related income) is amended to read as follows:

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'foreign oil and gas income' means any income of a kind which would be taken into account in determining the amount of—

"(A) foreign oil and gas extraction income (as defined in section 907(c)(1)), or

"(B) foreign oil related income (as defined in section 907(c)(2)).''

(2) CONFORMING AMENDMENTS.—

(A) Subsections (a)(5), (b)(4), (b)(5), and (b)(8) of section 954 of such Code are each amended by striking "base company oil related income" each place it appears (including in the heading of subsection (b)(8)) and inserting "oil and gas income".

(B) The subsection heading for subsection (g) of section 954 of such Code is amended by striking "FOREIGN BASE COMPANY OIL RELATED INCOME" and inserting "FOREIGN OIL AND GAS INCOME".

(C) Subparagraph (A) of section 954(g)(2) of such Code is amended by striking "foreign base company oil related income" and inserting "foreign oil and gas income".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years of foreign corporations beginning after December 31, 1995, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. ___03. TRANSFER PRICING.

(a) AUTHORITY OF SECRETARY WHEN LEGAL LIMITS ON TRANSFER BY TAXPAYER.—Section 482 of the Internal Revenue Code of 1986 (relating to allocation of income and deductions among taxpayers) is amended by adding at the end the following: "The authority of the Secretary under this section shall not be limited by any restriction (by any law or agreement) on the ability of such interests, organizations, trades, or businesses to transfer or receive money or other property."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. ___04. ELIMINATION OF EXCLUSION FOR CITIZENS OR RESIDENTS OF UNITED STATES LIVING ABROAD.

Section 911 of the Internal Revenue Code of 1986 (relating to citizens or residents of the United States living abroad) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 1995."

SEC. ___05. DISPOSITION OF STOCK IN DOMESTIC CORPORATIONS BY 10-PERCENT FOREIGN SHAREHOLDERS.

(a) GENERAL RULE.—Subpart D of part II of subchapter N of chapter 1 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 899. DISPOSITION OF STOCK IN DOMESTIC CORPORATIONS BY 10-PERCENT FOREIGN SHAREHOLDERS.

"(a) GENERAL RULE.—

"(1) TREATMENT AS EFFECTIVELY CONNECTED WITH UNITED STATES TRADE OR BUSINESS.—For purposes of this title, if any nonresident alien individual or foreign corporation is a 10-percent shareholder in any domestic corporation, any gain or loss of such individual or foreign corporation from the disposition of any stock in such domestic corporation shall be taken into account—

"(A) in the case of a nonresident alien individual, under section 871(b)(1), or

"(B) in the case of a foreign corporation, under section 882(a)(1),

as if the taxpayer were engaged during the taxable year in a trade or business within the United States through a permanent establishment in the United States and as if such gain or loss were effectively connected with such trade or business and attributable to such permanent establishment. Notwithstanding section 865, any such gain or loss shall be treated as from sources in the United States.

"(2) 26-PERCENT MINIMUM TAX ON NONRESIDENT ALIEN INDIVIDUALS.—

"(A) IN GENERAL.—In the case of any nonresident alien individual, the amount determined under section 55(b)(1)(A) shall not be less than 26 percent of the lesser of—

"(i) the individual's alternative minimum taxable income (as defined in section 55(b)(2)) for the taxable year, or

"(ii) the individual's net taxable stock gain for the taxable year.

"(B) NET TAXABLE STOCK GAIN.—For purposes of subparagraph (A), the term 'net taxable stock gain' means the excess of—

"(i) the aggregate gains for the taxable year from dispositions of stock in domestic corporations with respect to which such individual is a 10-percent shareholder, over

"(ii) the aggregate of the losses for the taxable year from dispositions of such stock.

"(C) COORDINATION WITH SECTION 897(a)(2).—Section 897(a)(2)(A) shall not apply to any nonresident alien individual for any taxable year for which such individual has a net taxable stock gain, but the amount of such net taxable stock gain shall be increased by the amount of such individual's net United States real property gain (as defined in section 897(a)(2)(B)) for such taxable year.

"(b) 10-PERCENT SHAREHOLDER.—

"(1) IN GENERAL.—For purposes of this section, the term '10-percent shareholder' means any person who at any time during the shorter of—

"(A) the period beginning on January 1, 1995, and ending on the date of the disposition, or

"(B) the 5-year period ending on the date of the disposition,

owned 10 percent or more (by vote or value) of the stock in the domestic corporation.

"(2) CONSTRUCTIVE OWNERSHIP.—

"(A) IN GENERAL.—Section 318(a) (relating to constructive ownership of stock) shall apply for purposes of paragraph (1).

"(B) MODIFICATIONS.—For purposes of subparagraph (A)—

"(i) paragraph (2)(C) of section 318(a) shall be applied by substituting '10 percent' for '50 percent', and

"(ii) paragraph (3)(C) of section 318(a) shall be applied—

"(I) by substituting '10 percent' for '50 percent', and

"(II) in any case where such paragraph would not apply but for subclause (I), by considering a corporation as owning the stock (other than stock in such corporation) owned by or for any shareholder of such corporation in that proportion which the value of the stock which such shareholder owns in such corporation bears to the value of all stock in such corporation.

"(3) TREATMENT OF STOCK HELD BY CERTAIN PARTNERSHIPS.—

"(A) IN GENERAL.—For purposes of this section, if—

"(i) a partnership is a 10-percent shareholder in any domestic corporation, and

"(ii) 10 percent or more of the capital or profits interests in such partnership is held (directly or indirectly) by nonresident alien individuals or foreign corporations,

each partner in such partnership who is not otherwise a 10-percent shareholder in such corporation shall, with respect to the stock in such corporation held by the partnership, be treated as a 10-percent shareholder in such corporation.

"(B) EXCEPTION.—

"(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to stock in a domestic corporation held by any partnership if, at all times during the 5-year period ending on the date of the disposition involved—

"(I) the aggregate bases of the stock and securities in such domestic corporation held by such partnership were less than 25 percent of the partnership's net adjusted asset cost, and

"(II) the partnership did not own 50 percent or more (by vote or value) of the stock in such domestic corporation.

The Secretary may by regulations disregard any failure to meet the requirements of subclause (I) where the partnership normally met such requirements during such 5-year period.

"(ii) NET ADJUSTED ASSET COST.—For purposes of clause (i), the term 'net adjusted asset cost' means—

"(I) the aggregate bases of all of the assets of the partnership other than cash and cash items, reduced by

"(II) the portion of the liabilities of the partnership not allocable (on a proportionate basis) to assets excluded under subclause (I).

"(C) EXCEPTION NOT TO APPLY TO 50-PERCENT PARTNERS.—Subparagraph (B) shall not apply in the case of any partner owning (directly or indirectly) more than 50 percent of the capital or profits interests in the partnership at any time during the 5-year period ending on the date of the disposition.

"(D) SPECIAL RULES.—For purposes of subparagraphs (B) and (C)—

"(i) TREATMENT OF PREDECESSORS.—Any reference to a partnership or corporation shall be treated as including a reference to any predecessor thereof.

"(ii) PARTNERSHIP NOT IN EXISTENCE.—If any partnership was not in existence throughout the entire 5-year period ending on the date of the disposition, only the portion of such period during which the partnership (or any predecessor) was in existence shall be taken into account.

"(E) OTHER PASS-THRU ENTITIES; TIERED ENTITIES.—Rules similar to the rules of the preceding provisions of this paragraph shall also apply in the case of any pass-thru entity other than a partnership and in the case of tiered partnerships and other entities.

"(c) COORDINATION WITH NONRECOGNITION PROVISIONS; ETC.—

"(1) COORDINATION WITH NONRECOGNITION PROVISIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any nonrecognition provision shall apply for purposes of this section to a transaction only in the case of—

"(i) an exchange of stock in a domestic corporation for other property the sale of which would be subject to taxation under this chapter, or

"(ii) a distribution with respect to which gain or loss would not be recognized under section 336 if the sale of the distributed property by the distributee would be subject to tax under this chapter.

"(B) REGULATIONS.—The Secretary shall prescribe regulations (which are necessary or appropriate to prevent the avoidance of Federal income taxes) providing—

"(i) the extent to which nonrecognition provisions shall, and shall not, apply for purposes of this section, and

"(ii) the extent to which—

"(I) transfers of property in a reorganization, and

"(II) changes in interests in, or distributions from, a partnership, trust, or estate,

shall be treated as sales of property at fair market value.

"(C) NONRECOGNITION PROVISION.—For purposes of this paragraph, the term 'nonrecognition provision' means any provision of this title for not recognizing gain or loss.

"(2) CERTAIN OTHER RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of subsections (g) and (j) of section 897 shall apply.

"(d) CERTAIN INTEREST TREATED AS STOCK.—For purposes of this section—

"(1) any option or other right to acquire stock in a domestic corporation,

"(2) the conversion feature of any debt instrument issued by a domestic corporation, and

"(3) to the extent provided in regulations, any other interest in a domestic corporation other than an interest solely as creditor,

shall be treated as stock in such corporation.

"(e) TREATMENT OF CERTAIN GAIN AS A DIVIDEND.—In the case of any gain which would be subject to tax by reason of this section but for a treaty and which results from any distribution in liquidation or redemption, for purposes of this subtitle, such gain shall be treated as a dividend to the extent of the earnings and profits of the domestic corporation attributable to the stock. Rules similar to the rules of section 1248(c) (determined without regard to paragraph (2)(D) thereof) shall apply for purposes of the preceding sentence.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including—

"(1) regulations coordinating the provisions of this section with the provisions of section 897, and

"(2) regulations aggregating stock held by a group of persons acting together."

(b) WITHHOLDING OF TAX.—Subchapter A of chapter 3 of such Code is amended by adding at the end the following new section:

"SEC. 1447. WITHHOLDING OF TAX ON CERTAIN STOCK DISPOSITIONS.

"(a) GENERAL RULE.—Except as otherwise provided in this section, in the case of any disposition of stock in a domestic corporation by a foreign person who is a 10-percent shareholder in such corporation, the withholding agent shall deduct and withhold a tax equal to 10 percent of the amount realized on the disposition.

"(b) EXCEPTIONS.—

"(1) STOCK WHICH IS NOT REGULARLY TRADED.—In the case of a disposition of stock which is not regularly traded, a withholding agent shall not be required to deduct and withhold any amount under subsection (a) if—

"(A) the transferor furnishes to such withholding agent an affidavit by such transferor stating, under penalty of perjury, that section 899 does not apply to such disposition because—

"(i) the transferor is not a foreign person, or

"(ii) the transferor is not a 10-percent shareholder, and

"(B) such withholding agent does not know (or have reason to know) that such affidavit is not correct.

"(2) STOCK WHICH IS REGULARLY TRADED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a withholding agent shall not be required to deduct and withhold any amount under subsection (a) with respect to any disposition of regularly traded stock if such withholding agent does not know (or have reason to know) that section 899 applies to such disposition.

"(B) SPECIAL RULE WHERE SUBSTANTIAL DISPOSITION.—If—

"(i) there is a disposition of regularly traded stock in a corporation, and

"(ii) the amount of stock involved in such disposition constitutes 1 percent or more (by vote or value) of the stock in such corporation,

subparagraph (A) shall not apply but paragraph (1) shall apply as if the disposition involved stock which was not regularly traded.

"(C) NOTIFICATION BY FOREIGN PERSON.—If section 899 applies to any disposition by a foreign person of regularly traded stock, such foreign person shall notify the withholding agent that section 899 applies to such disposition.

"(3) NONRECOGNITION TRANSACTIONS.—A withholding agent shall not be required to deduct and withhold any amount under subsection (a) in any case where gain or loss is not recognized by reason of section 899(c) (or the regulations prescribed under such section).

"(c) SPECIAL RULE WHERE NO WITHHOLDING.—If—

"(1) there is no amount deducted and withheld under this section with respect to any disposition to which section 899 applies, and

"(2) the foreign person does not pay the tax imposed by this subtitle to the extent attributable to such disposition on the date prescribed therefor,

for purposes of determining the amount of such tax, the foreign person's basis in the stock disposed of shall be treated as zero or such other amount as the Secretary may determine (and, for purposes of section 6501, the underpayment of such tax shall be treated as due to a willful attempt to evade such tax).

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) WITHHOLDING AGENT.—The term 'withholding agent' means—

"(A) the last United States person to have the control, receipt, custody, disposal, or payment of the amount realized on the disposition, or

"(B) if there is no such United States person, the person prescribed in regulations.

"(2) FOREIGN PERSON.—The term 'foreign person' means any person other than a United States person.

"(3) REGULARLY TRADED STOCK.—The term 'regularly traded stock' means any stock of a class which is regularly traded on an established securities market.

"(4) AUTHORITY TO PRESCRIBE REDUCED AMOUNT.—At the request of the person making the disposition or the withholding agent, the Secretary may prescribe a reduced amount to be withheld under this section if the Secretary determines that to substitute such reduced amount will not jeopardize the collection of the tax imposed by section 871(b)(1) or 882(a)(1).

"(5) OTHER TERMS.—Except as provided in this section, terms used in this section shall have the same respective meanings as when used in section 899.

"(6) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of section 1445(e) shall apply for purposes of this section.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations coordinating the provisions of this section with the provisions of sections 1445 and 1446."

(c) EXCEPTION FROM BRANCH PROFITS TAX.—Subparagraph (C) of section 884(d)(2) of such Code is amended to read as follows:

"(C) gain treated as effectively connected with the conduct of a trade or business within the United States under—

"(i) section 897 in the case of the disposition of a United States real property interest described in section 897(c)(1)(A)(ii), or

"(ii) section 899,".

(d) REPORTS WITH RESPECT TO CERTAIN DISTRIBUTIONS.—Paragraph (2) of section 6038B(a) of such Code (relating to notice of certain transfers to foreign person) is amended by striking "section 336" and inserting "section 302, 331, or 336".

(e) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart D of part II of subchapter N of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 899. Dispositions of stock in domestic corporations by 10-percent foreign shareholders."

(2) The table of sections for subchapter A of chapter 3 of such Code is amended by adding at the end the following new item:

"Sec. 1447. Withholding of tax on certain stock dispositions."

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to dispositions after the date of the enactment of this Act, except that section 1447 of such Code (as added by this section) shall not apply to any disposition before the date 6 months after the date of the enactment of this Act.

(2) COORDINATION WITH TREATIES.—

(A) IN GENERAL.—Sections 899 (other than subsection (e) thereof) and 1447 of such Code (as added by this section) shall not apply to any disposition if such disposition is by a qualified resident of a foreign country and the application of such sections to such disposition would be contrary to any treaty between the United States and such foreign country which is in effect on the date of the enactment of this Act and at the time of such disposition.

(B) QUALIFIED RESIDENT.—For purposes of subparagraph (A), the term "qualified resident" means any resident of the foreign country entitled to the benefits of the treaty referred to in subparagraph (A); except that such term shall not include a corporation unless such corporation is a qualified resident of such country (as defined in section 884(e)(4) of such Code).

SEC. ___06. PORTFOLIO DEBT.

(a) IN GENERAL.—Section 871(h)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

"(3) PORTFOLIO INTEREST TO INCLUDE ONLY INTEREST ON GOVERNMENT OBLIGATIONS.—The term 'portfolio interest' shall include only interest paid on an obligation issued by a governmental entity."

(b) CONFORMING AMENDMENTS.—

(1) Section 881(c)(3) of such Code is amended—

(A) in subparagraph (A), by adding "or" at the end, and

(B) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(2) Section 881(c)(4) of such Code is amended—

(A) by striking "section 871(h)(4)" and inserting "section 871(h)(3) or (4)", and

(B) in the heading, by inserting "INTEREST ON NON-GOVERNMENT OBLIGATIONS OR" after "INCLUDE".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest received after December 31, 1995, with respect to obligations issued after such date.

SEC. ___07. SOURCE OF INCOME FROM CERTAIN SALES OF INVENTORY PROPERTY.

(a) GENERAL RULE.—Subsection (b) of section 865 of the Internal Revenue Code of 1986 (relating to exception for inventory property) is amended to read as follows:

"(b) INVENTORY PROPERTY.—

"(1) INCOME ATTRIBUTABLE TO PRODUCTION ACTIVITY.—In the case of income from the sale of inventory property produced (in whole or in part) by the taxpayer—

"(A) a portion (determined under regulations) of such income shall be allocated to production activity (and sourced in the United States or outside the United States depending on where such activity occurs), and

"(B) the remaining portion of such income shall be sourced under the other provisions of this section.

The regulations prescribed under subparagraph (A) shall provide that at least 50 percent of such income shall be allocated to production activities.

"(2) SALES INCOME.—

"(A) UNITED STATES RESIDENTS.—Income from the sale of inventory property by a United States resident shall be sourced outside the United States if—

"(i) the property is sold for use, consumption, or disposition outside the United States and an office or another fixed place of business of the taxpayer outside the United States participated materially in the sale, and

"(ii) such sale is not (directly or indirectly) to an affiliate of the taxpayer.

"(B) NONRESIDENT.—Income from the sale of inventory property by a nonresident shall be sourced in the United States if—

"(i) the taxpayer has an office or other fixed place of business in the United States, and

"(ii) such sale is through such office or other fixed place of business.

This subparagraph shall not apply if the requirements of clauses (i) and (ii) of subparagraph (A) are met with respect to such sale.

"(3) COORDINATION WITH TREATIES.—For purposes of paragraph (2)(A)(i), a United States resident shall not be treated as having an office or fixed place of business in a foreign country if a treaty prevents such country from imposing an income tax on the income."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to income from sales occurring after December 31, 1995.

SEC. ___08. ENHANCEMENT OF BENEFITS FOR FOREIGN SALES CORPORATIONS.

(a) IN GENERAL.—Subsection (a) of section 923 of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (2), by striking "32 percent" and inserting "34 percent", and

(2) in paragraph (3), by striking "16⅔" and inserting "17⅔".

(b) SPECIAL RULES RELATING TO CORPORATE PREFERENCE ITEMS.—Paragraph (4) of section 291(a) of such Code is amended—

(1) in subparagraph (A), by striking "'30 percent' for '32 percent'" and inserting "'32 percent' for '34 percent'", and

(2) in subparagraph (B), by striking "'15/23' for '16/23'" and inserting "'16/23' for '17/23'".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

AMENDMENT NO. 2623

On page 40, between lines 16 and 17, insert the following:

"(C) WAIVER OF LIMITATION.—The Secretary, upon a demonstration by a State that an extraordinary number of families require an exemption from the application of paragraph (1) due to disability, domestic violence, homelessness, or the need to be in the home to care for a disabled child, may permit the State to provide exemptions in excess of the 15 percent limitation described in subparagraph (B) for a specified period of time.".

AMENDMENT NO. 2624

On page 40, between lines 16 and 17, insert the following:

"(4) NON-CASH ASSISTANCE FOR CHILDREN.—Nothing in paragraph (1) shall be construed as prohibiting a State from using funds provided under section 403 to provide aid, in the form of in-kind assistance, vouchers usable for particular goods or services as specified by the State, or vendor payments to individuals providing such goods or services, to the minor children of a needy family.".

AMENDMENT NO. 2625

On page 641, between lines 11 and 12, insert the following:

SEC. 426. DURATION OF SUPPORT.

Section 466(a) (42 U.S.C. 666(a)), as amended by this Act, is amended—

(1) by inserting after paragraph (16) the following new paragraph:

"(17) Procedures under which the State—

"(A) requires a continuing support obligation by the noncustodial parent until at least the later of the date on which a child for whom a support obligation is owed reaches the age of 18, or graduates from or is no longer enrolled in secondary school or its equivalent, unless a child marries, joins the United States armed forces, or is otherwise emancipated under State law;

"(B)(i) provides that courts or administrative agencies with child support jurisdiction have the discretionary power, until the date on which the child involved reaches the age of 22, pursuant to criteria established by the State, to order child support, payable directly or indirectly (support may be paid directly to a postsecondary or vocational school or college) to a child, at least up to the age of 22 for a child enrolled full-time in an accredited postsecondary or vocational school or college and who is a student in good standing; and

"(ii) may, without application of the rebuttable presumption in section 467(b)(2), award support under this subsection in amounts that, in whole or in part, reflect the actual costs of post secondary education; and

"(C) provides for child support to continue beyond the child's age of majority provided the child is disabled, unable to be self-supportive, and the disability arose during the child's minority."; and

(2) by adding at the end the following new sentence: "Nothing in paragraph (17) shall preclude a State from imposing more extensive child support obligations or obligations of longer duration.".

AMENDMENT NO. 2626

Section 781(b) is amended to read as follows:

(b) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) The Adult Education Act (20 U.S.C. 1201 et seq.).

(2) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(3) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(4) The Wagner-Peyser Act (29 U.S.C. et seq.).

(5) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(6) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(7) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

AMENDMENT NO. 2627

In title VIII, add at the end the following:

Subtitle D—Amendment to Trade Act of 1974

SEC. 841. TRAINING AND OTHER EMPLOYMENT SERVICES FOR TRADE-IMPACTED WORKERS

Section 239(e) of the Trade Act of 1974 (19 U.S.C. 2311(e)) is amended to read as follows:

"(e) Any agreement entered into under this section shall provide that the services made available to adversely affected workers under sections 235 and 236 shall be provided through the statewide workforce development system established by the State under subtitle B of the Workforce Development Act of 1995 to provide such services to other dislocated workers.".

AMENDMENT NO. 2628

Beginning on page 520, strike line 13 and all that follows through page 529, line 2, and insert the following:

(5) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(6) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(7) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

(c) EFFECTIVE DATES.—

(1) IMMEDIATE REPEALS.—The repeals made by subsection (a) shall take effect on the date of enactment of this Act.

(2) SUBSEQUENT REPEALS.—The repeals made by subsection (b) shall take effect on July 1, 1998.

SEC. 782. CONFORMING AMENDMENTS.

(a) IMMEDIATE REPEALS.—

(1) REFERENCES TO SECTION 204 OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.—The table of contents for the Immigration Reform and Control Act of 1986 is amended by striking the item relating to section 204 of such Act.

(2) REFERENCES TO TITLE II OF PUBLIC LAW 95-250.—Section 103 of Public Law 95-250 (16 U.S.C. 791) is amended—

(A) by striking the second sentence of subsection (a); and

(B) by striking the second sentence of subsection (b).

(3) REFERENCES TO SUBTITLE C OF TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—

(A) Section 762(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11472(a)) is amended—

(i) by striking "each of the following programs" and inserting "the emergency community services homeless grant program established in section 751"; and

(ii) by striking "tribes:" and all that follows and inserting "tribes.".

(B) The table of contents of such Act is amended by striking the items relating to subtitle C of title VII of such Act.

(4) REFERENCES TO TITLE 49, UNITED STATES CODE.—

(A) Sections 5313(b)(1) and 5314(a)(1) of title 49, United States Code, are amended by striking "5317, and 5322" and inserting "and 5317".

(B) The table of contents for chapter 53 of title 49, United States Code, is amended by striking the item relating to section 5322.

(b) SUBSEQUENT REPEALS.—

(1) REFERENCES TO THE CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(A) Section 245A(h)(4)(C) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(C)) is amended by striking "Vocational Education Act of 1963" and inserting "Workforce Development Act of 1995".

(B) The Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.) is amended—

(i) in section 306 (20 U.S.C. 5886)—

(I) in subsection (c)(1)(A), by striking all beginning with " which process" through "Act" and inserting "which process shall include coordination with the benchmarks described in section 731(c)(2) of the Workforce Development Act of 1995"; and

(II) in subsection (l), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995"; and

(ii) in section 311(b) (20 U.S.C. 5891(b)), by striking paragraph (6).

(C) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(i) in section 1114(b)(2)(C)(v) (20 U.S.C. 6314(b)(2)(C)(v)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995";

(ii) in section 9115(b)(5) (20 U.S.C. 7815(b)(5)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995";

(iii) in section 14302(a)(2) (20 U.S.C. 8852(a)(2))—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively; and

(iv) in the matter preceding subparagraph (A) of section 14307(a)(1) (20 U.S.C. 8857(a)(1)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995".

(D) Section 533(c)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "(20 U.S.C. 2397h(3))" and inserting ", as such section was in effect on the day preceding the date of enactment of the Workforce Development Act of 1995".

(E) Section 563 of the Improving America's Schools Act of 1994 (20 U.S.C. 6301 note) is amended by striking "the date of enactment of an Act reauthorizing the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)" and inserting "July 1, 1998".

(F) Section 135(c)(3)(B) of the Internal Revenue Code of 1986 (26 U.S.C. 135(c)(3)(B)) is amended—

(i) by striking "subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins Vocational Education Act" and inserting "subparagraph (C) or (D) of section 703(2) of the Workforce Development Act of 1995"; and

(ii) by striking "any State (as defined in section 521(27) of such Act)" and inserting "any State or outlying area (as the terms 'State' and 'outlying area' are defined in section 703 of such Act)".

(G) Section 101(a)(11)(A) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)(A)) is amended by striking "Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)" and inserting "Workforce Development Act of 1995".

(H) Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 214(c)) is amended by striking "Carl D. Perkins Vocational Education Act" and inserting "Workforce Development Act of 1995".

(I) Section 104 of the Vocational Education Amendments of 1968 (82 Stat. 1091) is amended by striking "section 3 of the Carl D. Perkins Vocational Education Act" and inserting "the Workforce Development Act of 1995".

(2) REFERENCES TO THE ADULT EDUCATION ACT.—

(A) Subsection (b) of section 402 of the Refugee Education Assistance Act (8 U.S.C. 1522, note) is repealed.

(B) Paragraph (20) of section 3 of the Library Services and Construction Act (20 U.S.C. 351a(20)) is amended to read as follows:

"(20) The term 'educationally disadvantaged adult' means an individual who—

"(A) is age 16 or older, or beyond the age of compulsory school attendance under State law;

"(B) is not enrolled in secondary school;

"(C) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

"(D) has been placed in the lowest or beginning level of an adult education program when that program does not use grade level equivalencies as a measure of students' basic skills.".

(C)(i) Section 1202(c)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(1)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(ii) Section 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(iii) Section 1206(a)(1)(A) of such Act (20 U.S.C. 6366(a)(1)(A)) is amended by striking "an adult basic education program under the Adult Education Act" and inserting "adult education activities under the Workforce Development Act of 1995".

(iv) Section 3113(1) of such Act (20 U.S.C. 6813(1)) is amended by striking "section 312 of the Adult Education Act" and inserting "section 703 of the Workforce Development Act of 1995".

(v) Section 9161(2) of such Act (20 U.S.C. 7881(2)) is amended by striking "section 312(2) of the Adult Education Act" and inserting "section 703 of the Workforce Development Act of 1995".

(D) Section 203(b)(8) of the Older Americans Act (42 U.S.C. 3013(b)(8)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(3) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Federal Partnership shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by section 781(b).

(4) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Federal Partnership shall submit the recommended legislation referred to under paragraph (3).

Subtitle G—Amendments to Wagner-Peyser Act

SEC. 791. GENERAL PROGRAM REQUIREMENTS.

Section 1 of the Wagner-Peyser Act (29 U.S.C. 49) is amended by striking "national system" and all that follows and inserting "national system of employment service offices open to the public, there shall be in the Federal Partnership a United States Employment Service.".

SEC. 792. DEFINITIONS.

(a) IN GENERAL.—Section 2 of the Wagner-Peyser Act (29 U.S.C. 49a) is amended—

(1) by striking paragraphs (1), (2), (3), and (4);

(2) by inserting before paragraph (5) the following paragraphs:

"(1) the term 'Federal Partnership' has the meaning given the term in section 703 of the Workforce Development Act of 1995;

"(2) the term 'one-stop career center system' means a means of providing one-stop delivery of core services described in section 716(a)(2)(B) of the Workforce Development Act of 1995;

"(3) the term 'Secretary', used without further modification, means the Secretary of Labor and the Secretary of Education, acting jointly; and"; and

(3) by redesignating paragraph (5) as paragraph (4).

(b) CONFORMING AMENDMENTS.—

(1) SECRETARY.—Sections 3(b), 6(b)(1), and 7(d) of the Wagner-Peyser Act (29 U.S.C. 49b(b), 49e(b)(1), and 49f(d)) are amended by striking "Secretary of Labor" and inserting "Secretary".

(2) DIRECTOR.—Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k) is amended by striking "The Director, with the approval of the Secretary of Labor," and inserting "The Secretary".

SEC. 793. FUNCTIONS.

(a) IN GENERAL.—Section 3 of the Wagner-Peyser Act (29 U.S.C. 49b) is amended—

(1) by striking subsection (a) and inserting the following subsection:

"(a) The Federal Partnership shall—

"(1) assist in the coordination and development of a nationwide system of labor exchange services for the general public, provided through the one-stop career center systems of the States;

"(2) assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and

"(3) ensure the continuation of services for individuals receiving unemployment compensation that were provided, under a provision specified in section 781 of the Workforce Development Act of 1995, on the day before the date of enactment of such Act."; and

(2) by adding at the end the following new subsection:

"(c) Notwithstanding any Act referred to in section 771(b) of the Workforce Development Act of 1995, the Secretary of Labor and the Secretary of Education, acting jointly, in accordance with the plan approved or determinations made by the President under section 776(c) of such Act, shall provide for, and exercise final authority over, the effective and efficient administration of this Act and the officers and employees of the United States Employment Service.".

(b) CONFORMING AMENDMENTS.—Section 508(b) of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a(b)) is amended—

(1) by striking "the third sentence of section 3(a)" and inserting "section 3(b)"; and

(2) by striking "49b(a)" and inserting "49b(b))".

SEC. 794. DESIGNATION OF STATE AGENCIES.

Section 4 of the Wagner-Peyser Act (29 U.S.C. 49c) is amended—

(1) by striking "a State shall, through its legislature," and inserting "a Governor shall"; and

(2) by striking "the United States Employment Service" and inserting "the Federal Partnership".

SEC. 795. APPROPRIATIONS.

Section 5(c) of the Wagner-Peyser Act (29 U.S.C. 49d(c)) is amended by striking paragraph (3).

SEC. 796. ALLOTMENTS.

Section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) is amended—

(1) in subsection (a), by striking "section 5" and inserting "section 5, or made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)),"; and

(2) in subsection (b)(1), by striking "section 5 of this Act" and inserting "section 5, or made available under section 901(c)(1)(A) of the Social Security Act,".

SEC. 797. DISPOSITION OF ALLOTTED FUNDS.

Section 7 of the Wagner-Peyser Act (29 U.S.C. 49f) is amended—

(1) in subsection (b)(2), by striking "and the appropriate private industry council and chief elected official or officials" and inserting ", and the appropriate local partnership established under section 728(a) of the Workforce Development Act of 1995 (or, where established, the appropriate local workforce development board described in section 728(b) of such Act)";

(2) in subsection (c)(2), by striking "any program under" and all that follows and inserting "any activity carried out under the Workforce Development Act of 1995.";

(3) in subsection (d)—

(A) by striking "United States Employment Service" and inserting "Federal Partnership"; and

(B) by striking "administrative entity under the Job Training Partnership Act" and inserting "local entity under the Workforce Development Act of 1995"; and

(4) by adding at the end the following subsection:

"(e) All job search, placement, recruitment, labor market information, and other labor exchange services authorized under subsection (a) shall be provided through the one-stop career center system established by the State.".

SEC. 798. STATE PLANS.

Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

"(a) Any State desiring to receive assistance under this Act shall include in the portion of the State workforce development plan described in section 714 of the Workforce Development Act of 1995 relating to workforce employment activities, detailed plans for carrying out this Act in such State.";

(2) by striking subsections (b), (c), and (e);

(3) in subsection (d), by striking "United States Employment Service" and inserting "Federal Partnership"; and

(4) by redesignating subsection (d) as subsection (b).

SEC. 799. FEDERAL ADVISORY COUNCIL.

Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j) is repealed.

AMENDMENT NO. 2629

Beginning on page 419, strike line 17 and all that follows through page 424, line 4, and insert the following:

SEC. 733. UNEMPLOYMENT TRUST FUND.

(a) IN GENERAL.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(iii), by striking "carrying into effect section 4103" and inserting "carrying out the activities described in sections 4103, 4103A, 4104, and 4104A"; and

(B) in subparagraph (B), in the matter preceding clause (i), by striking "Department of Labor" and inserting "Department of Labor or the Workforce Development Partnership, as appropriate,"; and

(2) in the first sentence of paragraph (4), by striking "the Department of Labor" and inserting "the Workforce Development Partnership".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect July 1, 1998.

AMENDMENT NO. 2630

Section 772(a)(4)(A) is amended to read as follows:

(A) IN GENERAL.—Notwithstanding any other provision of this Act or any amendment made by this Act, any provision of this Act or any amendment made by this Act that would otherwise grant the National Board the authority to carry out a function (as defined in section 776) shall be construed to give the National Board the authority only to provide advice to the Secretary of Labor and the Secretary of Education with respect to the function, and not the authority to carry out the function. The provision shall be deemed to grant the Secretary of Labor and the Secretary of Education, acting jointly, the authority to carry out the function.

AMENDMENT NO. 2631

Beginning on page 337, strike line 4 and all that follows through page 379, line 21, and insert the following:

(a) ACTIVITIES.—From the sum of the funds made available to a State through an allotment received under section 712, through funds received under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e), or through funds made available under section 901(c)(1)(A)(ii) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)(ii)) for a program year—

(1) a portion equal to 25 percent of such sum (which portion shall include the amount made available to the State through funds received under section 6 of the Wagner-Peyser Act or through funds made available under section 901(c)(1)(A)(ii) of the Social Security Act) shall be made available for workforce employment activities, activities carried out under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), or activities described in section 716(a)(10);

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 50 percent of such sum shall be made available for flexible workforce activities.

(b) RECIPIENTS.—In making an allotment under section 712 to a State, the Secretary of Labor and the Secretary of Education, acting jointly, shall make a payment—

(1) to the Governor of the State for the portion described in subsection (a)(1), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan of the State submitted under section 714; and

(2) to the State educational agency of the State for the portion described in subsection (a)(2), and such part of the flex account as the State educational agency may be eligible to receive, as determined under the State plan of the State submitted under section 714.

SEC. 714. STATE PLANS.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section 712, the Governor of the State shall submit to the Federal Partnership, and obtain approval of, a single comprehensive State workforce development plan (referred to in this section as a "State plan"), outlining a 3-year strategy for the statewide system of the State.

(b) PARTS.—

(1) IN GENERAL.—The State plan shall contain 3 parts.

(2) STRATEGIC PLAN AND FLEXIBLE WORKFORCE ACTIVITIES.—The first part of the State plan shall describe a strategic plan for the statewide system, including the flexible workforce activities, and, if appropriate, economic development activities, that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the first part of the State plan, using procedures that are consistent with the procedures described in subsection (d).

(3) WORKFORCE EMPLOYMENT ACTIVITIES.—The second part of the State plan shall describe the workforce employment activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the second part of the State plan.

(4) WORKFORCE EDUCATION ACTIVITIES.—The third part of the State plan shall describe the workforce education activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The State educational agency of the State shall develop the third part of the State plan in consultation, where appropriate, with the State postsecondary education agency and with community colleges.

(c) CONTENTS OF THE PLAN.—The State plan shall include—

(1) with respect to the strategic plan for the statewide system—

(A) information describing how the State will identify the current and future workforce development needs of the industry sectors most important to the economic competitiveness of the State;

(B) information describing how the State will identify the current and future workforce development needs of all segments of the population of the State;

(C) information identifying the State goals and State benchmarks and how the goals and benchmarks will make the statewide system relevant and responsive to labor market and education needs at the local level;

(D) information describing how the State will coordinate workforce development activities to meet the State goals and reach the State benchmarks;

(E) information describing the allocation within the State of the funds made available through the flex account for the State, and how the flexible workforce activities, including school-to-work activities, to be carried out with such funds will be carried out to meet the State goals and reach the State benchmarks;

(F) information identifying how the State will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the statewide system;

(G) information identifying how any funds that a State receives under this subtitle will be leveraged with other public and private resources to maximize the effectiveness of such resources for all workforce development activities, and expand the participation of business, industry, labor, and individuals in the statewide system;

(H) information identifying how the workforce development activities to be carried out with funds received through the allotment will be coordinated with programs carried out by the Veterans' Employment and Training Service with funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans;

(I) information describing how the State will eliminate duplication in the administration and delivery of services under this title;

(J) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(K) an assurance that the funds made available under this subtitle will supplement and not supplant other public funds expended to provide workforce development activities;

(L) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for workforce development activities and vocational rehabilitation program activities;

(M) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this subtitle;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(N) the description referred to in subsection (d)(1); and

(O)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B),

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this subtitle, if the State receives an increase in an allotment under section 712 for a program year as a result of the application of section 712(c)(2); and

(B) describing the basic features of one-stop delivery of core services described in section 716(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 716(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost for achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 716(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to ensure that all publicly funded labor exchange services described in section 716(a)(2)(B), and all such services described in the Wagner-Peyser Act (29 U.S.C. 49 et seq.), are provided through the one-stop career center system of the State;

(vi) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vii) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop delivery with services provided through State welfare agencies; and

(viii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 716(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d);

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(H)(i) describing the steps that the State will take to segregate the amount made available to the State under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) or under section 901(c)(1)(A)(ii) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)(ii)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount described in clause (i) to carry out the activities described in section 716(a)(10);

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 731(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the

statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) on-the-job training;

(B) occupational skills training;

(C) entrepreneurial training;

(D) training to develop work habits to help individuals obtain and retain employment;

(E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;

(F) rapid response assistance for dislocated workers;

(G) skill upgrading and retraining for persons not in the workforce;

(H) preemployment and work maturity skills training for youth;

(I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(J) programs for adults that combine workplace training with related instruction;

(K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(L) case management services;

(M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(N) followup services for participants who are placed in unsubsidized employment; and

(O) an employment and training program described in section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(7) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(9) VOUCHERS.—

(A) IN GENERAL.—A State may deliver some or all of the workforce employment activities described in paragraph (6) that are provided under this subtitle through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) ELIGIBILITY REQUIREMENTS.—

(i) IN GENERAL.—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 714 the criteria that will be used to determine—

(I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;

(II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and

(III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) CONSIDERATIONS.—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) ACCOUNTABILITY REQUIREMENTS.—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

(i) information concerning how the State will utilize the statewide comprehensive labor market information system described in section 773(c) and the job placement accountability system established under section 731(d) to provide timely and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(10) FUNDS FROM UNEMPLOYMENT TRUST FUND.—Funds made available to a Governor under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) for a program year shall only be available for activities authorized under such section 901(c)(1)(A), which are—

(A) the administration of State unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law);

(B) the establishment and maintenance of systems of public employment offices in accordance with the Wagner-Peyser Act (29 U.S.C. 49 et seq.); and

(C) carrying out the activities described in sections 4103, 4103A, 4104, and 4104A of title 38, United States Code (relating to veterans' employment services).

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) FISCAL REQUIREMENTS FOR WORKFORCE EDUCATION ACTIVITIES.—

(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) MAINTENANCE OF EFFORT.—

(A) DETERMINATION.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) WAIVER.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) FLEXIBLE WORKFORCE ACTIVITIES.—

(1) CORE FLEXIBLE WORKFORCE ACTIVITIES.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) PERMISSIBLE FLEXIBLE WORKFORCE ACTIVITIES.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) LIMITATIONS.—

(1) WAGES.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) RELOCATION.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) LIMITATIONS ON PARTICIPANTS.—

(1) DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) STATE PROVISION OF SERVICES.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6); and

(ii) are otherwise unable to obtain such services.

SEC. 717. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—As used in this section:

(1) ALASKA NATIVE.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms "Indian", "Indian tribe", and "tribal organization" have the same meanings given such terms in subsections (d), (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term "tribally controlled postsecondary vocational institution" means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal

goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 734(b)(2), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations serving Indians or Alaska Natives, and Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Federal Partnership in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians and Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians and Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; and

(iii) supplemental services to recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); and

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Federal Partnership a plan that describes a 3-year strategy for meeting the needs of Indian and Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—There shall be established within the Federal Partnership an office to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Federal Partnership, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Federal Partnership shall provide such administrative support to the office established under paragraph (1) as the Federal Partnership determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Federal Partnership, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

SEC. 718. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 734(b)(3), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Federal Partnership shall issue regulations specifying the provisions of this title that shall apply to outlying areas that receive funds under this subtitle.

CHAPTER 2—LOCAL PROVISIONS

SEC. 721. LOCAL APPORTIONMENT BY ACTIVITY.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of—

(A) the funds made available to a State for any fiscal year under section 713(a)(1), less any portion of such funds made available under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) or section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)); and

(B) the funds made available to a State for any fiscal year under section 713(a)(3) for workforce employment activities;

shall be made available to the Governor of such State for use in accordance with paragraph (2).

KENNEDY AMENDMENT NO. 2632

Mr. MOYNIHAN (for Mr. KENNEDY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 359, strike lines 11 through 16 and insert the following:

viduals to participate in the statewide system; and

(N) followup services for participants who are placed in unsubsidized employment.

KENNEDY AMENDMENT NO. 2633

Mr. MOYNIHAN (for Mr. KENNEDY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 721(b), strike paragraph (4) and insert the following:

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a fiscal year, such agency shall distribute such amount for workforce education activities in such State as follows:

(A) 75 percent of such amount shall be distributed for secondary school vocational education in accordance with section 722, or for postsecondary and adult vocational education in accordance with section 723, or for both; and

(B) 25 percent of such amount shall be distributed for adult education in accordance with section 724.

KENNEDY (AND OTHERS) AMENDMENT NO. 2634

Mr. MOYNIHAN (for Mr. KENNEDY, for himself, Mr. LIEBERMAN, Mr. BREAUX, and Mr. CONRAD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 17, line 8, insert "and for each of fiscal years 1998, 1999 and 2000, the amount of the State's job placement performance bonus determined under subsection (f)(1) for the fiscal year" after "year".

On page 17, line 22, insert "and the applicable amount specified under subsection (f)(2)(B) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) JOB PLACEMENT PERFORMANCE BONUS.—

"(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the

job placement performance fund determined in accordance with the formula developed under paragraph (2).

"(2) ALLOCATION FORMULA; BONUS FUND.—

"(A) ALLOCATION FORMULA.—

"(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program, or the number of families with a reduction in the amount of such assistance, as a result of unsubsidized employment during such year.

"(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

"(I) provide a greater financial bonus for individuals in families described in clause (i) who remain employed for greater periods of time or are at a greater risk of long-term welfare dependency;

"(II) take into account the unemployment conditions of each State or geographic area; and

"(III) take into account the number of families in each State that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program, or the number of families with a reduction in the amount of such assistance, as a result of unsubsidized employment during such year, including fiscal years prior to 1997.

"(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

"(i) GENERAL.—For purposes of establishing a job placement performance bonus fund and making disbursements from such fund in accordance with subparagraph (A), with respect to a fiscal year there are authorized to be appropriated and there are appropriated an amount equal to the sum of—

"(I)(aa) for fiscal year 1998, $70,000,000;

"(bb) for fiscal year 1999, $140,000,000;

"(cc) for fiscal year 2000, $210,000,000; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407 for the fiscal year involved.

On page 29, line 16, strike "(f)" and insert "(g)".

On page 66, line 7, insert "and a preliminary assessment of the job placement performance bonus established under section 403(f)" before the period.

On page 108, between lines 20 and 21, insert the following new subsection:

(i) REPEAL OF MARKET PROMOTION PROGRAM.—Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is repealed.

KENNEDY AMENDMENT NO. 2635

Mr. MOYNIHAN (for Mr. KENNEDY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows

In section 716(a), add at the end the following:

(11) WORKFORCE EMPLOYMENT ACTIVITIES FOR DISLOCATED WORKERS.—Each State shall use 25 percent of the funds made available to the State for a program year under section 713(a)(1), less any portion of such funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A), to provide workforce employment activities for dislocated workers.

KENNEDY (AND BREAUX) AMENDMENTS NOS. 2636-2638

Mr. MOYNIHAN (for Mr. KENNEDY, for himself and Mr. BREAUX) proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2636

On page 324, strike lines 1 through 3 and insert the following:

(17) LOCAL WORKFORCE DEVELOPMENT BOARD.—The term "local workforce development board" means a board established under section 715.

AMENDMENT NO. 2637

On page 380, strike lines 17 through 22 and insert the following:

(ii) such additional factors as the Governor (in consultation with local workforce development boards) determines to be necessary.

AMENDMENT NO. 2638

Beginning on page 400, strike line 10 and all that follows through page 404, line 1 and insert the following:

the local workforce development board in the substate area.

SEC. 728. LOCAL AGREEMENTS AND WORKFORCE DEVELOPMENT BOARDS.

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local workforce development boards.

(2) BUSINESS AND INDUSTRY INVOLVEMENT.—The business and industry representatives on the local workforce development board shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

(3) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local workforce development board;

collaborated in reaching the agreement.

(4) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local workforce development board, the Governor shall notify the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(5) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—Each State shall facilitate

KENNEDY AMENDMENT NO. 2639

Mr. MOYNIHAN (for Mr. KENNEDY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 759, strike subsections (b) through (e) and insert the following:

(b) STATE USE OF FUNDS.—

(1) CORE JOB CORPS ACTIVITIES.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) CORE WORK-BASED LEARNING OPPORTUNITIES.—

(A) IN GENERAL.—The State shall use 25 percent of the funds made available to the State through an allotment received under subsection (c) to make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist the substate areas in organizing summer jobs programs that provide work-based learning opportunities in the private and public sectors that are directly linked to year-round school-to-work activities in the substate areas.

(B) LIMITATION.—No funds provided under this subtitle shall be used to displace employed workers.

(3) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist each such entity in carrying out alternative programs to assist out-of-school at-risk youth in participating in school-to-work activities in the substate area; and

(B) carry out other workforce development activities specifically for at-risk youth.

(c) ALLOTMENTS.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by

the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) TOTAL ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) UNEMPLOYED INDIVIDUALS.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) INDIVIDUALS IN POVERTY.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) AT-RISK YOUTH.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) APPLICATION.—To be eligible to receive a grant under paragraph (2) or (3)(A) of subsection (b) from a State to carry out programs in a substate area, an entity shall prepare and submit an application to the Governor of the State at such time, in such manner, and containing such information as the Governor may require. The Governor may establish criteria for reviewing such applications. Any such criteria shall, at a minimum, include the extent to which the local partnership described in section 728(a) (or, where established, the local workforce development board described in section 728(b)) for the substate area approves of such application.

KENNEDY AMENDMENTS NOS. 2640–2660

Mr. MOYNIHAN (for Mr. KENNEDY) proposed 21 amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2640

At the end of section 716(f), insert the following:

(4) DISPLACEMENT.—No funds provided under this title shall be used in a manner that would result in—

(A) the displacement of any currently employed worker (including partial displacement such as a reduction in wages, hours of nonovertime work, or employment benefits) or the impairment of an existing contract for services or collective bargaining agreement; or

(B) the employment or assignment of a participant to fill a position when—

(i) any other person is on layoff from the same or a substantially equivalent position; or

(ii) the employer has terminated the employment of any other employee or otherwise reduced its workforce in order to fill the vacancy so created with a participant subsidized under this title.

(5) HEALTH AND SAFETY.—Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in work activities pursuant to this title. Appropriate workers' compensation and tort claims protections shall be provided to participants on the same basis as such protections are provided to other individuals in the State in similar employment (as determined under regulations issued by the Secretary of Labor).

(6) EMPLOYMENT CONDITIONS.—Participants employed or assigned to work in positions subsidized under this title shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(7) DISPUTE RESOLUTION PROCEDURE.—The State shall establish and maintain (pursuant to regulations issued by the Secretary of Labor) a dispute resolution procedure for resolving complaints alleging violations of any of the prohibitions or requirements described in this subsection. Such procedure shall include an opportunity for a hearing and shall be completed not later than the 90th day after the date of the submission of a complaint, by which day the complainant shall be provided a written decision by the State. A decision of the State under such procedure, or a failure of a State to issue a decision within the 90-day period, may be appealed to the Secretary of Labor, who shall investigate the allegations contained in the complaint and make a determination not later than 60 days after the date of the appeal as to whether a violation of a prohibition or requirement of this subsection has occurred.

(8) REMEDIES.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), remedies that may be imposed under this paragraph for violations of the prohibitions and requirements described in this subsection shall be limited to—

(i) suspension or termination of payments under this title;

(ii) prohibition of placement of any participant, for an appropriate period of time, with an employer that has violated this subsection; and

(iii) appropriate equitable relief (other than back pay).

(B) EXCEPTIONS.—

(i) REPAYMENT.—If the Secretary of Labor determines that a violation of paragraph (2) or (3) has occurred, the Secretary of Labor shall require the State or substate recipient of funds that has violated paragraph (2) or (3), respectively, to repay to the United States an amount equal to the amount expended in violation of paragraph (2) or (3), respectively.

(ii) ADDITIONAL REMEDIES.—In addition to the remedies available under subparagraph (A), remedies available under this paragraph for violations of paragraph (4) may include—

(I) reinstatement of the displaced employee to the position held by such employee prior to displacement;

(II) payment of lost wages and benefits of the employee; and

(III) reestablishment of other relevant terms, conditions, and privileges of employment of the employee.

(C) OTHER LAWS OR CONTRACTS.—Nothing in this paragraph shall be construed to prohibit a complainant from pursuing a remedy authorized under another Federal, State, or local law or a contract or collective bargaining agreement for a violation of the prohibitions or requirements described in this subsection.

AMENDMENT NO. 2641

On page 337, strike lines 4 through 20 and insert the following:

(a) ACTIVITIES.—From the sum of the funds made available to a State through an allotment received under section 712 and the funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) to carry out this title for a program year—

(1) a portion equal to 40 percent of such sum (which portion shall include the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act) shall be made available for workforce employment activities or activities described in section 716(a)(10);

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 35 percent of such sum shall be made available for flexible workforce activities.

AMENDMENT NO. 2642

In section 759, strike subsections (b) through (e) and insert the following:

(b) STATE USE OF FUNDS.—

(1) CORE JOB CORPS ACTIVITIES.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) CORE WORK-BASED LEARNING OPPORTUNITIES.—

(A) IN GENERAL.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist the substate areas in organizing summer jobs programs that provide work-based learning opportunities in the private and public sectors that are directly linked to

year-round school-to-work activities in the substate areas.

(B) LIMITATION.—No funds provided under this subtitle shall be used to displace employed workers.

(3) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist each such entity in carrying out alternative programs to assist out-of-school at-risk youth in participating in school-to-work activities in the substate area; and

(B) carry out other workforce development activities specifically for at-risk youth.

(c) ALLOTMENTS.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) TOTAL ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) UNEMPLOYED INDIVIDUALS.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) INDIVIDUALS IN POVERTY.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) AT-RISK YOUTH.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) APPLICATION.—To be eligible to receive a grant under paragraph (2) or (3)(A) of subsection (b) from a State to carry out programs in a substate area, an entity shall prepare and submit an application to the Governor of the State at such time, in such manner, and containing such information as the Governor may require. The Governor may establish criteria for reviewing such applications. Any such criteria shall, at a minimum, include the extent to which the local partnership described in section 728(a) (or, where established, the local workforce development board described in section 728(b)) for the substate area approves of such application.

AMENDMENT NO. 2643

On page 424, line 8, strike "$6,127,000,000" and insert "$8,100,000,000".

AMENDMENT NO. 2644

Beginning on page 366, strike line 24 and all that follows through page 367, line 24, and insert the following:

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—

(1) IN GENERAL.—In the case of a State that meets the requirements of section 728(c), the State may, subject to paragraph (2), use not more than 10 percent of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(A) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(B) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(C) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(D) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(E) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(F) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(2) CONDITIONS.—In order for a State to be eligible to use funds described in paragraph (1) to award a grant to provide services described in paragraph (1)—

(A) the State shall make available (directly or through donations from the affected employers or businesses) non-Federal contributions in an amount equal to not less than $1 for every $1 of Federal funds provided under the grant;

(B) the services are designed to result in an increase in the wages of the incumbent workers served; and

(C) the providers of the services are—

(i) eligible to provide services under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.); or

(ii) determined to be eligible, under procedures established by the Governor, to receive payment through vouchers as described in subsection (a)(9)(B)(i)(III).

AMENDMENT NO. 2645

On page 407, line 16, strike "the funds" and insert "not more than 10 percent of the funds".

AMENDMENT NO. 2646

Beginning on page 333, line 20, strike all through page 569, line 2, and insert the following:

734(b)(7), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership—

(A) using funds equal to 60 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State bears to the total number of such individuals in all States;

(B) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in all States;

(C) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in all States; and

(D) using funds equal to 20 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average monthly number of adult recipients of assistance (as determined by the Secretary of Health and Human Services for the most recent 12-month period for which data are available, prior to the program year for

which the allotment is made) in the State bears to the average monthly number of adult recipients of assistance (as so determined) in all States.

(c) ADJUSTMENTS.—

(1) DEFINITION.—As used in this subsection, the term "national average per capita payment", used with respect to a program year, means the amount obtained by dividing—

(A) the total amount allotted to all States under this section for the program year; by

(B) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in all States.

(2) MINIMUM ALLOTMENT.—Except as provided in paragraph (3), no State with a State plan approved under section 714 for a program year shall receive an allotment under this section for the program year in an amount that is less than 0.5 percent of the amount reserved under section 734(b)(7) for the program year.

(3) LIMITATION.—No State that receives an increase in an allotment under this section for a program year as a result of the application of paragraph (2) shall receive an allotment under this section for the program year in an amount that is more than the product obtained by multiplying—

(A) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State; and

(B) the product obtained by multiplying—

(i) 1.3; and

(ii) the national average per capita payment for the program year.

SEC. 713. STATE APPORTIONMENT BY ACTIVITY.

(a) ACTIVITIES.—From the sum of the funds made available to a State through an allotment received under section 712 and the funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) to carry out this title for a program year—

(1) a portion equal to 25 percent of such sum (which portion shall include the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act) shall be made available for workforce employment activities;

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 50 percent of such sum shall be made available for flexible workforce activities.

(b) RECIPIENTS.—In making an allotment under section 712 to a State, the Secretary of Labor and the Secretary of Education, acting jointly, shall make a payment—

(1) to the Governor of the State for the portion described in subsection (a)(1), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan of the State submitted under section 714; and

(2) to the State educational agency of the State for the portion described in subsection (a)(2), and such part of the flex account as the State educational agency may be eligible to receive, as determined under the State plan of the State submitted under section 714.

SEC. 714. STATE PLANS.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section 712, the Governor of the State shall submit to the Federal Partnership, and obtain approval of, a single comprehensive State workforce development plan (referred to in this section as a "State plan"), outlining a 3-year strategy for the statewide system of the State.

(b) PARTS.—

(1) IN GENERAL.—The State plan shall contain 3 parts.

(2) STRATEGIC PLAN AND FLEXIBLE WORKFORCE ACTIVITIES.—The first part of the State plan shall describe a strategic plan for the statewide system, including the flexible workforce activities, and, if appropriate, economic development activities, that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the first part of the State plan, using procedures that are consistent with the procedures described in subsection (d).

(3) WORKFORCE EMPLOYMENT ACTIVITIES.—The second part of the State plan shall describe the workforce employment activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the second part of the State plan.

(4) WORKFORCE EDUCATION ACTIVITIES.—The third part of the State plan shall describe the workforce education activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The State educational agency of the State shall develop the third part of the State plan in consultation, where appropriate, with the State postsecondary education agency and with community colleges.

(c) CONTENTS OF THE PLAN.—The State plan shall include—

(1) with respect to the strategic plan for the statewide system—

(A) information describing how the State will identify the current and future workforce development needs of the industry sectors most important to the economic competitiveness of the State;

(B) information describing how the State will identify the current and future workforce development needs of all segments of the population of the State;

(C) information identifying the State goals and State benchmarks and how the goals and benchmarks will make the statewide system relevant and responsive to labor market and education needs at the local level;

(D) information describing how the State will coordinate workforce development activities to meet the State goals and reach the State benchmarks;

(E) information describing the allocation within the State of the funds made available through the flex account for the State, and how the flexible workforce activities, including school-to-work activities, to be carried out with such funds will be carried out to meet the State goals and reach the State benchmarks;

(F) information identifying how the State will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the statewide system;

(G) information identifying how any funds that a State receives under this subtitle will be leveraged with other public and private resources to maximize the effectiveness of such resources for all workforce development activities, and expand the participation of business, industry, labor, and individuals in the statewide system;

(H) information identifying how the workforce development activities to be carried out with funds received through the allotment will be coordinated with programs carried out by the Veterans' Employment and Training Service with funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans;

(I) information describing how the State will eliminate duplication in the administration and delivery of services under this title;

(J) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(K) an assurance that the funds made available under this subtitle will supplement and not supplant other public funds expended to provide workforce development activities;

(L) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for workforce development activities and vocational rehabilitation program activities;

(M) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this subtitle;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(N) the description referred to in subsection (d)(1); and

(O)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B),

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this subtitle, if the State receives an increase in an allotment under section 712 for a program year as a result of the application of section 712(c)(2); and

(B) describing the basic features of one-stop delivery of core services described in section 716(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 716(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost for achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 716(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vi) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop delivery with services provided through State welfare agencies; and

(vii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 716(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d);

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(H)(i) describing the steps that the State will take to segregate the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount allotted to the State from funds made available under such section 901(c)(1)(A) to carry out the required activities described in clauses (ii) through (v) of section 716(a)(2)(B) and section 773;

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 731(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) on-the-job training;

(B) occupational skills training;

(C) entrepreneurial training;

(D) training to develop work habits to help individuals obtain and retain employment;

(E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;

(F) rapid response assistance for dislocated workers;

(G) skill upgrading and retraining for persons not in the workforce;

(H) preemployment and work maturity skills training for youth;

(I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(J) programs for adults that combine workplace training with related instruction;

(K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(L) case management services;

(M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(N) followup services for participants who are placed in unsubsidized employment; and

(O) an employment and training program described in section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(7) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(9) VOUCHERS.—

(A) IN GENERAL.—A State may deliver some or all of the workforce employment activities described in paragraph (6) that are provided under this subtitle through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) ELIGIBILITY REQUIREMENTS.—

(i) IN GENERAL.—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 714 the criteria that will be used to determine—

(I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;

(II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and

(III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) CONSIDERATIONS.—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) ACCOUNTABILITY REQUIREMENTS.—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

(i) information concerning how the State will utilize the statewide comprehensive labor market information system described in section 773(c) and the job placement accountability system established under section 731(d) to provide timely and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(10) FUNDS FROM UNEMPLOYMENT TRUST FUND.—Funds made available to a Governor under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) for a program year shall only be available for workforce employment activities authorized under such section 901(c)(1)(A), which are—

(A) the administration of State unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law);

(B) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B); and

(C) carrying out the activities described in sections 4103, 4103A, 4104, and 4104A of title 38, United States Code (relating to veterans' employment services).

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) FISCAL REQUIREMENTS FOR WORKFORCE EDUCATION ACTIVITIES.—

(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) MAINTENANCE OF EFFORT.—

(A) DETERMINATION.—No payments shall be made under this subtitle for any program

year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) WAIVER.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) FLEXIBLE WORKFORCE ACTIVITIES.—

(1) CORE FLEXIBLE WORKFORCE ACTIVITIES.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) PERMISSIBLE FLEXIBLE WORKFORCE ACTIVITIES.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) LIMITATIONS.—

(1) WAGES.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) RELOCATION.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) LIMITATIONS ON PARTICIPANTS.—

(1) DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) STATE PROVISION OF SERVICES.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6); and

(ii) are otherwise unable to obtain such services.

SEC. 717. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—As used in this section:

(1) ALASKA NATIVE.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms "Indian", "Indian tribe", and "tribal organization" have the same meanings given such terms in subsections (d), (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term "tribally controlled postsecondary vocational institution" means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 734(b)(1), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations

serving Indians or Alaska Natives, and Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Federal Partnership in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians and Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians and Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; and

(iii) supplemental services to recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); and

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Federal Partnership a plan that describes a 3-year strategy for meeting the needs of Indian and Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—There shall be established within the Federal Partnership an office to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Federal Partnership, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Federal Partnership shall provide such administrative support to the office established under paragraph (1) as the Federal Partnership determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Federal Partnership, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

SEC. 718. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 734(b)(2), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Federal Partnership shall issue regulations specifying the provisions of this title that shall apply to outlying areas that receive funds under this subtitle.

CHAPTER 2—LOCAL PROVISIONS

SEC. 721. LOCAL APPORTIONMENT BY ACTIVITY.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (1) and (3) of section 713(a) for workforce employment activities shall be made available to the Governor of such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 25 percent shall be reserved by the Governor to carry out workforce employment activities through the statewide system, of which not more than 20 percent of such 25 percent may be used for administrative expenses; and

(B) 75 percent shall be distributed by the Governor to local entities to carry out workforce employment activities through the statewide system, based on—

(i) such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65, individuals in poverty, unemployed individuals, and adult recipients of assistance, as determined using the definitions specified and the determinations described in section 712(b); and

(ii) such additional factors as the Governor (in consultation with local partnerships described in section 728(a) or, where established, local workforce development boards described in section 728(b)), determines to be necessary.

(b) WORKFORCE EDUCATION ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (2) and (3) of section 713(a) for workforce education activities shall be made available to the State educational agency serving such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 20 percent shall be reserved by the State educational agency to carry out statewide workforce education activities through the statewide system, of which not more than 5 percent of such 20 percent may be used for administrative expenses; and

(B) 80 percent shall be distributed by the State educational agency to entities eligible for financial assistance under section 722, 723, or 724, to carry out workforce education activities through the statewide system.

(3) STATE ACTIVITIES.—Activities to be carried out under paragraph (2)(A) may include professional development, technical assistance, and program assessment activities.

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with sections 722, 723, and 724 for such year for workforce education activities in such State in each of the following areas:

(A) Secondary school vocational education, or postsecondary and adult vocational education, or both; and

(B) Adult education.

(c) SPECIAL RULE.—Nothing in this subtitle shall be construed to prohibit any individual, entity, or agency in a State (other than the State educational agency) that is administering workforce education activities or setting education policies consistent with authority under State law for workforce education activities, on the day preceding the date of enactment of this Act from continuing to administer or set education policies consistent with authority under State law for such activities under this subtitle.

SEC. 722. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

(a) ALLOCATION.—Except as otherwise provided in this section and section 725, each State educational agency shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) by such agency for secondary school vocational education under section 721(b)(3)(A) to local educational agencies within the State as follows:

(1) SEVENTY PERCENT.—From 70 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the amount such local educational agency was allocated under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the preceding fiscal year

bears to the total amount received under such section by all local educational agencies in the State for such year.

(2) TWENTY PERCENT.—From 20 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(a)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(a)(5)) served by such local educational agency for the preceding fiscal year bears to the total number of such students served by all local educational agencies in the State for such year.

(3) TEN PERCENT.—From 10 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State for such year.

(b) MINIMUM ALLOCATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no local educational agency shall receive an allocation under subsection (a) unless the amount allocated to such agency under subsection (a) is not less than $15,000. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

(2) WAIVER.—The State educational agency may waive the application of paragraph (1) in any case in which the local educational agency—

(A) is located in a rural, sparsely-populated area; and

(B) demonstrates that such agency is unable to enter into a consortium for purposes of providing services under this section.

(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) or (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

(c) LIMITED JURISDICTION AGENCIES.—

(1) IN GENERAL.—In applying the provisions of subsection (a), no State educational agency receiving assistance under this subtitle shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

(2) SPECIAL RULE.—The amount to be allocated under paragraph (1) to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that entered such secondary schools in the previous year from the elementary schools involved.

(d) ALLOCATIONS TO AREA VOCATIONAL EDUCATION SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

(1) IN GENERAL.—Each State educational agency shall distribute the portion of funds made available for any program year by such agency for secondary school vocational education under section 721(b)(3)(A) to the appropriate area vocational education school or educational service agency in any case in which—

(A) the area vocational education school or educational service agency, and the local educational agency concerned—

(i) have formed or will form a consortium for the purpose of receiving funds under this section; or

(ii) have entered into or will enter into a cooperative arrangement for such purpose; and

(B)(i) the area vocational education school or educational service agency serves an approximately equal or greater proportion of students who are individuals with disabilities or are low-income than the proportion of such students attending the secondary schools under the jurisdiction of all of the local educational agencies sending students to the area vocational education school or the educational service agency; or

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is unable to meet the criterion described in clause (i) due to the lack of interest by students described in clause (i) in attending vocational education programs in that area vocational education school or educational service agency.

(2) ALLOCATION BASIS.—If an area vocational education school or educational service agency meets the requirements of paragraph (1), then—

(A) the amount that will otherwise be distributed to the local educational agency under this section shall be allocated to the area vocational education school, the educational service agency, and the local educational agency, based on each school's or agency's relative share of students described in paragraph (1)(B)(i) who are attending vocational education programs (based, if practicable, on the average enrollment for the prior 3 years); or

(B) such amount may be allocated on the basis of an agreement between the local educational agency and the area vocational education school or educational service agency.

(3) STATE DETERMINATION.—

(A) IN GENERAL.—For the purposes of this subsection, the State educational agency may determine the number of students who are low-income on the basis of—

(i) eligibility for—

(I) free or reduced-price meals under the National School Lunch Act (7 U.S.C. 1751 et seq.);

(II) assistance under a State program funded under part A of title IV of the Social Security Act;

(III) benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(IV) services under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.); and

(ii) another index of economic status, including an estimate of such index, if the State educational agency demonstrates to the satisfaction of the Federal Partnership that such index is a more representative means of determining such number.

(B) DATA.—If a State educational agency elects to use more than 1 factor described in subparagraph (A) for purposes of making the determination described in such subparagraph, the State educational agency shall ensure that the data used is not duplicative.

(4) APPEALS PROCEDURE.—The State educational agency shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium.

(5) SPECIAL RULE.—Notwithstanding the provisions of paragraphs (1), (2), (3), and (4), any local educational agency receiving an allocation that is not sufficient to conduct a secondary school vocational education program of sufficient size, scope, and quality to be effective may—

(A) form a consortium or enter into a cooperative agreement with an area vocational education school or educational service agency offering secondary school vocational education programs of sufficient size, scope, and quality to be effective and that are accessible to students who are individuals with disabilities or are low-income, and are served by such local educational agency; and

(B) transfer such allocation to the area vocational education school or educational service agency.

(e) SPECIAL RULE.—Each State educational agency distributing funds under this section shall treat a secondary school funded by the Bureau of Indian Affairs within the State as if such school were a local educational agency within the State for the purpose of receiving a distribution under this section.

SEC. 723. DISTRIBUTION FOR POSTSECONDARY AND ADULT VOCATIONAL EDUCATION.

(a) ALLOCATION.—

(1) IN GENERAL.—Except as provided in subsection (b) and section 725, each State educational agency, using the portion of the funds made available for any program year by such agency for postsecondary and adult vocational education under section 721(b)(3)(A)—

(A) shall reserve funds to carry out subsection (d); and

(B) shall distribute the remainder to eligible institutions or consortia of the institutions within the State.

(2) FORMULA.—Each such eligible institution or consortium shall receive an amount for the program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) from such remainder bears the same relationship to such remainder as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs offered by such institution or consortium for the preceding fiscal year bears to the number of all such individuals who are enrolled in any such program within the State for such preceding year.

(3) CONSORTIUM REQUIREMENTS.—In order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(A) provide services to all postsecondary institutions participating in the consortium; and

(B) are of sufficient size, scope, and quality to be effective.

(b) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Federal Partnership may waive the application of subsection (a) in the case of any State educational agency that submits to the Federal Partnership an application for such a waiver that—

(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of low-income individuals and that an alternative formula will result in such a distribution; and

(2) includes a proposal for an alternative formula that may include criteria relating

to the number of individuals attending the institutions or consortia within the State who—

(A) receive need-based postsecondary financial aid provided from public funds;

(B) are members of families receiving assistance under a State program funded under part A of title IV of the Social Security Act;

(C) are enrolled in postsecondary educational institutions that—

(i) are funded by the State;

(ii) do not charge tuition; and

(iii) serve only low-income students;

(D) are enrolled in programs serving low-income adults; or

(E) are Pell Grant recipients.

(c) MINIMUM AMOUNT.—

(1) IN GENERAL.—No distribution of funds provided to any institution or consortium for a program year under this section shall be for an amount that is less than $50,000.

(2) REDISTRIBUTION.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia in accordance with the provisions of this section.

(d) SPECIAL RULE FOR CRIMINAL OFFENDERS.—Each State educational agency shall distribute the funds reserved under subsection (a)(1)(A) to 1 or more State corrections agencies to enable the State corrections agencies to administer vocational education programs for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(e) DEFINITION.—For the purposes of this section—

(1) the term "eligible institution" means a postsecondary educational institution, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that seeks to receive financial assistance under this section;

(2) the term "low-income", used with respect to a person, means a person who is determined under guidelines developed by the Federal Partnership to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; and

(3) the term "Pell Grant recipient" means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

SEC. 724. DISTRIBUTION FOR ADULT EDUCATION.

(a) IN GENERAL.—Except as provided in subsection (b)(3), from the amount made available by a State educational agency for adult education under section 721(b)(3)(B) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to establish or expand adult education programs.

(b) GRANT REQUIREMENTS.—

(1) ACCESS.—Each State educational agency making funds available for any program year for adult education under section 721(b)(3)(B) shall ensure that the entities described in subsection (a) will be provided direct and equitable access to all Federal funds provided under this section.

(2) CONSIDERATIONS.—In awarding grants under this section, the State educational agency shall consider—

(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which an applicant will coordinate and utilize other literacy and social services available in the community; and

(C) the commitment of the applicant to serve individuals in the community who are most in need of literacy services.

(3) CONSORTIA.—A State educational agency may award a grant under subsection (a) to a consortium that includes an entity described in subsection (a) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the purposes of this title; and

(B) enters into a contract with the entity described in subsection (a) for the purpose of establishing or expanding adult education programs.

(c) LOCAL ADMINISTRATIVE COSTS LIMITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by a State educational agency to an agency, organization, institution, or consortium described in subsection (a), at least 95 percent shall be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the State educational agency shall negotiate with the agency, organization, institution, or consortium described in subsection (a) in order to determine an adequate level of funds to be used for non-instructional purposes.

SEC. 725. SPECIAL RULE FOR MINIMAL ALLOCATION.

(a) GENERAL AUTHORITY.—For any program year for which a minimal amount is made available by a State educational agency for distribution under section 722 or 723 such agency may, notwithstanding the provisions of section 722 or 723, respectively, in order to make a more equitable distribution of funds for programs serving the highest numbers of low-income individuals (as defined in section 723(e)), distribute such minimal amount—

(1) on a competitive basis; or

(2) through any alternative method determined by the State educational agency.

(b) MINIMAL AMOUNT.—For purposes of this section, the term "minimal amount" means not more than 15 percent of the total amount made available by the State educational agency under section 721(b)(3)(A) for section 722 or 723, respectively, for such program year.

SEC. 726. REDISTRIBUTION.

(a) IN GENERAL.—In any program year that an entity receiving financial assistance under section 722 or 723 does not expend all of the amounts distributed to such entity for such year under section 722 or 723, respectively, such entity shall return any unexpended amounts to the State educational agency for distribution under section 722 or 723, respectively.

(b) REDISTRIBUTION OF AMOUNTS RETURNED LATE IN A PROGRAM YEAR.—In any program year in which amounts are returned to the State educational agency under subsection (a) for programs described in section 722 or 723 and the State educational agency is unable to redistribute such amounts according to section 722 or 723, respectively, in time for such amounts to be expended in such program year, the State educational agency shall retain such amounts for distribution in combination with amounts provided under such section for the following program year.

SEC. 727. LOCAL APPLICATION FOR WORKFORCE EDUCATION ACTIVITIES.

(a) IN GENERAL.—

(1) IN GENERAL.—Each eligible entity desiring financial assistance under this subtitle for workforce education activities shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as such agency (in consultation with such other educational entities as the State educational agency determines to be appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State workforce development plan.

(2) DEFINITION.—For the purpose of this section the term "eligible entity" means an entity eligible for financial assistance under section 722, 723, or 724 from a State educational agency.

(b) CONTENTS.—Each application described in subsection (a) shall, at a minimum—

(1) describe how the workforce education activities required under section 716(b), and other workforce education activities, will be carried out with funds received under this subtitle;

(2) describe how the activities to be carried out relate to meeting the State goals, and reaching the State benchmarks, concerning workforce education activities;

(3) describe how the activities to be carried out are an integral part of the comprehensive efforts of the eligible entity to improve education for all students and adults;

(4) describe the process that will be used to independently evaluate and continuously improve the performance of the eligible entity; and

(5) describe how the eligible entity will coordinate the activities of the entity with the activities of the local workforce development board, if any, in the substate area.

SEC. 728. LOCAL PARTNERSHIPS, AGREEMENTS, AND WORKFORCE DEVELOPMENT BOARDS.

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local partnerships (or, where established, local workforce development boards described in subsection (b)).

(2) LOCAL PARTNERSHIPS.—

(A) IN GENERAL.—A local partnership referred to in paragraph (1) shall be established by the local chief elected official, in accordance with subparagraphs (B) and (C), and shall consist of individuals representing business, industry, and labor, local secondary schools, local postsecondary education institutions, local adult education providers, local elected officials, rehabilitation agencies and organizations, community-based organizations, and veterans, within the appropriate substate area.

(B) MULTIPLE JURISDICTIONS.—In any case in which there are 2 or more units of general local government in the substate area involved, the chief elected official of each such unit shall appoint members of the local partnership in accordance with an agreement entered into by such chief elected officials. In the absence of such an agreement, such appointments shall be made by the Governor of the State involved from the individuals nominated or recommended by the chief elected officials.

(C) SELECTION OF BUSINESS AND INDUSTRY REPRESENTATIVES.—Individuals representing business and industry in the local partnership shall be appointed by the chief elected official from nominations submitted by business organizations in the substate area involved. Such individuals shall reasonably represent the industrial and demographic composition of the business community. Where possible, at least 50 percent of such business and industry representatives shall be representatives of small business.

(3) BUSINESS AND INDUSTRY INVOLVEMENT.—The business and industry representatives shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

(4) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local partnership (or, where established, the local workforce development board);

collaborated in reaching the agreement.

(5) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local partnership (or, where established, the local workforce development board), the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(6) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—Each State may facilitate the establishment of local workforce development boards in each substate area to set policy and provide oversight over the workforce development activities in the substate area.

(2) MEMBERSHIP.—

(A) STATE CRITERIA.—The Governor shall establish criteria for use by local chief elected officials in each substate area in the selection of members of the local workforce development boards, in accordance with the requirements of subparagraph (B).

(B) REPRESENTATION REQUIREMENT.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(i) representatives of business and industry in the substate area, who shall constitute a majority of the board;

(ii) representatives of labor, workers, and community-based organizations, who shall constitute not less than 25 percent of the members of the board;

(iii) representatives of local secondary schools, postsecondary education institutions, and adult education providers;

(iv) representatives of veterans; and

(v) 1 or more individuals with disabilities, or their representatives.

(C) CHAIR.—Each local workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(3) CONFLICT OF INTEREST.—No member of a local workforce development board shall vote on a matter relating to the provision of services by the member (or any organization that the member directly represents) or vote on a matter that would provide direct financial benefit to such member or the immediate family of such member or engage in any other activity determined by the Governor to constitute a conflict of interest.

(4) FUNCTIONS.—The functions of the local workforce development board shall include—

(A) submitting to the Governor a single comprehensive 3-year strategic plan for workforce development activities in the substate area that includes information—

(i) identifying the workforce development needs of local industries, students, jobseekers, and workers;

(ii) identifying the workforce development activities to be carried out in the substate area with funds received through the allotment made to the State under section 712, to meet the State goals and reach the State benchmarks; and

(iii) identifying how the local workforce development board will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the workforce development activities carried out in the substate area;

(B) entering into local agreements with the Governor as described in subsection (a);

(C) overseeing the operations of the one-stop delivery of core services described in section 716(a)(2) in the substate area, including the responsibility to—

(i) designate local entities to operate the one-stop delivery in the substate area, consistent with the criteria referred to in section 716(a)(2); and

(ii) develop and approve the budgets and annual operating plans of the providers of the one-stop delivery; and

(D) submitting annual reports to the Governor on the progress being made in the substate area toward meeting the State goals and reaching the State benchmarks.

(5) CONSULTATION.—A local workforce development board that serves a substate area shall conduct the functions described in paragraph (4) in consultation with the chief elected officials in the substate area.

(c) ECONOMIC DEVELOPMENT ACTIVITIES.—A State shall be eligible to use the funds made available through the flex account for flexible workforce activities to carry out economic development activities if—

(1) the boards described in section 715 and subsection (b) are established in the State; or

(2) in the case of a State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle, the board described in section 715 is established in the State.

SEC. 729. CONSTRUCTION.

Nothing in this title shall be construed—

(1) to prohibit a local educational agency (or a consortium thereof) that receives assistance under section 722, from working with an eligible entity (or consortium thereof) that receives assistance under section 723, to carry out secondary school vocational education activities in accordance with this title; or

(2) to prohibit an eligible entity (or consortium thereof) that receives assistance under section 723, from working with a local educational agency (or consortium thereof) that receives assistance under section 722, to carry out postsecondary and adult vocational education activities in accordance with this title.

CHAPTER 3—ADMINISTRATION

SEC. 731. ACCOUNTABILITY.

(a) REPORT.—

(1) IN GENERAL.—Each State that receives an allotment under section 712 shall annually prepare and submit to the Federal Partnership, a report that states how the State is performing on State benchmarks specified in this section, which relate to workforce development activities carried out through the statewide system of the State. In preparing the report, the State may include information on such additional benchmarks as the State may establish to meet the State goals.

(2) CONSOLIDATED REPORT.—In lieu of submitting separate reports under paragraph (1) and section 409(a) of the Social Security Act, the State may prepare a consolidated report. Any consolidated report prepared under this paragraph shall contain the information described in paragraph (1) and subsections (a) through (h) of section 409 of the Social Security Act. The State shall submit any consolidated report prepared under this paragraph to the Federal Partnership, the Secretary of Agriculture, and the Secretary of Health and Human Services, on the dates specified in section 409(a) of the Social Security Act.

(b) GOALS.—

(1) MEANINGFUL EMPLOYMENT.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of assisting participants in obtaining meaningful unsubsidized employment opportunities in the State.

(2) EDUCATION.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of enhancing and developing more fully the academic, occupational, and literacy skills of all segments of the population of the State.

(c) BENCHMARKS.—

(1) MEANINGFUL EMPLOYMENT.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(1), which shall include, at a minimum, measures of—

(A) placement in unsubsidized employment of participants;

(B) retention of the participants in such employment (12 months after completion of the participation); and

(C) increased earnings for the participants.

(2) EDUCATION.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(2), which shall include, at a minimum, measures of—

(A) student mastery of academic knowledge and work readiness skills;

(B) student mastery of occupational and industry-recognized skills according to skill proficiencies for students in career preparation programs;

(C) placement in, retention in, and completion of secondary education (as determined under State law) and postsecondary education, and placement and retention in employment and in military service; and

(D) mastery of the literacy, knowledge, and skills adults need to be productive and responsible citizens and to become more actively involved in the education of their children.

(3) POPULATIONS.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure progress toward meeting the goals described in subsection (b) for populations including, at a minimum—

(A) welfare recipients (including a benchmark for welfare recipients described in section 3(36)(B));

(B) individuals with disabilities;

(C) older workers;

(D) at-risk youth;

(E) dislocated workers; and

(F) veterans.

(4) SPECIAL RULE.—If a State has developed for all students in the State performance indicators, attainment levels, or assessments for skills according to challenging academic, occupational, or industry-recognized skill proficiencies, the State shall use such performance indicators, attainment levels, or assessments in measuring the progress of all students served under this title in attaining the skills.

(5) NEGOTIATIONS.—

(A) INITIAL DETERMINATION.—On receipt of a State plan submitted under section 714, the Federal Partnership shall, not later than 30 days after the date of the receipt, determine—

(i) how the proposed State benchmarks identified by the State in the State plan compare to the model benchmarks established by the Federal Partnership under section 772(b)(2);

(ii) how the proposed State benchmarks compare with State benchmarks proposed by other States in their State plans; and

(iii) whether the proposed State benchmarks, taken as a whole, are sufficient—

(I) to enable the State to meet the State goals; and

(II) to make the State eligible for an incentive grant under section 732(a).

(B) NOTIFICATION.—The Federal Partnership shall immediately notify the State of the determinations referred to in subparagraph (A). If the Federal Partnership determines that the proposed State benchmarks are not sufficient to make the State eligible for an incentive grant under section 732(a), the Federal Partnership shall provide the State with guidance on the steps the State may take to allow the State to become eligible for the grant.

(C) REVISION.—Not later than 30 days after the date of receipt of the notification referred to in subparagraph (B), the State may revise some or all of the State benchmarks identified in the State plan in order to become eligible for the incentive grant or provide reasons why the State benchmarks should be sufficient to make the State eligible for the incentive grant.

(D) DETERMINATION.—After reviewing any revised State benchmarks or information submitted by the State in accordance with subparagraph (C), the Federal Partnership shall make a determination on the eligibility of the State for the incentive grant, as described in paragraph (6), and provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award a grant to the State under section 732(a).

(6) INCENTIVE GRANTS.—Each State that sets high benchmarks under paragraph (1), (2), or (3) and reaches or exceeds the benchmarks, as determined by the Federal Partnership, shall be eligible to receive an incentive grant under section 732(a).

(7) SANCTIONS.—A State that has failed to demonstrate sufficient progress toward reaching the State benchmarks established under this subsection for the 3 years covered by a State plan described in section 714, as determined by the Federal Partnership, may be subject to sanctions under section 732(b).

(d) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—

(1) IN GENERAL.—Each State that receives an allotment under section 712 shall establish a job placement accountability system, which will provide a uniform set of data to track the progress of the State toward reaching the State benchmarks.

(2) DATA.—

(A) IN GENERAL.—In order to maintain data relating to the measures described in subsection (c)(1), each such State shall establish a job placement accountability system using quarterly wage records available through the unemployment insurance system. The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), in conjunction with the Commissioner of Labor Statistics, shall maintain the job placement accountability system and match information on participants served by the statewide systems of the State and other States with quarterly employment and earnings records.

(B) REIMBURSEMENT.—Each local entity that carries out workforce employment activities or workforce education activities and that receives funds under this subtitle shall provide information regarding the social security numbers of the participants served by the entity and such other information as the State may require to the State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B).

(C) CONFIDENTIALITY.—The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), shall protect the confidentiality of information obtained through the job placement accountability system through the use of recognized security procedures.

(e) INDIVIDUAL ACCOUNTABILITY.—Each State that receives an allotment under section 712 shall devise and implement procedures to provide, in a timely manner, information on participants in activities carried out through the statewide system who are participating as a condition of receiving welfare assistance. The procedures shall require that the State provide the information to the State and local agencies carrying out the programs through which the welfare assistance is provided, in a manner that ensures that the agencies can monitor compliance with the conditions regarding the receipt of the welfare assistance.

SEC. 732. INCENTIVES AND SANCTIONS.

(a) INCENTIVES.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award incentive grants of not more than $15,000,000 per program year to a State that—

(A) reaches or exceeds State benchmarks established under section 731(c), with an emphasis on the benchmarks established under section 731(c)(3), in accordance with section 731(c)(6); or

(B) demonstrates to the Federal Partnership that the State has made substantial reductions in the number of adult recipients of assistance, as defined in section 712(b)(1)(A), resulting from increased placement of such adult recipients in unsubsidized employment.

(2) USE OF FUNDS.—A State that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(b) SANCTIONS.—

(1) FAILURE TO DEMONSTRATE SUFFICIENT PROGRESS.—If the Federal Partnership determines, after notice and an opportunity for a hearing, that a State has failed to demonstrate sufficient progress toward reaching the State benchmarks established under section 731(c) for the 3 years covered by a State plan described in section 714, the Federal Partnership shall provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may reduce the allotment of the State under section 712 by not more than 10 percent per program year for not more than 3 years. The Federal Partnership may determine that the failure of the State to demonstrate such progress is attributable to the workforce employment activities, workforce education activities, or flexible workforce activities, of the State and provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may decide to reduce only the portion of the allotment for such activities.

(2) EXPENDITURE CONTRARY TO TITLE.—If the Governor of a State determines that a local entity that carries out workforce employment activities in a substate area of the State has expended funds made available under this title in a manner contrary to the purposes of this title, and such expenditures do not constitute fraudulent activity, the Governor may deduct an amount equal to the funds from a subsequent program year allocation to the substate area.

(c) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may use an amount retained as a result of a reduction in an allotment made under subsection (b)(1) to award an incentive grant under subsection (a).

SEC. 733. UNEMPLOYMENT TRUST FUND.

(a) IN GENERAL.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking clause (ii) and inserting the following:

"(ii) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and"; and

(ii) in clause (iii), by striking "carrying into effect section 4103" and "carrying out the activities described in sections 4103, 4103A, 4104, and 4104A"; and

(B) in subparagraph (B)—

(i) in the matter preceding clause (i), by striking "Department of Labor" and inserting "Department of Labor or the Workforce Development Partnership, as appropriate,"; and

(ii) by striking clause (iii) and inserting the following:

"(iii) the Workforce Development Act of 1995,"; and

(2) in the first sentence of paragraph (4), by striking "the total cost" and all that follows through "the President determines" and inserting "the total cost of administering the statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and of the necessary expenses of the Workforce Development Partnership for the performance of the functions of the partnership under such Act, as the President determines".

(b) GUAM; UNITED STATES VIRGIN ISLANDS.—From the total amount made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) (referred to in this section as the "total amount") for each fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly, shall first allot to Guam and the United States Virgin Islands an amount that, in relation to the total amount for the fiscal year, is equal to the allotment percentage that each received of amounts available under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) in fiscal year 1983.

(c) STATES.—

(1) ALLOTMENTS.—

(A) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary of Labor and the Secretary of Education, acting jointly, shall (after making the allotments required by subsection (b)) allot the remainder of the total amount for each fiscal year among the States as follows:

(i) CIVILIAN LABOR FORCE.—Two-thirds of such remainder shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State as compared to the total number of such individuals in all States.

(ii) UNEMPLOYED INDIVIDUALS.—One-third of such remainder shall be allotted on the basis of the relative number of unemployed individuals in each State as compared to the total number of such individuals in all States.

(B) CALCULATION.—For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the most recent calendar year available, as determined by the Secretary of Labor and the Secretary of Education, acting jointly.

(2) MINIMUM PERCENTAGE.—No State allotment under this section for any fiscal year shall be a smaller percentage of the total amount for the fiscal year than 90 percent of the allotment percentage for the State for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this section, the Secretary of Labor and the Secretary of Education, acting jointly, shall determine the allotment percentage for each State for fiscal year 1984, which shall be the percentage that the State received of amounts available under section 6 of the Wagner-Peyser Act for fiscal year 1983. For the purpose of this section, for each succeeding fiscal year, the allotment percentage for each such State shall be the percentage that the State received of amounts available under section 6 of the Wagner-Peyser Act for the preceding fiscal year.

(3) MINIMUM ALLOTMENT.—For each fiscal year, no State shall receive a total allotment under paragraphs (1) and (2) that is less than 0.28 percent of the total amount for such fiscal year.

(4) ESTIMATES.—The Secretary of Labor and the Secretary of Education, acting jointly, shall, not later than March 15 of each fiscal year, provide preliminary planning estimates and shall, not later than May 15 of each fiscal year, provide final planning estimates, showing the projected allocation for each State for the following year.

(5) DEFINITION.—Notwithstanding section 703, as used in paragraphs (2) through (4), the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and United States Virgin Islands.

(d) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect July 1, 1998.

SEC. 734. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title (other than subtitle C) $6,127,000,000 for each of fiscal years 1998 through 2001.

(b) RESERVATIONS.—Of the amount appropriated under subsection (a)—

(1) not more than 1.25 percent shall be reserved for carrying out section 717;

(2) not more than 0.2 percent shall be reserved for carrying out section 718;

(3) 4.3 percent shall be reserved for making incentive grants under section 732(a) and for the administration of this title;

(4) not more than 1.4 percent shall be reserved for carrying out section 773;

(5) 0.15 percent shall be reserved for carrying out sections 774 and 775 and the National Literacy Act of 1991 (20 U.S.C. 1201 note);

(6) not more than 6.7 percent shall be reserved for carrying out section 775A; and

(7) the remainder shall be reserved for making allotments under section 712.

(c) PROGRAM YEAR.—

(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) ADMINISTRATION.—Funds obligated for any program year may be expended by each recipient during the program year and the 2 succeeding program years and no amount shall be deobligated on account of a rate of expenditure that is consistent with the provisions of the State plan specified in section 714 that relate to workforce employment activities.

SEC. 735. EFFECTIVE DATE.

This subtitle shall take effect July 1, 1998.

Subtitle C—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. PURPOSES.

The purposes of this subtitle are—

(1) to maintain a Job Corps for at-risk youth as part of statewide systems;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of residential and nonresidential Job Corps centers in which enrollees will participate in intensive programs of workforce development activities;

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps; and

(5) to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens.

SEC. 742. DEFINITIONS.

As used in this subtitle:

(1) AT-RISK YOUTH.—The term "at-risk youth" means an individual who—

(A) is not less than age 15 and not more than age 24;

(B) is low-income (as defined in section 723(e));

(C) is 1 or more of the following:

(i) Basic skills deficient.

(ii) A school dropout.

(iii) Homeless or a runaway.

(iv) Pregnant or parenting.

(v) Involved in the juvenile justice system.

(vi) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

(2) ENROLLEE.—The term "enrollee" means an individual enrolled in the Job Corps.

(3) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(4) JOB CORPS.—The term "Job Corps" means the corps described in section 744.

(5) JOB CORPS CENTER.—The term "Job Corps center" means a center described in section 744.

SEC. 743. AUTHORITY OF GOVERNOR.

The duties and powers granted to a State by this subtitle shall be considered to be granted to the Governor of the State.

CHAPTER 2—JOB CORPS

SEC. 744. GENERAL AUTHORITY.

If a State receives an allotment under section 759, and a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755, the State shall use a portion of the funds made available through the allotment to maintain the center, and carry out activities described in this subtitle for individuals enrolled in a Job Corps and assigned to the center.

SEC. 745. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The State shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps.

(2) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) one-stop career centers;

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(3) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

(c) INDIVIDUALS ELIGIBLE.—To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 746. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the State shall assign an enrollee to the Job Corps center within the State that is closest to the residence of the enrollee.

(2) AGREEMENTS WITH OTHER STATES.—The State may enter into agreements with 1 or more States to enroll individuals from the States in the Job Corps and assign the enrollees to Job Corps centers in the State.

SEC. 747. JOB CORPS CENTERS.

(a) DEVELOPMENT.—The State shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the establishment and operation of a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 748.

(c) CIVILIAN CONSERVATION CENTERS.—The Job Corps centers may include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(d) JOB CORPS OPERATORS.—To be eligible to receive funds under this chapter, an entity who entered into a contract with the Secretary of Labor that is in effect on the effective date of this section to carry out activities through a center under part B of title IV of the Job Training Partnership Act (as in effect on the day before the effective date of this section), shall enter into a contract with the State in which the center is located that contains provisions substantially similar to the provisions of the contract with the Secretary of Labor, as determined by the State.

SEC. 748. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 716(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment on completion of their enrollment.

(b) ARRANGEMENTS.—The State shall arrange for enrollees assigned to Job Corps centers in the State to receive workforce development activities through the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—Each Job Corps center located in a State shall be connected to the job placement accountability system of the State described in section 731(d).

SEC. 749. SUPPORT.

The State shall provide enrollees assigned to Job Corps centers in the State with such personal allowances as the State may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 750. OPERATING PLAN.

To be eligible to operate a Job Corps center and receive assistance under section 759 for program year 1998 or any subsequent program year, an entity shall prepare and submit, to the Governor of the State in which the center is located, and obtain the approval of the Governor for, an operating plan that shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan for the State submitted under section 714;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) by the State.

SEC. 751. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The State shall provide, and directors of Job Corps centers shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding violence, drug abuse, and other criminal activity.

(b) DISCIPLINARY MEASURES.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Corps if the director determines that the retention of the enrollee in the Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees. If the director determines that an enrollee has engaged in an incident involving violence, drug abuse, or other criminal activity, the director shall immediately dismiss the enrollee from the Corps.

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the State.

SEC. 752. COMMUNITY PARTICIPATION.

The State shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities may include the use of any local workforce development boards established in the State under section 728(b) to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

SEC. 753. COUNSELING AND PLACEMENT.

The State shall ensure that enrollees assigned to Job Corps centers in the State receive counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 716(a)(2).

SEC. 754. LEASES AND SALES OF CENTERS.

(a) LEASES.—

(1) IN GENERAL.—The Secretary of Labor shall offer to enter into a lease with each State that has an approved State plan submitted under section 714 and in which 1 or more Job Corps centers are located.

(2) NOMINAL CONSIDERATION.—Under the terms of the lease, the Secretary of Labor shall lease the Job Corps centers in the State to the State in return for nominal consideration.

(3) INDEMNITY AGREEMENT.—To be eligible to lease such a center, a State shall enter into an agreement to hold harmless and indemnify the United States from any liability or claim for damages or injury to any person or property arising out of the lease.

(b) SALES.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary of Labor shall offer each State described in subsection (a)(1) the opportunity to purchase the Job Corps centers in the State in return for nominal consideration.

SEC. 755. CLOSURE OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS AUDIT.—Not later than March 31, 1997, the Federal Partnership shall conduct an audit of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the audit, including information indicating—

(1) the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part (referred to in this subtitle as a "Job Corps center"), the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses; and

(5) the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report.

(b) RECOMMENDATIONS OF NATIONAL BOARD.—

(1) RECOMMENDATIONS.—The National Board shall, based on the results of the audit described in subsection (a), make recommendations to the Secretary of Labor, including identifying 25 Job Corps centers to be closed by September 30, 1997.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the National Board shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the audit described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the audit described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the National Board may determine to be appropriate.

(B) COVERAGE OF STATES AND REGIONS.—Notwithstanding subparagraph (A), the National Board shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) ALLOWANCE FOR NEW JOB CORPS CENTERS.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the National Board shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) REPORT.—Not later than June 30, 1997, the National Board shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the National Board resulting from the audit described in subsection (a) together with the recommendations described in paragraph (1).

(c) CLOSURE.—The Secretary of Labor shall, after reviewing the report submitted under subsection (b)(3), close 25 Job Corps centers by September 30, 1997.

SEC. 756. INTERIM OPERATING PLANS FOR JOB CORPS CENTERS.

Part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.) is amended by inserting after section 439 the following section:

"SEC. 439A. OPERATING PLAN.

"(a) SUBMISSION OF PLAN.—To be eligible to operate a Job Corps center and receive assistance under this part for fiscal year 1997, an entity shall prepare and submit to the Secretary and the Governor of the State in which the center is located, and obtain the approval of the Secretary for, an operating plan that shall include, at a minimum, information indicating—

"(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the interim plan for the State submitted under section 763 of the Workforce Development Act of 1995;

"(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

"(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) of the Workforce Development Act of 1995 by the State as identified in the interim plan.

"(b) SUBMISSION OF COMMENTS.—Not later than 30 days after receiving an operating plan described in subsection (a), the Governor of the State in which the center is located may submit comments on the plan to the Secretary.

"(c) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities to be carried out through the statewide system of the State in which the center is located.".

SEC. 757. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) INTERIM PROVISIONS.—Sections 754 and 755, and the amendment made by section 756, shall take effect on the date of enactment of this Act.

CHAPTER 3—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

SEC. 759. WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.

(a) IN GENERAL.—For program year 1998 and each subsequent program year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make allotments under subsection (c) to States to assist the States in paying for the cost of carrying out workforce preparation activities for at-risk youth, as described in this section.

(b) STATE USE OF FUNDS.—

(1) CORE ACTIVITIES.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities, as described in subsection (e), to assist the entities in carrying out innovative programs to assist out-of-school at-risk youth in participating in school-to-work activities;

(B) make grants to eligible entities, as described in subsection (e), to assist the entities in providing work-based learning as a component of school-to-work activities, including summer jobs linked to year-round school-to-work programs; and

(C) carry out other workforce development activities specifically for at-risk youth.

(c) ALLOTMENTS.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) TOTAL ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) UNEMPLOYED INDIVIDUALS.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) INDIVIDUALS IN POVERTY.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) AT-RISK YOUTH.—From funds equal to 33⅓ percent of such remainder, the Secretary

of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b)(2) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) APPLICATION.—To be eligible to receive a grant under subparagraph (A) or (B) of subsection (b)(2) from a State, an entity shall prepare and submit to the Governor of the State an application at such time, in such manner, and containing such information as the Governor may require.

(f) WITHIN STATE DISTRIBUTION.—Of the funds allotted to a State under subsection (c)(3) for workforce preparation activities for at-risk youth for a program year—

(1) 15 percent shall be reserved by the Governor to carry out such activities through the statewide system; and

(2) 85 percent shall be distributed to local entities to carry out such activities through the statewide system.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle, $2,100,000,000 for each of fiscal years 1998 through 2001.

(h) EFFECTIVE DATE.—This chapter shall take effect on July 1, 1998.

Subtitle D—Transition Provisions

SEC. 761. WAIVERS.

(a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Notwithstanding any other provision of Federal law, and except as provided in subsection (d), the Secretary may waive any requirement under any provision of law relating to a covered activity, or of any regulation issued under such a provision, for—

(A) a State that requests such a waiver and submits an application as described in subsection (b); or

(B) a local entity that requests such a waiver and complies with the requirements of subsection (c);

in order to assist the State or local entity in planning or developing a statewide system or workforce development activities to be carried out through the statewide system.

(2) TERM.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each waiver approved pursuant to this section shall be for a period beginning on the date of the approval and ending on June 30, 1998.

(B) FAILURE TO SUBMIT INTERIM PLAN.—If a State receives a waiver under this section and fails to submit an interim plan under section 763 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997. If a local entity receives a waiver under this section, and the State in which the local entity is located fails to submit an interim plan under section 763 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997.

(b) STATE REQUEST FOR WAIVER.—

(1) IN GENERAL.—A State may submit to the Secretary a request for a waiver of 1 or more requirements referred to in subsection (a). The request may include a request for different waivers with respect to different areas within the State.

(2) APPLICATION.—To be eligible to receive a waiver described in subsection (a), a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including information—

(A) identifying the requirement to be waived and the goal that the State (or the local agency applying to the State under subsection (c)) intends to achieve through the waiver;

(B) identifying, and describing the actions that the State will take to remove, similar State requirements;

(C) describing the activities to which the waiver will apply, including information on how the activities may be continued, or related to activities carried out, under the statewide system of the State;

(D) describing the number and type of persons to be affected by such waiver; and

(E) providing evidence of support for the waiver request by the State agencies or officials with jurisdiction over the requirement to be waived.

(c) LOCAL ENTITY REQUEST FOR WAIVER.—

(1) IN GENERAL.—A local entity that seeks a waiver of such a requirement shall submit to the State a request for the waiver and an application containing sufficient information to enable the State to comply with the requirements of subsection (b)(2). The State shall determine whether to submit a request and an application for a waiver to the Secretary, as provided in subsection (b).

(2) TIME LIMIT.—

(A) IN GENERAL.—The State shall make a determination concerning whether to submit the request and application for a waiver as described in paragraph (1) not later than 30 days after the date on which the State receives the application from the local entity.

(B) DIRECT SUBMISSION.—

(i) IN GENERAL.—If the State does not make a determination to submit or does not submit the request and application within the 30-day time period specified in subparagraph (A), the local entity may submit the request and application to the Secretary.

(ii) REQUIREMENTS.—In submitting such a request, the local entity shall obtain the agreement of the State involved to comply with the requirements of this section that would otherwise apply to a State submitting a request for a waiver. In reviewing an application submitted by a local entity, the Secretary shall comply with the requirements of this section that would otherwise apply to the Secretary with respect to review of such an application submitted by a State.

(d) WAIVERS NOT AUTHORIZED.—The Secretary may not waive any requirement of any provision referred to in subsection (a), or of any regulation issued under such provision, relating to—

(1) the allocation of funds to States, local entities, or individuals;

(2) public health or safety, civil rights, occupational safety and health, environmental protection, displacement of employees, or fraud and abuse;

(3) the eligibility of an individual for participation in a covered activity, except in a case in which the State or local entity can demonstrate that the individuals who would have been eligible to participate in such activity without the waiver will participate in a similar covered activity; or

(4) a required supplementation of funds by the State or a prohibition against the State supplanting such funds.

(e) ACTIVITIES.—Subject to subsection (d), the Secretary may approve a request for a waiver described in subsection (a) that would enable a State or local entity to—

(1) use the assistance that would otherwise have been used to carry out 2 or more covered activities (if the State or local entity were not using the assistance as described in this section)—

(A) to address the high priority needs of unemployed persons and at-risk youth in the appropriate State or community for workforce employment activities or workforce education activities;

(B) to improve efficiencies in the delivery of the covered activities; or

(C) in the case of overlapping or duplicative activities—

(i) by combining the covered activities and funding the combined activities; or

(ii) by eliminating 1 of the covered activities and increasing the funding to the remaining covered activity; and

(2) use the assistance that would otherwise have been used for administrative expenses relating to a covered activity (if the State or local entity were not using the assistance as described in this section) to pay for the cost of developing an interim State plan described in section 763 or a State plan described in section 714.

(f) APPROVAL OR DISAPPROVAL.—The Secretary shall approve or disapprove any request submitted pursuant to subsection (b) or (c), not later than 45 days after the date of the submission and shall issue a decision that shall include the reasons for approving or disapproving the request.

(g) FAILURE TO ACT.—If the Secretary fails to approve or disapprove the request within the 45-day period described in subsection (f), the request shall be deemed to be approved on the day after such period ends. If the Secretary subsequently determines that the waiver relates to a matter described in subsection (d) and issues a decision that includes the reasons for the determination, the waiver shall be deemed to terminate on the date of issuance of the decision.

(h) DEFINITION.—As used in this section:

(1) LOCAL ENTITY.—The term "local entity" means—

(A) a local educational agency, with respect to any act by a local agency or organization relating to a covered activity that is a workforce education activity; and

(B) the local public or private agency or organization responsible for carrying out the covered activity at issue, with respect to any act by a local agency or organization relating to any other covered activity.

(2) SECRETARY.—The term "Secretary" means—

(A) the Secretary of Labor, with respect to any act relating to a covered activity carried out by the Secretary of Labor;

(B) the Secretary of Education, with respect to any act relating to a covered activity carried out by the Secretary of Education; and

(C) the Secretary of Health and Human Services, with respect to any act relating to a covered activity carried out by the Secretary of Health and Human Services.

(3) STATE.—The term "State" means—

(A) a State educational agency, with respect to any act by a State entity relating to a covered activity that is a workforce education activity; and

(B) the Governor, with respect to any act by a State entity relating to any other covered activity.

(i) CONFORMING AMENDMENTS.—

(1) Section 501 of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6211) is amended—

(A) in subsection (a), by striking "sections 502 and 503" and inserting "section 502";

(B) in subsection (b)(2)(B)(ii)—

(i) by striking "section 502(a)(1)(C) or 503(a)(1)(C), as appropriate," and inserting "section 502(a)(1)(C)"; and

(ii) by striking "section 502 or 503, as appropriate," and inserting "section 502";

(C) in subsection (c), by striking "section 502 or 503" and inserting "section 502"; and

(D) by striking "Secretaries" each place the term appears and inserting "Secretary of Education".

(2) Section 502(b) of such Act (20 U.S.C. 6212(b)) is amended—

(A) in paragraph (4), by striking the semicolon and inserting "; and";

(B) in paragraph (5), by striking "; and" and inserting a period; and

(C) by striking paragraph (6).

(3) Section 503 of such Act (20 U.S.C. 6213) is repealed.

(4) Section 504 of such Act (20 U.S.C. 6214) is amended—

(A) in subsection (a)(2)(B), by striking clauses (i) and (ii) and inserting the following clauses:

"(i) the provisions of law listed in paragraphs (2) through (5) of section 502(b);

"(ii) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

"(iii) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).''; and

(B) in subsection (b), by striking "paragraphs (1) through (3), and paragraphs (5) and (6), of section 503(b)" and inserting "paragraphs (2) through (4) and paragraphs (6) and (7) of section 505(b)".

(5) Section 505(b) of such Act (20 U.S.C. 6215(b)) is amended to read as follows:

"(b) USE OF FUNDS.—A State may use, under the requirements of this Act, Federal funds that are made available to the State and combined under subsection (a) to carry out school-to-work activities, except that the provisions relating to—

"(1) the matters specified in section 502(c);

"(2) basic purposes or goals;

"(3) maintenance of effort;

"(4) distribution of funds;

"(5) eligibility of an individual for participation;

"(6) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or

"(7) prohibitions or restrictions relating to the construction of buildings or facilities;

that relate to the program through which the funds described in subsection (a)(2)(B) were made available, shall remain in effect with respect to the use of such funds.".

SEC. 762. FLEXIBILITY DEMONSTRATION PROGRAM.

(a) DEFINITION.—As used in this section:

(1) ELIGIBLE STATE.—The term "eligible State" means a State that—

(A)(i) has submitted an interim State plan under section 763;

(ii) has an executed Memorandum of Understanding with the Federal Government; or

(iii) is a designated "Ed-Flex Partnership State" under section 311(e) of the Goals 2000: Educate America Act (20 U.S.C. 5891(e)); and

(B) waives State statutory or regulatory requirements relating to workforce development activities while holding local entities within the State that are effected by such waivers accountable for the performance of the participants who are affected by such waivers.

(2) LOCAL ENTITY; SECRETARY; STATE.—The terms "local entity", "Secretary", and "State" have the meanings given the terms in section 761(h).

(b) DEMONSTRATION PROGRAM.—

(1) ESTABLISHMENT.—In addition to providing for the waivers described in section 761(a), the Secretary shall establish a workforce flexibility demonstration program under which the Secretary shall permit not more than 6 eligible States (or local entities within such States) to waive any statutory or regulatory requirement applicable to any covered activity described in section 761(a), other than the requirements described in section 761(d).

(2) SELECTION OF PARTICIPANT STATES.—In carrying out the program under paragraph (1), the Secretary shall select for participation in the program 3 eligible States that each have a population of not less than 3,500,000 individuals and 3 eligible States that each have a population of not more than 3,500,000 individuals, as determined in accordance with the most recent decennial census of the population as provided by the Bureau of the Census.

(3) APPLICATION.—

(A) SUBMISSION.—To be eligible to participate in the program established under paragraph (1), a State shall prepare and submit an application, in accordance with section 761(b)(2), that includes—

(i) a description of the process the eligible State will use to evaluate applications from local entities requesting waivers of—

(I) Federal statutory or regulatory requirements described in section 761(a); and

(II) State statutory or regulatory requirements relating to workforce development activities; and

(ii) a detailed description of the State statutory or regulatory requirements relating to workforce development activities that the State will waive.

(B) APPROVAL.—The Secretary may approve an application submitted under subparagraph (A) if the Secretary determines that such application demonstrates substantial promise of assisting the State and local entities within such State in carrying out comprehensive reform of workforce development activities and in otherwise meeting the purposes of this title.

(C) LOCAL ENTITY APPLICATIONS.—A State participating in the program established under paragraph (1) shall not approve an application by a local entity for a waiver under this subsection unless the State determines that such waiver will assist the local entity in reaching the goals of the local entity.

(4) MONITORING.—A State participating in the program established under paragraph (1) shall annually monitor the activities of local entities receiving waivers under this subsection and shall submit an annual report regarding such monitoring to the Secretary. The Secretary shall periodically review the performance of such States and shall terminate the waiver of a State under this subsection if the Secretary determines, after notice and opportunity for a hearing, that the performance of such State has been inadequate to a level that justifies discontinuation of such authority.

(5) REFERENCE.—Each eligible State participating in the program established under paragraph (1) shall be referred to as a "Work-Flex Partnership State".

SEC. 763. INTERIM STATE PLANS.

(a) IN GENERAL.—For a State or local entity in a State to use a waiver received under section 761 or 762 through June 30, 1998, and for a State to be eligible to submit a State plan described in section 714 for program year 1998, the Governor of the State shall submit an interim State plan to the Federal Partnership. The Governor shall submit the plan not later than June 30, 1997.

(b) REQUIREMENTS.—The interim State plan shall comply with the requirements applicable to State plans described in section 714.

(c) PROGRAM YEAR.—In submitting the interim State plan, the Governor shall indicate whether the plan is submitted—

(1) for review and approval for program year 1997; or

(2) solely for review.

(d) REVIEW.—In reviewing an interim State plan, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may—

(1) in the case of a plan submitted for review and approval for program year 1997—

(A) approve the plan and permit the State to use a waiver as described in section 761 or 762 to carry out the plan; or

(B)(i) disapprove the plan and provide to the State reasons for the disapproval; and

(ii) direct the Federal Partnership to provide technical assistance to the State for developing an approvable plan to be submitted under section 714 for program year 1998; and

(2) in the case of a plan submitted solely for review, review the plan and provide to the State technical assistance for developing an approvable plan to be submitted under section 714 for program year 1998.

(e) EFFECT OF DISAPPROVAL.—Disapproval of an interim plan shall not affect the ability of a State to use a waiver as described in section 761 or 762 through June 30, 1998.

SEC. 764. APPLICATIONS AND PLANS UNDER COVERED ACTS.

Notwithstanding any other provision of law, no State or local entity shall be required to comply with any provision of a covered Act that would otherwise require the entity to submit an application or a plan to a Federal agency during fiscal year 1996 or 1997 for funding of a covered activity. In determining whether to provide funding to the State or local entity for the covered activity, the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services, as appropriate, shall consider the last application or plan, as appropriate, submitted by the entity for funding of the covered activity.

SEC. 765. INTERIM ADMINISTRATION OF SCHOOL-TO-WORK PROGRAMS.

(a) IN GENERAL.—Any provision of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.) that grants authority to the Secretary of Labor or the Secretary of Education shall be considered to grant the authority to the Federal Partnership.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect on October 1, 1996.

SEC. 766. INTERIM AUTHORIZATIONS OF APPROPRIATIONS.

(a) OLDER AMERICAN COMMUNITY SERVICE EMPLOYMENT ACT.—Section 508(a)(1) of the Older American Community Service Employment Act (42 U.S.C. 3056f(a)(1)) is amended by striking "for fiscal years 1993, 1994, and 1995" and inserting "for each of fiscal years 1993 through 1998".

(b) CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(1) IN GENERAL.—Section 3(a) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2302(a)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1992 through 1998".

(2) RESEARCH.—Section 404(d) of such Act (20 U.S.C. 2404(d)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1992 through 1998".

(c) ADULT EDUCATION ACT.—

(1) IN GENERAL.—Section 313(a) of the Adult Education Act (20 U.S.C. 1201b(a)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1993 through 1998".

(2) STATE LITERACY RESOURCE CENTERS.—Section 356(k) of such Act (20 U.S.C. 1208aa(k)) is amended by striking "for each of the fiscal years 1994 and 1995" and inserting "for each of fiscal years 1994 and 1995".

(3) BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY.—Section 371(e)(1) of such Act (20 U.S.C. 1211(e)(1)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1993 through 1998".

(4) NATIONAL INSTITUTE FOR LITERACY.—Section 384(n)(1) of such Act (20 U.S.C. 1213c(n)(1)) is amended by striking "for each of the fiscal years" and all that follows through "1996" and inserting "for each of fiscal years 1992 through 1995".

Subtitle E—National Activities

SEC. 771. FEDERAL PARTNERSHIP.

(a) ESTABLISHMENT.—There is established in the Department of Labor and the Department of Education a Workforce Development Partnership, under the joint control of the Secretary of Labor and the Secretary of Education.

(b) ADMINISTRATION.—Notwithstanding the Department of Education Organization Act (20 U.S.C. 3401 et seq.), the General Education Provisions Act (20 U.S.C. 1221 et seq.), the Act entitled "An Act To Create a Department of Labor", approved March 4, 1913 (29 U.S.C. 551 et seq.), and section 169 of the Job Training Partnership Act (29 U.S.C. 1579), the Secretary of Labor and the Secretary of Education, acting jointly, in accordance with the plan approved or determinations made by the President under section 776(c), shall provide for, and exercise final authority over, the effective and efficient administration of this title and the officers and employees of the Federal Partnership.

(c) RESPONSIBILITIES OF SECRETARY OF LABOR AND SECRETARY OF EDUCATION.—The Secretary of Labor and the Secretary of Education, working jointly through the Federal Partnership, shall—

(1) approve applications and plans under sections 714, 717, 718, and 763;

(2) award financial assistance under sections 712, 717, 718, 732(a), 759, and 774;

(3) approve State benchmarks in accordance with section 731(c); and

(4) apply sanctions described in section 732(b).

(d) WORKPLANS.—The Secretary of Labor and the Secretary of Education, acting jointly, shall prepare and submit the workplans described in sections 776(c) and 777(b).

(e) INFORMATION AND TECHNICAL ASSISTANCE RESPONSIBILITIES.—The Secretary of Labor and the Secretary of Education, acting jointly, shall, in appropriate cases, disseminate information and provide technical assistance to States on the best practices for establishing and carrying out activities through statewide systems, including model programs to provide structured work and learning experiences for welfare recipients.

SEC. 772. NATIONAL WORKFORCE DEVELOPMENT BOARD AND PERSONNEL.

(a) NATIONAL BOARD.—

(1) COMPOSITION.—The Federal Partnership shall be directed by a National Board that shall be composed of 13 individuals, including—

(A) 7 individuals who are representative of business and industry in the United States, appointed by the President by and with the advice and consent of the Senate;

(B) 2 individuals who are representative of labor and workers in the United States, appointed by the President by and with the advice and consent of the Senate;

(C) 2 individuals who are representative of education providers, 1 of whom is a State or local adult education provider and 1 of whom is a State or local vocational education provider, appointed by the President by and with the advice and consent of the Senate; and

(D) 2 Governors, representing different political parties, appointed by the President by and with the advice and consent of the Senate.

(2) TERMS.—Each member of the National Board shall serve for a term of 3 years, except that, as designated by the President—

(A) 5 of the members first appointed to the National Board shall serve for a term of 2 years;

(B) 4 of the members first appointed to the National Board shall serve for a term of 3 years; and

(C) 4 of the members first appointed to the National Board shall serve for a term of 4 years.

(3) VACANCIES.—Any vacancy in the National Board shall not affect the powers of the National Board, but shall be filled in the same manner as the original appointment. Any member appointed to fill such a vacancy shall serve for the remainder of the term for which the predecessor of such member was appointed.

(4) DUTIES AND POWERS OF THE NATIONAL BOARD.—

(A) OVERSIGHT.—Subject to section 771(b), the National Board shall oversee all activities of the Federal Partnership.

(B) RECOMMENDATIONS ABOUT IMPLEMENTATION.—If the Secretary of Labor and the Secretary of Education fail to reach agreement with respect to the implementation of their duties and responsibilities under this title, the National Board shall review the issues about which disagreement exists and make a recommendation to the President regarding a solution to the disagreement.

(5) CHAIRPERSON.—The position of Chairperson of the National Board shall rotate annually among the appointed members described in paragraph (1)(A).

(6) MEETINGS.—The National Board shall meet at the call of the Chairperson but not less often than 4 times during each calendar year. Seven members of the National Board shall constitute a quorum. All decisions of the National Board with respect to the exercise of the duties and powers of the National Board shall be made by a majority vote of the members of the National Board.

(7) COMPENSATION AND TRAVEL EXPENSES.—

(A) COMPENSATION.—In accordance with the plan approved or the determinations made by the President under section 776(c), each member of the National Board shall be compensated at a rate to be fixed by the President but not to exceed the daily equivalent of the maximum rate authorized for a position above GS–15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the National Board.

(B) EXPENSES.—While away from their homes or regular places of business on the business of the National Board, members of such National Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

(8) DATE OF APPOINTMENT.—The National Board shall be appointed not later than 120 days after the date of enactment of this Act.

(b) DUTIES AND POWERS OF THE FEDERAL PARTNERSHIP.—The Federal Partnership shall—

(1) oversee the development, maintenance, and continuous improvement of the nationwide integrated labor market information system described in section 773, and the relationship between such system and the job placement accountability system described in section 731(d);

(2) establish model benchmarks for each of the benchmarks referred to in paragraph (1), (2), or (3) of section 731(c), at achievable levels based on existing (as of the date of the establishment of the benchmarks) workforce development efforts in the States;

(3) negotiate State benchmarks with States in accordance with section 731(c);

(4) provide advice to the Secretary of Labor and the Secretary of Education regarding the review and approval of applications and plans described in section 771(c)(1) and the approval of financial assistance described in section 771(c)(2);

(5) receive and review reports described in section 731(a);

(6) prepare and submit to the appropriate committees of Congress an annual report on the absolute and relative performance of States toward reaching the State benchmarks;

(7) provide advice to the Secretary of Labor and the Secretary of Education regarding applying sanctions described in section 732(b);

(8) review all federally funded programs providing workforce development activities, other than programs carried out under this title, and submit recommendations to Congress on how the federally funded programs could be integrated into the statewide systems of the States, including recommendations on the development of common terminology for activities and services provided through the programs;

(9) prepare an annual plan for the nationwide integrated labor market information system, as described in section 773(b)(2); and

(10) perform the duties specified for the Federal Partnership in this title.

(c) DIRECTOR.—

(1) IN GENERAL.—There shall be in the Federal Partnership a Director, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) COMPENSATION.—The Director shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(3) DUTIES.—The Director shall make recommendations to the National Board regarding the activities described in subsection (b).

(4) DATE OF APPOINTMENT.—The Director shall be appointed not later than 120 days after the date of enactment of this Act.

(d) PERSONNEL.—

(1) APPOINTMENTS.—The Director may appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Federal Partnership. Except as otherwise provided by

law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

(2) EXPERTS AND CONSULTANTS.—The Director may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including travel time) at rates not in excess of the rate of pay for level IV of the Executive Schedule under section 5315 of such title. The Director may pay experts and consultants who are serving away from their homes or regular place of business travel expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

(3) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Federal Partnership without reimbursement, and such detail shall be without interruption or loss of civil service or privilege. The Secretary of Education and the Secretary of Labor shall detail a sufficient number of employees to the Federal Partnership for the period beginning October 1, 1996 and ending June 30, 1998 to carry out the functions of the Federal Partnership during such period.

(4) USE OF VOLUNTARY AND UNCOMPENSATED SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Secretary of Labor and the Secretary of Education are authorized to accept voluntary and uncompensated services in furtherance of the purposes of this title.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years 1996 and 1997 $500,000 to the National Board for the administration of the duties and responsibilities of the Federal Partnership under this title.

SEC. 773. LABOR MARKET INFORMATION.

(a) FEDERAL RESPONSIBILITIES.—The Federal Partnership, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide integrated labor market information system that shall include—

(1) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems, that, taken together, shall enumerate, estimate, and project the supply and demand for labor at the substate, State, and national levels in a timely manner, including data on—

(A) the demographics, socioeconomic characteristics, and current employment status of the substate, State, and national populations (as of the date of the collection of the data), including self-employed, part-time, and seasonal workers;

(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution, of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

(C) the educational attainment, training, skills, skill levels, and occupations of the populations;

(D) information maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment for all individuals for whom the information is collected by the States; and

(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

(2) State and substate area employment and consumer information (which shall be current, comprehensive, automated, accessible, easy to understand, and in a form useful for facilitating immediate employment, entry into education and training programs, and career exploration) on—

(A) job openings, locations, hiring requirements, and application procedures, including profiles of industries in the local labor market that describe the nature of work performed, employment requirements, and patterns in wages and benefits;

(B) jobseekers, including the education, training, and employment experience of the jobseekers; and

(C) the cost and effectiveness of providers of workforce employment activities, workforce education activities, and flexible workforce activities, including the percentage of program completion, acquisition of skills to meet industry-recognized skill standards, continued education, job placement, and earnings, by participants, and other information that may be useful in facilitating informed choices among providers by participants;

(3) technical standards for labor market information that will—

(A) ensure compatibility of the information and the ability to aggregate the information from substate areas to State and national levels;

(B) support standardization and aggregation of the data from administrative reporting systems;

(C) include—

(i) classification and coding systems for industries, occupations, skills, programs, and courses;

(ii) nationally standardized definitions of labor market terms, including terms related to State benchmarks established pursuant to section 731(c);

(iii) quality control mechanisms for the collection and analysis of labor market information; and

(iv) common schedules for collection and dissemination of labor market information; and

(D) eliminate gaps and duplication in statistical undertakings, with a high priority given to the systemization of wage surveys;

(4) an analysis of data and information described in paragraphs (1) and (2) for uses such as—

(A) national, State, and substate area economic policymaking;

(B) planning and evaluation of workforce development activities;

(C) the implementation of Federal policies, including the allocation of Federal funds to States and substate areas; and

(D) research on labor market dynamics;

(5) dissemination mechanisms for data and analysis, including mechanisms that may be standardized among the States; and

(6) programs of technical assistance for States and substate areas in the development, maintenance, utilization, and continuous improvement of the data, information, standards, analysis, and dissemination mechanisms, described in paragraphs (1) through (5).

(b) JOINT FEDERAL-STATE RESPONSIBILITIES.—

(1) IN GENERAL.—The nationwide integrated labor market information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and the States receiving financial assistance under this title.

(2) ANNUAL PLAN.—The Federal Partnership shall, with the assistance of the Bureau of Labor Statistics and other Federal agencies, where appropriate, prepare an annual plan that shall be the mechanism for achieving the cooperative Federal-State governance structure for the nationwide integrated labor market information system. The plan shall—

(A) establish goals for the development and improvement of a nationwide integrated labor market information system based on information needs for achieving economic growth and productivity, accountability, fund allocation equity, and an understanding of labor market characteristics and dynamics;

(B) describe the elements of the system, including—

(i) standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting the data and information described in paragraphs (1) and (2) of subsection (a); and

(ii) assurances that—

(I) data will be sufficiently timely and detailed for uses including the uses described in subsection (a)(4);

(II) administrative records will be standardized to facilitate the aggregation of data from substate areas to State and national levels and to support the creation of new statistical series from program records; and

(III) paperwork and reporting requirements on employers and individuals will be reduced;

(C) recommend needed improvements in administrative reporting systems to be used for the nationwide integrated labor market information system;

(D) describe the current spending on integrated labor market information activities from all sources, assess the adequacy of the funds spent, and identify the specific budget needs of the Federal Government and States with respect to implementing and improving the nationwide integrated labor market information system;

(E) develop a budget for the nationwide integrated labor market information system that—

(i) accounts for all funds described in subparagraph (D) and any new funds made available pursuant to this title; and

(ii) describes the relative allotments to be made for—

(I) operating the cooperative statistical programs pursuant to subsection (a)(1);

(II) developing and providing employment and consumer information pursuant to subsection (a)(2);

(III) ensuring that technical standards are met pursuant to subsection (a)(3); and

(IV) providing the analysis, dissemination mechanisms, and technical assistance under paragraphs (4), (5), and (6) of subsection (a), and matching data;

(F) describe the involvement of States in developing the plan by holding formal consultations conducted in cooperation with representatives of the Governors of each State or the State workforce development board described in section 715, where appropriate, pursuant to a process established by the Federal Partnership; and

(G) provide for technical assistance to the States for the development of statewide comprehensive labor market information systems described in subsection (c), including assistance with the development of easy-to-use software and hardware, or uniform information displays.

For purposes of applying Office of Management and Budget Circular A-11 to determine persons eligible to participate in deliberations relating to budget issues for the development of the plan, the representatives of

the Governors of each State and the State workforce development board described in subparagraph (F) shall be considered to be employees of the Department of Labor.

(c) STATE RESPONSIBILITIES.—

(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this title, the Governor of a State shall—

(A) establish an interagency process for the oversight of a statewide comprehensive labor market information system and for the participation of the State in the cooperative Federal-State governance structure for the nationwide integrated labor market information system; and

(B) designate a single State agency or entity within the State to be responsible for the management of the statewide comprehensive labor market information system.

(2) DUTIES.—In order to receive Federal financial assistance under this title, the State agency or entity within the State designated under paragraph (1)(B) shall—

(A) consult with employers and local workforce development boards described in section 728(b), where appropriate, about the labor market relevance of the data to be collected and displayed through the statewide comprehensive labor market information system;

(B) develop, maintain, and continuously improve the statewide comprehensive labor market information system, which shall—

(i) include all of the elements described in paragraphs (1), (2), (3), (4), (5), and (6) of subsection (a); and

(ii) provide the consumer information described in clauses (v) and (vi) of section 716(a)(2)(B) in a manner that shall be responsive to the needs of business, industry, workers, and jobseekers;

(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination, through the statewide comprehensive labor market information system;

(D) conduct such other data collection, analysis, and dissemination activities to ensure that State and substate area labor market information is comprehensive;

(E) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data;

(F) participate in the development of the national annual plan described in subsection (b)(2); and

(G) ensure that the matches required for the job placement accountability system by section 731(d)(2)(A) are made for the State and for other States.

(3) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this title.

(d) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 774. NATIONAL CENTER FOR RESEARCH IN EDUCATION AND WORKFORCE DEVELOPMENT.

(a) GRANTS AUTHORIZED.—From amounts made available under section 734(b)(5), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, are authorized to award a grant, on a competitive basis, to an institution of higher education, public or private nonprofit organization or agency, or a consortium of such institutions, organizations, or agencies, to enable such institution, organization, agency, or consortium to establish a national center to carry out the activities described in subsection (b).

(b) AUTHORIZED ACTIVITIES.—Grant funds made available under this section shall be used by the national center assisted under subsection (a)—

(1) to increase the effectiveness and improve the implementation of workforce development programs, including conducting research and development and providing technical assistance with respect to—

(A) combining academic and vocational education;

(B) connecting classroom instruction with work-based learning;

(C) creating a continuum of educational programs that provide multiple exit points for employment, which may include changes or development of instructional materials or curriculum;

(D) establishing high quality support services for all students to ensure access to workforce development programs, educational success, and job placement assistance;

(E) developing new models for remediation of basic academic skills, which models shall incorporate appropriate instructional methods, rather than using rote and didactic methods;

(F) identifying ways to establish links among educational and job training programs at the State and local levels;

(G) developing new models for career guidance, career information, and counseling services;

(H) identifying economic and labor market changes that will affect workforce needs;

(I) developing model programs for the transition of members of the Armed Forces from military service to civilian employment;

(J) conducting preparation of teachers, counselors, administrators, and other professionals, who work with programs funded under this title; and

(K) obtaining information on practices in other countries that may be adapted for use in the United States;

(2) to provide assistance to States and local recipients of assistance under this title in developing and using systems of performance measures and standards for improvement of programs and services; and

(3) to maintain a clearinghouse that will provide data and information to Federal, State, and local organizations and agencies about the condition of statewide systems and programs funded under this title, which data and information shall be disseminated in a form that is useful to practitioners and policymakers.

(c) OTHER ACTIVITIES.—The Federal Partnership may request that the national center assisted under subsection (a) conduct activities not described in subsection (b), or study topics not described in subsection (b), as the Federal Partnership determines to be necessary to carry out this title.

(d) IDENTIFICATION OF CURRENT NEEDS.—The national center assisted under subsection (a) shall identify current needs (as of the date of the identification) for research and technical assistance through a variety of sources including a panel of Federal, State, and local level practitioners.

(e) SUMMARY REPORT.—The national center assisted under subsection (a) shall annually prepare and submit to the Federal Partnership and Congress a report summarizing the research findings obtained, and the results of development and technical assistance activities carried out, under this section.

(f) DEFINITION.—As used in this section, the term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(g) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 775. NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS.

(a) IN GENERAL.—The Secretary of Education (referred to in this section as the "Secretary") shall conduct a national assessment of vocational education programs assisted under this title, through studies and analyses conducted independently through competitive awards.

(b) INDEPENDENT ADVISORY PANEL.—The Secretary shall appoint an independent advisory panel, consisting of vocational education administrators, educators, researchers, and representatives of business, industry, labor, career guidance and counseling professionals, and other relevant groups, to advise the Secretary on the implementation of such assessment, including the issues to be addressed and the methodology of the studies involved, and the findings and recommendations resulting from the assessment. The panel, in the discretion of the panel, may submit to Congress an independent analysis of the findings and recommendations resulting from the assessment. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel established under this subsection.

(c) CONTENTS.—The assessment required under subsection (a) shall include descriptions and evaluations of—

(1) the effect of this title on State and tribal administration of vocational education programs and on local vocational education practices, including the capacity of State, tribal, and local vocational education systems to address the purposes of this title;

(2) expenditures at the Federal, State, tribal, and local levels to address program improvement in vocational education, including the impact of Federal allocation requirements (such as within-State distribution formulas) on the delivery of services;

(3) preparation and qualifications of teachers of vocational and academic curricula in vocational education programs, as well as shortages of such teachers;

(4) participation in vocational education programs;

(5) academic and employment outcomes of vocational education, including analyses of—

(A) the effect of educational reform on vocational education;

(B) the extent and success of integration of academic and vocational curricula;

(C) the success of the school-to-work transition; and

(D) the degree to which vocational training is relevant to subsequent employment;

(6) employer involvement in, and satisfaction with, vocational education programs;

(7) the effect of benchmarks, performance measures, and other measures of accountability on the delivery of vocational education services; and

(8) the degree to which minority students are involved in vocational student organizations.

(d) CONSULTATION.—

(1) IN GENERAL.—The Secretary shall consult with the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate in

the design and implementation of the assessment required under subsection (a).

(2) REPORTS.—The Secretary shall submit to Congress—

(A) an interim report regarding the assessment on or before January 1, 2000; and

(B) a final report, summarizing all studies and analyses that relate to the assessment and that are completed after the assessment, on or before July 1, 2000.

(3) PROHIBITION.—Notwithstanding any other provision of law or regulation, the reports required by this subsection shall not be subject to any review outside of the Department of Education before their transmittal to Congress, but the President, the Secretary, and the independent advisory panel established under subsection (b) may make such additional recommendations to Congress with respect to the assessment as the President, Secretary, or panel determine to be appropriate.

(e) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 775A. NATIONAL ACTIVITIES.

(a) WORKFORCE EMPLOYMENT.—

(1) GRANTS.—From the amounts reserved under section 734(b)(6) for each fiscal year, an amount, not to exceed 75 percent of the amounts so reserved, shall be available to the Secretary of Labor for national activities that relate to workforce employment activities and that are appropriately administered at the national level, including awarding—

(A) discretionary grants to provide adjustment assistance to workers affected by major economic dislocations such as a closure, layoff, or realignment described in section 703(8)(B);

(B) discretionary grants to provide disaster relief employment assistance to areas that have suffered an emergency or major disaster;

(C) grants for programs to provide workforce employment activities for Indians;

(D) grants for programs to provide workforce employment activities for low-income migrant or seasonal farmworkers, as defined in section 2281(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a(b)); and

(E) grants for partnerships between the Secretary of Labor and national organizations possessing special expertise for developing, organizing, and administering workforce employment activities at the national, State, and local levels to enable such partnerships to carry out such development, organization, and administration.

(2) ADDITIONAL ACTIVITIES.—From the amounts reserved under section 734(b)(6) for each fiscal year, an amount, not to exceed 15 percent of the amounts so reserved, shall be available to the Secretary of Labor for additional national activities that relate to workforce employment activities and that are appropriately administered at the national level, such as data collection, research and development, demonstration projects, dissemination, technical assistance, and evaluation activities, relating to workforce employment activities.

(b) WORKFORCE EDUCATION.—From the amounts reserved under section 734(b)(6) for each fiscal year, an amount, not to exceed 10 percent of the amounts so reserved, shall be available to the Secretary of Education for national activities that relate to workforce education activities and that are appropriately administered at the national level, including—

(1) national activities relating to workforce education activities such as data collection, research and development, demonstration projects, dissemination, technical assistance, and evaluation activities, relating to workforce education activities; and

(2) workforce education activities that are provided to Indians and Native Hawaiians and consistent with the purposes of this title.

(c) AWARDS FOR EXCELLENCE.—The Secretary of Labor and the Secretary of Education, from the amounts reserved under section 734(b)(6) and not used in accordance with subsections (a) and (b) for each fiscal year, and through a peer review process, may make performance awards to 1 or more States that have—

(1) implemented exemplary workforce employment activities or workforce education activities;

(2) implemented exemplary systems of school-to-work activities; or

(3) implemented exemplary one-stop delivery, as described in section 716(a)(2)(A).

(d) DEFINITIONS.—As used in this section:

(1) INDIAN.—The term "Indian" has the same meaning given such term in section 4(d) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(d)).

(2) NATIVE HAWAIIAN.—The term "Native Hawaiian" has the same meaning given such term in section 9212(1) of the Native Hawaiian Education Act (20 U.S.C. 7912(1)).

SEC. 776. TRANSFERS TO FEDERAL PARTNERSHIP.

(a) DEFINITIONS.—For purposes of this section, unless otherwise provided or indicated by the context—

(1) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

(2) the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(b) TRANSFER OF FUNCTIONS.—There are transferred to the appropriate Secretary in the Federal Partnership, in accordance with subsection (c), all functions that the Secretary of Labor or the Secretary of Education exercised before the effective date of this section (including all related functions of any officer or employee of the Department of Labor or the Department of Education) that relate to a covered activity and that are minimally necessary to carry out the functions of the Federal Partnership. The authority of a transferred employee to carry out a function that relates to a covered activity shall terminate on July 1, 1998.

(c) TRANSITION WORKPLAN.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the Secretary of Labor and the Secretary of Education shall prepare and submit to the National Board a proposed workplan as described in paragraph (2). The Secretary of Labor and the Secretary of Education shall also submit the plan to the President, the Committee on Economic and Educational Opportunities of the House of Representatives, and the Committee on Labor and Human Resources of the Senate for review and comment.

(2) CONTENTS.—The proposed workplan shall include, at a minimum—

(A) an analysis of the functions that officers and employees of the Department of Labor and the Department of Education carry out (as of the date of the submission of the workplan) that relate to a covered activity;

(B) information on the levels of personnel and funding used to carry out the functions (as of such date);

(C) a determination of the functions described in subparagraph (A) that are minimally necessary to carry out the functions of the Federal Partnership;

(D) information on the levels of personnel and other resources that are minimally necessary to carry out the functions of the Federal Partnership;

(E) a determination of the manner in which the Secretary of Labor and the Secretary of Education will provide personnel and other resources of the Department of Labor and the Department of Education for the Federal Partnership;

(F) a determination of the appropriate Secretary to receive the personnel, resources, and related items to be transferred under this section, based on factors including increased efficiency and elimination of duplication of functions;

(G) a determination of the proposed organizational structure for the Federal Partnership; and

(H) a determination of the manner in which the Secretary of Labor and the Secretary of Education, acting jointly through the Federal Partnership, will carry out their duties and responsibilities under this title.

(3) REVIEW BY NATIONAL BOARD.—

(A) IN GENERAL.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the National Board shall—

(i) review and concur with the workplan; or

(ii) reject the workplan and prepare and submit to the President a revised workplan that contains the analysis, information, and determinations described in paragraph (2).

(B) FUNCTIONS TRANSFERRED.—If the National Board concurs with the proposed workplan, the functions described in paragraph (2)(C), as determined in the workplan, shall be transferred under subsection (b).

(4) REVIEW BY THE PRESIDENT.—

(A) IN GENERAL.—Not later than 30 days after the date of submission of a revised workplan under paragraph (3)(A)(ii), the President shall—

(i) review and approve the workplan; or

(ii) reject the workplan and prepare an alternative workplan that contains the analysis, information, and determinations described in paragraph (2).

(B) FUNCTIONS TRANSFERRED.—If the President approves the revised workplan, or prepares the alternative workplan, the functions described in paragraph (2)(C), as determined in such revised or alternative workplan, shall be transferred under subsection (b).

(C) SPECIAL RULE.—If the President takes no action on the revised workplan submitted under paragraph (3)(A)(ii) within the 30-day period described in subparagraph (A), the Secretary of Labor, the Secretary of Education, and the National Board may attempt to reach agreement on a compromise workplan. If the Secretary of Labor, the Secretary of Education, and the National Board reach such agreement, the functions described in paragraph (2)(C), as determined in such compromise workplan, shall be transferred under subsection (b). If, after an additional 15-day period, the Secretary of Labor, the Secretary of Education and the National Board are unable to reach such agreement, the revised workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(C), as determined in the revised workplan, shall be transferred under subsection (b).

(5) DETERMINATION BY PRESIDENT.—

(A) IN GENERAL.—In the event that the Secretary of Labor and the Secretary of Education fail to reach agreement regarding, and submit, a proposed workplan described in paragraph (2), the President shall make the determinations described in paragraph (2)(C). The President shall delegate full responsibility for administration of this title to 1 of the 2 Secretaries. Such Secretary shall be considered to be the appropriate Secretary for purposes of this title and shall have authority to carry out any function that the Secretaries would otherwise be authorized to carry out jointly.

(B) TRANSFERS.—The functions described in paragraph (2)(C), as determined by the President under subparagraph (A), shall be transferred under subsection (b). All positions of personnel that relate to a covered activity and that, prior to the transfer, were within the Department headed by the other of the 2 Secretaries shall be separated from service as provided in subsection (i)(2)(A).

(d) DELEGATION AND ASSIGNMENT.—Except where otherwise expressly prohibited by law or otherwise provided by this section, the National Board may delegate any function transferred or granted to the Federal Partnership after the effective date of this section to such officers and employees of the Federal Partnership as the National Board may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the National Board under this subsection or under any other provision of this section shall relieve such National Board of responsibility for the administration of such functions.

(e) REORGANIZATION.—The National Board may allocate or reallocate any function transferred or granted to the Federal Partnership after the effective date of this section among the officers of the Federal Partnership, and establish, consolidate, alter, or discontinue such organizational entities in the Federal Partnership as may be necessary or appropriate.

(f) RULES.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, determine to be necessary or appropriate to administer and manage the functions of the Federal Partnership.

(g) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—

(1) IN GENERAL.—Except as otherwise provided in this section, 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 by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the appropriate Secretary in the Federal Partnership. Unexpended funds transferred pursuant to this subsection shall be used only to carry out the functions of the Federal Partnership.

(2) EXISTING FACILITIES AND OTHER FEDERAL RESOURCES.—Pursuant to paragraph (1), the Secretary of Labor and the Secretary of Education shall supply such office facilities, office supplies, support services, and related expenses as may be minimally necessary to carry out the functions of the Federal Partnership. None of the funds made available under this title may be used for the construction of office facilities for the Federal Partnership.

(h) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this section, 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 section. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the objectives of this section.

(i) EFFECT ON PERSONNEL.—

(1) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this section, shall terminate on the effective date of this section.

(2) ACTIONS.—

(A) IN GENERAL.—The Secretary of Labor and the Secretary of Education shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that the positions of personnel that relate to a covered activity and are not transferred under subsection (b) are separated from service.

(B) SCOPE.—The Secretary of Labor and the Secretary of Education shall take the actions described in subparagraph (A) with respect to not less than ⅓ of the positions of personnel that relate to a covered activity.

(j) SAVINGS PROVISIONS.—

(1) SUITS NOT AFFECTED.—The provisions of this section shall not affect suits commenced before the effective date of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(2) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Labor or the Department of Education, or by or against any individual in the official capacity of such individual as an officer of the Department of Labor or the Department of Education, shall abate by reason of the enactment of this section.

(k) TRANSITION.—The National Board may utilize—

(1) the services of officers, employees, and other personnel of the Department of Labor or the Department of Education, other than personnel of the Federal Partnership, with respect to functions transferred to the Federal Partnership by this section; and

(2) funds appropriated to such functions;

for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(l) REFERENCES.—A reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to—

(1) the Secretary of Labor or the Secretary of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Federal Partnership; and

(2) the Department of Labor or the Department of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Federal Partnership.

(m) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Federal Partnership shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this section.

(2) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Federal Partnership shall submit the recommended legislation referred to in paragraph (1).

(n) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section shall take effect on June 30, 1998.

(2) REGULATIONS AND CONFORMING AMENDMENTS.—Subsections (f) and (m) shall take effect on September 30, 1996.

(3) WORKPLAN.—Subsection (c) shall take effect on the date of enactment of this Act.

SEC. 777. TRANSFERS TO OTHER FEDERAL AGENCIES AND OFFICES.

(a) TRANSFER.—There are transferred to the appropriate receiving agency, in accordance with subsection (b), all functions that the Secretary of Labor, acting through the Employment and Training Administration, or the Secretary of Education, acting through the Office of Vocational and Adult Education, exercised before the effective date of this section (including all related functions of any officer or employee of the Employment and Training Administration or the Office of Vocational and Adult Education) that do not relate to a covered activity.

(b) DETERMINATIONS OF FUNCTIONS AND APPROPRIATE RECEIVING AGENCIES.—

(1) TRANSITION WORKPLAN.—Not later than 180 days after the date of enactment of this Act, the Secretary of Labor and the Secretary of Education shall prepare and submit to the President a proposed workplan that specifies the steps that the Secretaries will take, during the period ending on July 1, 1998, to carry out the transfer described in subsection (a).

(2) CONTENTS.—The proposed workplan shall include, at a minimum—

(A) a determination of the functions that officers and employees of the Employment and Training Administration and the Office of Vocational and Adult Education carry out (as of the date of the submission of the workplan) that do not relate to a covered activity; and

(B) a determination of the appropriate receiving agencies for the functions, based on factors including increased efficiency and elimination of duplication of functions.

(3) REVIEW.—

(A) IN GENERAL.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the President shall—

(i) review and approve the workplan and submit the workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate; or

(ii) reject the workplan, prepare an alternative workplan that contains the determinations described in paragraph (2), and submit the alternative workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and

the Committee on Labor and Human Resources of the Senate.

(B) FUNCTIONS TRANSFERRED.—If the President approves the proposed workplan, or prepares the alternative workplan, the functions described in paragraph (2)(A), as determined in such proposed or alternative workplan, shall be transferred under subsection (a) to the appropriate receiving agencies described in paragraph (2)(B), as determined in such proposed or alternative workplan.

(C) SPECIAL RULE.—If the President takes no action on the proposed workplan submitted under paragraph (1) within the 45-day period described in subparagraph (A), such workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(A), as determined in the proposed workplan, shall be transferred under subsection (a) to the appropriate receiving agencies described in paragraph (2)(B), as determined in the proposed workplan.

(4) REPORT.—Not later than July 1, 1998, the Secretary of Education and the Secretary of Labor shall submit to the appropriate committees of Congress information on the transfers required by this section.

(c) APPLICATION OF AUTHORITIES.—

(1) IN GENERAL.—

(A) APPLICATION.—Subsection (a), and subsections (d) through (m), of section 776 (other than subsections (f), (g)(2), (i)(2), and (m)) shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 776.

(B) REGULATIONS AND CONFORMING AMENDMENTS.—Subsections (f) and (m) of section 776 shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 776.

(2) REFERENCES.—For purposes of the application of the subsections described in paragraph (1) (other than subsections (g)(2) and (i)(2) of section 776) to transfers under this section—

(A) references to the Federal Partnership shall be deemed to be references to the appropriate receiving agency, as determined in the approved or alternative workplan referred to in subsection (b)(3);

(B) references to the Secretary of Labor and the Secretary of Education, Director, or National Board shall be deemed to be references to the head of the appropriate receiving agency; and

(C) references to transfers in section 776 shall be deemed to include transfers under this section.

(3) ADMINISTRATION.—Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

(4) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official of a Federal agency, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that are in effect on the effective date of this section or were final before the effective date of this section and are to become effective on or after the effective date of this section;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the appropriate receiving agency or other authorized official, a court of competent jurisdiction, or by operation of law.

(5) PROCEEDINGS NOT AFFECTED.—

(A) IN GENERAL.—The provisions of this section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Department of Labor or the Department of Education on the date this section takes effect, with respect to functions transferred by this section.

(B) CONTINUATION.—Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from the orders, and payments shall be made pursuant to such orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(C) CONSTRUCTION.—Nothing in this paragraph shall be deemed to prohibit 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 section had not been enacted.

(6) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Department of Labor or the Department of Education relating to a function transferred under this section may be continued by the appropriate receiving agency with the same effect as if this section had not been enacted.

(d) CONSTRUCTION.—Nothing in this section shall be construed to require the transfer of any function described in subsection (b)(2)(A) to the Federal Partnership.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section shall take effect on June 30, 1998.

(2) REGULATIONS AND CONFORMING AMENDMENTS.—Subsection (c)(1)(B) shall take effect on September 30, 1996.

(3) WORKPLAN.—Subsection (b) shall take effect on the date of enactment of this Act.

SEC. 778. ELIMINATION OF CERTAIN OFFICES.

(a) TERMINATION.—The Office of Vocational and Adult Education and the Employment and Training Administration shall terminate on July 1, 1998.

(b) OFFICE OF VOCATIONAL AND ADULT EDUCATION.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Education (10)" and inserting "Assistant Secretaries of Education (9)".

(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—

(A) Section 202 of the Department of Education Organization Act (20 U.S.C. 3412) is amended—

(i) in subsection (b)(1)—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D) through (F) as subparagraphs (C) through (E), respectively;

(ii) by striking subsection (h); and

(iii) by redesignating subsection (i) as subsection (h).

(B) Section 206 of such Act (20 U.S.C. 3416) is repealed.

(C) Section 402(c)(1) of the Improving America's Schools Act of 1994 (20 U.S.C. 9001(c)(1)) is amended by striking "established under" and all that follows and inserting a semicolon.

(3) GOALS 2000: EDUCATE AMERICA ACT.—Section 931(h)(3)(A) of the Goals 2000: Educate America Act (20 U.S.C. 6031(h)(3)(A)) is amended—

(A) by striking clause (iii); and

(B) by redesignating clauses (iv) and (v) as clauses (iii) and (iv), respectively.

(c) EMPLOYMENT AND TRAINING ADMINISTRATION.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Labor (10)" and inserting "Assistant Secretaries of Labor (9)".

(2) VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988.—Section 402(d)(3) of the Veterans' Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended by striking "and under any other program administered by the Employment and Training Administration of the Department of Labor".

(3) TITLE 38, UNITED STATES CODE.—Section 4110(d) of title 38, United States Code, is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) through (12) as paragraphs (7) through (11), respectively.

(4) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—The last sentence of section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) is amended by striking "or the Office of Job Training".

(d) UNITED STATES EMPLOYMENT SERVICE.—

(1) TITLE 5, UNITED STATES CODE.—Section 3327 of title 5, United States Code, is amended—

(A) in subsection (a), by striking "the employment offices of the United States Employment Service" and inserting "Governors"; and

(B) in subsection (b), by striking "of the United States Employment Service".

(2) TITLE 10, UNITED STATES CODE.—

(A) Section 1143a(d) of title 10, United States Code, is amended by striking paragraph (3).

(B) Section 2410k(b) of title 10, United States Code, is amended by striking ", and where appropriate the Interstate Job Bank (established by the United States Employment Service),".

(3) INTERNAL REVENUE CODE OF 1986.—Section 51 of the Internal Revenue Code of 1986 is amended by striking subsection (g).

(4) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—Section 4468 of the National Defense Authorization Act for Fiscal Year 1993 (29 U.S.C. 1662d-1 note) is repealed.

(5) TITLE 38, UNITED STATES CODE.—Section 4110(d) of title 38, United States Code (as amended by subsection (c)(3)), is further amended—

(A) by striking paragraph (10); and

(B) by redesignating paragraph (11) as paragraph (10).

(6) TITLE 39, UNITED STATES CODE.—

(A) Section 3202(a)(1) of title 39, United States Code is amended—

(i) in subparagraph (D), by striking the semicolon and inserting "; and";

(ii) by striking subparagraph (E); and

(iii) by redesignating subparagraph (F) as subparagraph (E).

(B) Section 3203(b) of title 39, United States Code, is amended by striking "(1)(E), (2), and (3)" and inserting "(2) and (3)".

(C) Section 3206(b) of title 39, United States Code, is amended by striking "(1)(F)" and inserting "(1)(E)".

(7) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) (as amended by subsection (c)(4)) is further amended by striking the last sentence.

(e) REORGANIZATION PLANS.—Except with respect to functions transferred under section 777, the authority granted to the Employment and Training Administration, the Office of Vocational and Adult Education, or any unit of the Employment and Training Administration or the Office of Vocational and Adult Education by any reorganization plan shall terminate on July 1, 1998.

Subtitle F—Repeals of Employment and Training and Vocational and Adult Education Programs

SEC. 781. REPEALS.

(a) IMMEDIATE REPEALS.—The following provisions are repealed:

(1) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

(2) Title II of Public Law 95-250 (92 Stat. 172).

(3) The Displaced Homemakers Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.).

(4) Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211).

(5) Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.).

(6) Section 5322 of title 49, United States Code.

(7) Subchapter I of chapter 421 of title 49, United States Code.

(b) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) Sections 235 and 236 of the Trade Act of 1974 (19 U.S.C. 2295 and 2296), and paragraphs (1) and (2) of section 250(d) of such Act (19 U.S.C. 2331(d)).

(2) The Adult Education Act (20 U.S.C. 1201 et seq.).

(3) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(4) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(5) The Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(6) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(7) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(8) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

(c) EFFECTIVE DATES.—

(1) IMMEDIATE REPEALS.—The repeals made by subsection (a) shall take effect on the date of enactment of this Act.

(2) SUBSEQUENT REPEALS.—The repeals made by subsection (b) shall take effect on July 1, 1998.

SEC. 782. CONFORMING AMENDMENTS.

(a) IMMEDIATE REPEALS.—

(1) REFERENCES TO SECTION 204 OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.—The table of contents for the Immigration Reform and Control Act of 1986 is amended by striking the item relating to section 204 of such Act.

(2) REFERENCES TO TITLE II OF PUBLIC LAW 95-250.—Section 103 of Public Law 95-250 (16 U.S.C. 791) is amended—

(A) by striking the second sentence of subsection (a); and

(B) by striking the second sentence of subsection (b).

(3) REFERENCES TO SUBTITLE C OF TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—

(A) Section 762(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11472(a)) is amended—

(i) by striking "each of the following programs" and inserting "the emergency community services homeless grant program established in section 751"; and

(ii) by striking "tribes:" and all that follows and inserting "tribes.".

(B) The table of contents of such Act is amended by striking the items relating to subtitle C of title VII of such Act.

(4) REFERENCES TO TITLE 49, UNITED STATES CODE.—

(A) Sections 5313(b)(1) and 5314(a)(1) of title 49, United States Code, are amended by striking "5317, and 5322" and inserting "and 5317".

(B) The table of contents for chapter 53 of title 49, United States Code, is amended by striking the item relating to section 5322.

(b) SUBSEQUENT REPEALS.—

(1) REFERENCES TO THE CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(A) Section 245A(h)(4)(C) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(C)) is amended by striking "Vocational Education Act of 1963" and inserting "Workforce Development Act of 1995".

(B) The Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.) is amended—

(i) in section 306 (20 U.S.C. 5886)—

(I) in subsection (c)(1)(A), by striking all beginning with " which process" through "Act" and inserting "which process shall include coordination with the benchmarks described in section 731(c)(2) of the Workforce Development Act of 1995"; and

(II) in subsection (l), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995"; and

(ii) in section 311(b) (20 U.S.C. 5891(b)), by striking paragraph (6).

(C) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(i) in section 1114(b)(2)(C)(v) (20 U.S.C. 6314(b)(2)(C)(v)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995";

(ii) in section 9115(b)(5) (20 U.S.C. 7815(b)(5)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995";

(iii) in section 14302(a)(2) (20 U.S.C. 8852(a)(2))—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively; and

(iv) in the matter preceding subparagraph (A) of section 14307(a)(1) (20 U.S.C. 8857(a)(1)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995".

(D) Section 533(c)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "(20 U.S.C. 2397h(3)" and inserting ", as such section was in effect on the day preceding the date of enactment of the Workforce Development Act of 1995".

(E) Section 563 of the Improving America's Schools Act of 1994 (20 U.S.C. 6301 note) is amended by striking "the date of enactment of an Act reauthorizing the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)" and inserting "July 1, 1998".

(F) Section 135(c)(3)(B) of the Internal Revenue Code of 1986 (26 U.S.C. 135(c)(3)(B)) is amended—

(i) by striking "subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins Vocational Education Act" and inserting "subparagraph (C) or (D) of section 703(2) of the Workforce Development Act of 1995"; and

(ii) by striking "any State (as defined in section 521(27) of such Act)" and inserting "any State or outlying area (as the terms 'State' and 'outlying area' are defined in section 703 of such Act)".

(G) Section 101(a)(11)(A) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)(A)) is amended by striking "Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)" and inserting "Workforce Development Act of 1995".

(H) Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 214(c)) is amended by striking "Carl D. Perkins Vocational Education Act" and inserting "Workforce Development Act of 1995".

(I) Section 104 of the Vocational Education Amendments of 1968 (82 Stat. 1091) is amended by striking "section 3 of the Carl D. Perkins Vocational Education Act" and inserting "the Workforce Development Act of 1995".

(2) REFERENCES TO THE ADULT EDUCATION ACT.—

(A) Subsection (b) of section 402 of the Refugee Education Assistance Act (8 U.S.C. 1522, note) is repealed.

(B) Paragraph (20) of section 3 of the Library Services and Construction Act (20 U.S.C. 351a(20)) is amended to read as follows:

"(20) The term 'educationally disadvantaged adult' means an individual who—

"(A) is age 16 or older, or beyond the age of compulsory school attendance under State law;

"(B) is not enrolled in secondary school;

"(C) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

"(D) has been placed in the lowest or beginning level of an adult education program when that program does not use grade level equivalencies as a measure of students' basic skills.".

(C)(i) Section 1202(c)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(1)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(ii) Section 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(iii) Section 1206(a)(1)(A) of such Act (20 U.S.C. 6366(a)(1)(A)) is amended by striking "an adult basic education program under the Adult Education Act" and inserting "adult education activities under the Workforce Development Act of 1995".

(iv) Section 3113(1) of such Act (20 U.S.C. 6813(1)) is amended by striking "section 312 of the Adult Education Act" and inserting "section 703 of the Workforce Development Act of 1995".

(v) Section 9161(2) of such Act (20 U.S.C. 7881(2)) is amended by striking "section 312(2) of the Adult Education Act" and inserting "section 703 of the Workforce Development Act of 1995".

(D) Section 203(b)(8) of the Older Americans Act (42 U.S.C. 3013(b)(8)) is amended by

striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(3) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Federal Partnership shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by section 781(b).

(4) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Federal Partnership shall submit the recommended legislation referred to under paragraph (3).

TITLE VIII—WORKFORCE DEVELOPMENT-RELATED ACTIVITIES

Subtitle A—Amendments to the Rehabilitation Act of 1973

SEC. 801. REFERENCES.

Except as otherwise expressly provided in this subtitle, whenever in this subtitle 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 Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

SEC. 802. FINDINGS AND PURPOSES.

Section 2 (29 U.S.C. 701) is amended—

(1) in subsection (a)(4), by striking "the provision of individualized training, independent living services, educational and support services," and inserting "implementation of a statewide workforce development system that provides meaningful and effective participation for individuals with disabilities in workforce development activities and activities carried out through the vocational rehabilitation program established under title I, and through the provision of independent living services, support services,"; and

(2) in subsection (b)(1)(A), by inserting "statewide workforce development systems that include, as integral components," after "(A)".

SEC. 803. CONSOLIDATED REHABILITATION PLAN.

(a) IN GENERAL.—Section 6 (29 U.S.C. 705) is repealed.

(b) CONFORMING AMENDMENT.—The table of contents for the Act is amended by striking the item relating to section 6.

SEC. 804. DEFINITIONS.

Section 7 (29 U.S.C. 706) is amended by adding at the end the following new paragraphs:

"(36) The term 'statewide workforce development system' means a statewide system, as defined in section 703 of the Workforce Development Act of 1995.

"(37) The term 'workforce development activities' has the meaning given the term in section 703 of the Workforce Development Act of 1995.

"(38) The term 'workforce employment activities' means the activities described in paragraphs (2) through (8) of section 716(a) of the Workforce Development Act of 1995, including activities described in section 716(a)(6) of such Act provided through a voucher described in section 716(a)(9) of such Act.".

SEC. 805. ADMINISTRATION.

Section 12(a)(1) (29 U.S.C. 711(a)(1)) is amended by inserting ", including providing assistance to achieve the meaningful and effective participation by individuals with disabilities in the activities carried out through a statewide workforce development system" before the semicolon.

SEC. 806. REPORTS.

Section 13 (29 U.S.C. 712) is amended in the fourth sentence by striking "The data elements" and all that follows through "age," and inserting the following: "The information shall include all information that is required to be submitted in the report described in section 731(a) of the Workforce Development Act of 1995 and that pertains to the employment of individuals with disabilities, including information on age,".

SEC. 807. EVALUATION.

Section 14(a) (29 U.S.C. 713(a)) is amended in the third sentence by striking "to the extent feasible," and all that follows through the end of the sentence and inserting the following: "to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 731(c) of the Workforce Development Act of 1995. For purposes of this section, the Secretary may modify or supplement such benchmarks after consultation with the National Board established under section 772 of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program established under title I and activities carried out under other provisions of this Act.".

SEC. 808. DECLARATION OF POLICY.

Section 100(a) (29 U.S.C. 720(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (E), by striking "; and" and inserting a semicolon;

(B) in subparagraph (F)—

(i) by inserting "workforce development activities and" before "vocational rehabilitation services"; and

(ii) by striking the period and inserting "; and"; and

(C) by adding at the end the following subparagraph:

"(G) linkages between the vocational rehabilitation program established under this title and other components of the statewide workforce development system are critical to ensure effective and meaningful participation by individuals with disabilities in workforce development activities."; and

(2) in paragraph (2)—

(A) by striking "a comprehensive" and inserting "statewide comprehensive"; and

(B) by striking "program of vocational rehabilitation that is designed" and inserting "programs of vocational rehabilitation, each of which is—

"(A) an integral component of a statewide workforce development system; and

"(B) designed".

SEC. 809. STATE PLANS.

(a) IN GENERAL.—Section 101(a) (29 U.S.C. 721(a)) is amended—

(1) in the first sentence, by striking ", or shall submit" and all that follows through "et seq.)" and inserting ", and shall submit the State plan on the same dates as the State submits the State plan described in section 714 of the Workforce Development Act of 1995 to the Federal Partnership established under section 771 of such Act";

(2) by inserting after the first sentence the following: "The State shall also submit the State plan for vocational rehabilitation services for review and comment to any State workforce development board established for the State under section 715 of the Workforce Development Act of 1995, which shall submit the comments on the State plan to the designated State unit.";

(3) by striking paragraphs (10), (12), (13), (15), (17), (19), (23), (27), (28), (30), (34), and (35);

(4) in paragraph (20), by striking "(20)" and inserting "(B)";

(5) by redesignating paragraphs (3), (4), (5), (6), (7), (8), (9), (14), (16), (18), (21), (22), (24), (25), (26), (29), (31), (32), (33), and (36) as paragraphs (4), (5), (6), (7), (8), (9), (10), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), and (24), respectively;

(6) in paragraph (1)(B)—

(A) by redesignating clauses (i), (ii), and (iii) as clauses (ii), (iii), and (iv), respectively; and

(B) by inserting before clause (ii) (as redesignated in subparagraph (A)) the following: "(i) a State entity primarily responsible for implementing workforce employment activities through the statewide workforce development system of the State,";

(7) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking "(1)(B)(i)" and inserting "(1)(B)(ii)"; and

(B) in subparagraph (B)(ii), by striking "(1)(B)(ii)" and inserting "(1)(B)(iii)";

(8) by inserting after paragraph (2) the following paragraph:

"(3) provide a plan for expanding and improving vocational rehabilitation services for individuals with disabilities on a statewide basis, including—

"(A) a statement of values and goals;

"(B) evidence of ongoing efforts to use outcome measures to make decisions about the effectiveness and future direction of the vocational rehabilitation program established under this title in the State; and

"(C) information on specific strategies for strengthening the program as an integral component of the statewide workforce development system established in the State, including specific innovative, state-of-the-art approaches for achieving sustained success in improving and expanding vocational rehabilitation services provided through the program, for all individuals with disabilities who seek employment, through plans, policies, and procedures that link the program with other components of the system, including plans, policies, and procedures relating to—

"(i) entering into cooperative agreements, between the designated State unit and appropriate entities responsible for carrying out the other components of the statewide workforce development system, which agreements may provide for—

"(I) provision of intercomponent staff training and technical assistance regarding the availability and benefits of, and eligibility standards for, vocational rehabilitation services, and regarding the provision of equal, effective, and meaningful participation by individuals with disabilities in workforce employment activities in the State through program accessibility, use of nondiscriminatory policies and procedures, and provision of reasonable accommodations, auxiliary aids and services, and rehabilitation technology, for individuals with disabilities;

"(II) use of information and financial management systems that link all components of the statewide workforce development system, that link the components to other electronic networks, and that relate to such subjects as labor market information, and information on job vacancies, skill qualifications, career planning, and workforce development activities;

"(III) use of customer service features such as common intake and referral procedures, customer data bases, resource information, and human service hotlines;

"(IV) establishment of cooperative efforts with employers to facilitate job placement and to develop and sustain working relationships with employers, trade associations, and labor organizations;

"(V) identification of staff roles and responsibilities and available resources for each entity that carries out a component of the statewide workforce development system with regard to paying for necessary services (consistent with State law); and

"(VI) specification of procedures for resolving disputes among such entities; and

"(ii) providing for the replication of such cooperative agreements at the local level between individual offices of the designated State unit and local entities carrying out activities through the statewide workforce development system;";

(9) in paragraph (6) (as redesignated in paragraph (5))—

(A) by striking subparagraph (A) and inserting the following:

"(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in the administration and supervision of the plan, including—

"(i)(I) the results of a comprehensive, statewide assessment of the rehabilitation needs of individuals with disabilities (including individuals with severe disabilities, individuals with disabilities who are minorities, and individuals with disabilities who have been unserved, or underserved, by the vocational rehabilitation system) who are residing within the State; and

"(II) the response of the State to the assessment;

"(ii) a description of the method to be used to expand and improve services to individuals with the most severe disabilities, including individuals served under part C of title VI;

"(iii) with regard to community rehabilitation programs—

"(I) a description of the method to be used (such as a cooperative agreement) to utilize the programs to the maximum extent feasible; and

"(II) a description of the needs of the programs, including the community rehabilitation programs funded under the Act entitled "An Act to Create a Committee on Purchases of Blind-made Products, and for other purposes", approved June 25, 1938 (commonly known as the Wagner-O'Day Act; 41 U.S.C. 46 et seq.) and such programs funded by State use contracting programs; and

"(iv) an explanation of the methods by which the State will provide vocational rehabilitation services to all individuals with disabilities within the State who are eligible for such services, and, in the event that vocational rehabilitation services cannot be provided to all such eligible individuals with disabilities who apply for such services, information—

"(I) showing and providing the justification for the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided (which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first the individuals with the most severe disabilities in accordance with criteria established by the State, and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving individuals with disabilities, established in regulations prescribed by the Commissioner);

"(II) showing the outcomes and service goals, and the time within which the outcomes and service goals may be achieved, for the rehabilitation of individuals receiving such services; and

"(III) describing how individuals with disabilities who will not receive such services if such order is in effect will be referred to other components of the statewide workforce development system for access to services offered by the components;"; and

(B) by striking subparagraph (C) and inserting the following subparagraphs:

"(C) with regard to the statewide assessment of rehabilitation needs described in subparagraph (A)(i)—

"(i) provide that the State agency will make reports at such time, in such manner, and containing such information, as the Commissioner may require to carry out the functions of the Commissioner under this title, and comply with such provisions as are necessary to assure the correctness and verification of such reports; and

"(ii) provide that reports made under clause (i) will include information regarding individuals with disabilities and, if an order of selection described in subparagraph (A)(iv)(I) is in effect in the State, will separately include information regarding individuals with the most severe disabilities, on—

"(I) the number of such individuals who are evaluated and the number rehabilitated;

"(II) the costs of administration, counseling, provision of direct services, development of community rehabilitation programs, and other functions carried out under this Act; and

"(III) the utilization by such individuals of other programs pursuant to paragraph (11); and

"(D) describe—

"(i) how a broad range of rehabilitation technology services will be provided at each stage of the rehabilitation process;

"(ii) how a broad range of such rehabilitation technology services will be provided on a statewide basis; and

"(iii) the training that will be provided to vocational rehabilitation counselors, client assistance personnel, personnel of the providers of one-stop delivery of core services described in section 716(a)(2) of the Workforce Development Act of 1995, and other related services personnel;";

(10) in subparagraph (A) of paragraph (8) (as redesignated in paragraph (5))—

(A) in clause (i)(II), by striking ", based on projections" and all that follows through "relevant factors"; and

(B) by striking clauses (iii) and (iv) and inserting the following clauses:

"(iii) a description of the ways in which the system for evaluating the performance of rehabilitation counselors, coordinators, and other personnel used in the State facilitates the accomplishment of the purpose and policy of this title, including the policy of serving, among others, individuals with the most severe disabilities;

"(iv) provide satisfactory assurances that the system described in clause (iii) in no way impedes such accomplishment; and";

(11) in paragraph (9) (as redesignated in paragraph (5)) by striking "required—" and all that follows through "(B) prior" and inserting "required prior";

(12) in paragraph (10) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in subparagraph (C), by striking "plan in accordance with such program" and inserting "State plan in accordance with the employment plan";

(13) in paragraph (11)—

(A) in subparagraph (A), by striking "State's public" and all that follows and inserting "State programs that are not part of the statewide workforce development system of the State;"; and

(B) in subparagraph (C)—

(i) by striking "if appropriate—" and all that follows through "entering into" and inserting "if appropriate, entering into";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii), respectively; and

(iii) by indenting the clauses and aligning the margins of the clauses with the margins of clause (ii) of subparagraph (A) of paragraph (8) (as redesignated in paragraph (5));

(14) in paragraph (14) (as redesignated in paragraph (5))—

(A) by striking "(14)" and inserting "(14)(A)"; and

(B) by inserting before the semicolon the following ", and, in the case of the designated State unit, will take actions to take such views into account that include providing timely notice, holding public hearings, preparing a summary of hearing comments, and documenting and disseminating information relating to the manner in which the comments will affect services; and";

(15) in paragraph (16) (as redesignated in paragraph (5)), by striking "referrals to other Federal and State programs" and inserting "referrals within the statewide workforce development system of the State to programs"; and

(16) in paragraph (17) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in subparagraph (C)—

(i) in clause (ii), by striking "; and" and inserting a semicolon;

(ii) in clause (iii), by striking the semicolon and inserting "; and"; and

(iii) by adding at the end the following clause:

"(iv) the manner in which students who are individuals with disabilities and who are not in special education programs can access and receive vocational rehabilitation services, where appropriate;".

(b) CONFORMING AMENDMENTS.—

(1) Section 7 (29 U.S.C. 706) is amended—

(A) in paragraph (3)(B)(ii), by striking "101(a)(1)(B)(i)" and inserting "101(a)(1)(B)(ii)"; and

(B) in paragraph (22)(A)(i)(II), by striking "101(a)(5)(A)" each place it appears and inserting "101(a)(6)(A)(iv)".

(2) Section 12(d) (29 U.S.C. 711(d)) is amended by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)".

(3) Section 101(a) (29 U.S.C. 721(a)) is amended—

(A) in paragraph (1)(A), by striking "paragraph (4) of this subsection" and inserting "paragraph (5)";

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking "paragraph (1)(B)(i)" and inserting "paragraph (1)(B)(ii)"; and

(ii) in subparagraph (B)(i), by striking "paragraph (1)(B)(ii)" and inserting "paragraph (1)(B)(iii)";

(C) in paragraph (17) (as redesignated in subsection (a)(5)), by striking "paragraph (11)(C)(ii)" and inserting "paragraph (11)(C)";

(D) in paragraph (22) (as redesignated in subsection (a)(5)), by striking "paragraph (36)" and inserting "paragraph (24)"; and

(E) in subparagraph (C) of paragraph (24) (as redesignated in subsection (a)(5)), by striking "101(a)(1)(A)(i)" and inserting "paragraph (1)(A)(i)".

(4) Section 102 (29 U.S.C. 722) is amended—

(A) in subsection (a)(3), by striking "101(a)(24)" and inserting "101(a)(17)"; and

(B) in subsection (d)(2)(C)(ii)—

(i) in subclause (II), by striking "101(a)(36)" and inserting "101(a)(24)"; and

(ii) in subclause (III), by striking "101(a)(36)(C)(ii)" and inserting "101(a)(24)(C)(ii)".

(5) Section 105(a)(1) (29 U.S.C. 725(a)(1)) is amended by striking "101(a)(36)" and inserting "101(a)(24)".

(6) Section 107(a) (29 U.S.C. 727(a)) is amended—

(A) in paragraph (2)(F), by striking "101(a)(32)" and inserting "101(a)(22)";

(B) in paragraph (3)(A), by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)"; and

(C) in paragraph (4), by striking "101(a)(35)" and inserting "101(a)(8)(A)(iii)".

(7) Section 111(a) (29 U.S.C. 731(a)) is amended—

(A) in paragraph (1), by striking "and development and implementation" and all that follows through "referred to in section 101(a)(34)(B)"; and

(B) in paragraph (2)(A), by striking "and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by section 101(a)(17)".

(8) Section 124(a)(1)(A) (29 U.S.C. 744(a)(1)(A)) is amended by striking "(not including sums used in accordance with section 101(a)(34)(B))".

(9) Section 315(b)(2) (29 U.S.C. 777e(b)(2)) is amended by striking "101(a)(22)" and inserting "101(a)(16)".

(10) Section 635(b)(2) (29 U.S.C. 795n(b)(2)) is amended by striking "101(a)(5)" and inserting "101(a)(6)(A)(i)(I)".

(11) Section 802(h)(2)(B)(ii) (29 U.S.C. 797a(h)(2)(B)(ii)) is amended by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)".

(12) Section 102(e)(23)(A) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2212(e)(23)(A)) is amended by striking "section 101(a)(36) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(36))" and inserting "section 101(a)(24) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(24))".

SEC. 810. INDIVIDUALIZED EMPLOYMENT PLANS.

(a) IN GENERAL.—Section 102 (29 U.S.C. 722) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 102. INDIVIDUALIZED EMPLOYMENT PLANS.";

(2) in subsection (a)(6), by striking "written rehabilitation program" and inserting "employment plan";

(3) in subsection (b)—

(A) in paragraph (1)(A)—

(i) in clause (i), by striking "written rehabilitation program" and inserting "employment plan"; and

(ii) in clause (ii), by striking "program" and inserting "plan";

(B) in paragraph (1)(B)—

(i) in the matter preceding clause (i), by striking "written rehabilitation program" and inserting "employment plan";

(ii) in clause (iv)—

(I) by striking subclause (I) and inserting the following:

"(I) include a statement of the specific vocational rehabilitation services to be provided (including, if appropriate, rehabilitation technology services and training in how to use such services) that includes specification of the public or private entity that will provide each such vocational rehabilitation service and the projected dates for the initiation and the anticipated duration of each such service; and";

(II) by striking subclause (II); and

(III) by redesignating subclause (III) as subclause (II); and

(iii) in clause (xi)(I), by striking "program" and inserting "plan";

(C) in paragraph (1)(C), by striking "written rehabilitation program and amendments to the program" and inserting "employment plan and amendments to the plan"; and

(D) in paragraph (2)—

(i) by striking "program" each place the term appears and inserting "plan"; and

(ii) by striking "written rehabilitation" each place the term appears and inserting "employment";

(4) in subsection (c)—

(A) in paragraph (1), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) by striking "written program" each place the term appears and inserting "plan"; and

(5) in subsection (d)—

(A) in paragraph (5), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in paragraph (6)(A), by striking the second sentence.

(b) CONFORMING AMENDMENTS.—

(1) The table of contents for the Act is amended by striking the item relating to section 102 and inserting the following:

"Sec. 102. Individualized employment plans.".

(2) Paragraphs (22)(B) and (27)(B), and subparagraphs (B) and (C) of paragraph (34) of section 7 (29 U.S.C. 706), section 12(e)(1) (29 U.S.C. 711(e)(1)), section 501(e) (29 U.S.C. 791(e)), subparagraphs (C), (D), and (E) of section 635(b)(6) (29 U.S.C. 795n(b)(6) (C), (D), and (E)), section 802(g)(8)(B) (29 U.S.C. 797a(g)(8)(B)), and section 803(c)(2)(D) (29 U.S.C. 797b(c)(2)(D)) are amended by striking "written rehabilitation program" each place the term appears and inserting "employment plan".

(3) Section 7(22)(B)(i) (29 U.S.C. 706(22)(B)(i)) is amended by striking "rehabilitation program" and inserting "employment plan".

(4) Section 107(a)(3)(D) (29 U.S.C. 727(a)(3)(D)) is amended by striking "written rehabilitation programs" and inserting "employment plans".

(5) Section 101(b)(7)(A)(ii)(II) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2211(b)(7)(A)(ii)(II)) is amended by striking "written rehabilitation program" and inserting "employment plan".

SEC. 811. SCOPE OF VOCATIONAL REHABILITATION SERVICES.

Section 103 (29 U.S.C. 723) is amended—

(1) in subsection (a)(4)—

(A) in subparagraph (B), by striking "surgery or";

(B) in subparagraph (D), by striking the comma at the end and inserting ", and";

(C) by striking subparagraph (E); and

(D) by redesignating subparagraph (F) as subparagraph (E); and

(2) in subsection (b)(1), by striking "the most severe".

SEC. 812. STATE REHABILITATION ADVISORY COUNCIL.

(a) IN GENERAL.—Section 105 (29 U.S.C. 725) is amended—

(1) in subsection (b)(1)(A)(vi), by inserting before the semicolon the following: "who, to the extent feasible, are members of any State workforce development board established for the State under section 715 of the Workforce Development Act of 1995"; and

(2) in subsection (c)—

(A) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively;

(B) by inserting after paragraph (2) the following new paragraph:

"(3) advise the designated State agency and the designated State unit regarding strategies for ensuring that the vocational rehabilitation program established under this title becomes an integral part of the statewide workforce development system of the State;"; and

(C) in paragraph (6) (as redesignated in subparagraph (A))—

(i) by striking "6024), and" and inserting "6024),"; and

(ii) by striking the semicolon at the end and inserting the following: ", and any State workforce development board established for the State under section 715 of the Workforce Development Act of 1995;".

(b) CONFORMING AMENDMENT.—Subparagraph (B)(iv), and clauses (ii)(I) and (iii)(I) of subparagraph (C), of paragraph (24) (as redesignated in section 409(a)(5)) of section 101(a) (29 U.S.C. 721(a)) are amended by striking "105(c)(3)" and inserting "105(c)(4)".

SEC. 813. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106(a)(1) (29 U.S.C. 726(a)(1)) is amended—

(1) by striking "1994" and inserting "1996"; and

(2) by striking the period and inserting the following: "that shall, to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 731(c) of the Workforce Development Act of 1995. For purposes of this section, the Commissioner may modify or supplement such benchmarks, after consultation with the National Board established under section 772 of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program.".

SEC. 814. REPEALS.

(a) IN GENERAL.—Title I (29 U.S.C. 720 et seq.) is amended—

(1) by repealing part C; and

(2) by redesignating parts D and E as parts C and D, respectively.

(b) CONFORMING AMENDMENTS.—The table of contents for the Act is amended—

(1) by striking the items relating to part C of title I; and

(2) by striking the items relating to parts D and E of title I and inserting the following:

"PART C—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

"Sec. 130. Vocational rehabilitation services grants.

"PART D—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

"Sec. 140. Review of data collection and reporting system.

"Sec. 141. Exchange of data.".

SEC. 815. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle shall take effect on the date of enactment of this Act.

(b) STATEWIDE SYSTEM REQUIREMENTS.—The changes made in the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) by the amendments made by this subtitle that relate to State benchmarks, or other components of a statewide system, shall take effect—

(1) in a State that submits and obtains approval of an interim plan under section 763 for program year 1997, on July 1, 1997; and

(2) in any other State, on July 1, 1998.

Subtitle B—Amendments to Immigration and Nationality Act

SEC. 821. PROHIBITION ON USE OF FUNDS FOR CERTAIN EMPLOYMENT ACTIVITIES.

Section 412(c)(1) of the Immigration and Nationality Act is amended by adding at the end the following new subparagraph:

"(D) Funds available under this paragraph may not be provided to States for workforce employment activities authorized and funded under the Workforce Development Act of 1995.".

Subtitle C—Amendments to the National Literacy Act of 1991

SEC. 831. NATIONAL INSTITUTE FOR LITERACY.

Section 102 of the National Literacy Act of 1991 (20 U.S.C. 1213c note) is amended to read as follows:

"SEC. 102. NATIONAL INSTITUTE FOR LITERACY.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established the National Institute for Literacy (in this section referred to as the 'Institute'). The Institute shall be administered by the National Board established under section 772 of the Workforce Development Act of 1995 (in this section referred to as the 'National Board'). The National Board may include in the Institute any research and development center, institute, or clearinghouse that the National Board determines is appropriately included in the Institute.

"(2) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education or the Department of Labor.

"(3) RECOMMENDATIONS.—The National Board shall consider the recommendations of the National Institute Council established under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals. The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g). If such Council's recommendations are not followed, the National Board shall provide a written explanation to such Council concerning actions the National Board has taken that includes the National Board's reasons for not following such Council's recommendations with respect to such actions. Such Council may also request a meeting with the National Board to discuss such Council's recommendations.

"(b) DUTIES.—

"(1) IN GENERAL.—The Institute is authorized, in order to improve the quality and accountability of the adult basic skills and literacy delivery system, to—

"(A) coordinate the support of research and development on literacy and basic skills education across Federal agencies and carry out basic and applied research and development on topics such as—

"(i) identifying effective models of basic skills and literacy education for adults and families that are essential to success in job training, work, the family, and the community;

"(ii) carrying out evaluations of the effectiveness of literacy and adult education programs and services, including those supported by this Act; and

"(iii) supporting the development of models at the State and local level of accountability systems that consist of goals, performance measures, benchmarks, and assessments that can be used to improve the quality of literacy and adult education services;

"(B) provide technical assistance, information, and other program improvement activities to national, State, and local organizations, such as—

"(i) providing information and training to State and local workforce development boards and one-stop centers concerning how literacy and basic skills services can be incorporated in a coordinated workforce development model;

"(ii) improving the capacity of national, State, and local public and private literacy and basic skills professional development and technical assistance organizations, such as the State Literacy Resource Centers established under section 103; and

"(iii) providing information on-line and in print to all literacy and basic skills programs about best practices, models of collaboration for effective workforce, family, English as a Second Language, and other literacy programs, and other informational and communication needs; and

"(C) work with the National Board, the Departments of Education, Labor, and Health and Human Services, and the Congress to ensure that they have the best information available on literacy and basic skills programs in formulating Federal policy around the issues of literacy, basic skills, and workforce development.

"(2) CONTRACTS, COOPERATIVE AGREEMENTS, AND GRANTS.—The Institute may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private nonprofit institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

"(c) LITERACY LEADERSHIP.—

"(1) FELLOWSHIPS.—The Institute is, in consultation with the Council, authorized to award fellowships, with such stipends and allowances that the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

"(2) USE OF FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

"(3) DESIGNATION.—Individuals receiving fellowships pursuant to this subsection shall be known as "Literacy Leader Fellows".

"(d) NATIONAL INSTITUTE COUNCIL.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—There is established the National Institute Council (in this section referred to as the "Council"). The Council shall consist of 10 individuals appointed by the President with the advice and consent of the Senate from individuals who—

"(i) are not otherwise officers or employees of the Federal Government;

"(ii) are representative of entities or groups described in subparagraph (B); and

"(iii) are chosen from recommendations made to the President by individuals who represent such entities or groups.

"(B) ENTITIES OR GROUPS.—Entities or groups described in this subparagraph are—

"(i) literacy organizations and providers of literacy services, including—

"(I) providers of literacy services receiving assistance under this Act; and

"(II) nonprofit providers of literacy services;

"(ii) businesses that have demonstrated interest in literacy programs;

"(iii) literacy students;

"(iv) experts in the area of literacy research;

"(v) State and local governments; and

"(vi) organized labor.

"(2) DUTIES.—The Council shall—

"(A) make recommendations concerning the appointment of the Director and staff of the Institute;

"(B) provide independent advice on the operation of the Institute; and

"(C) receive reports from the National Board and the Director.

"(3) Except as otherwise provided, the Council established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act.

"(4) APPOINTMENT.—

"(A) DURATION.—Each member of the Council shall be appointed for a term of 3 years. Any such member may be appointed for not more than 2 consecutive terms.

"(B) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that members' term until a successor has taken office. A vacancy in the Council shall be filled in the manner in which the original appointment was made. A vacancy in the Council shall not affect the powers of the Council.

"(5) QUORUM.—A majority of the members of the Council shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

"(6) ELECTION OF OFFICERS.—The Chairperson and Vice Chairperson of the Council shall be elected by the members. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

"(7) MEETINGS.—The Council shall meet at the call of the Chairperson or a majority of its members.

"(e) GIFTS, BEQUESTS, AND DEVISES.—The Institute and the Council may accept (but not solicit), use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Institute or the Council, respectively. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Institute or the Council, respectively.

"(f) MAILS.—The Council and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(g) STAFF.—The National Board, after considering recommendations made by the Council, shall appoint and fix the pay of a Director of the Institute and staff of the Institute.

"(h) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director of the Institute and staff of the Institute 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–15 of the General Schedule.

"(i) EXPERTS AND CONSULTANTS.—The Council and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

"(j) REPORT.—The Institute shall submit a report to the Congress biennially. Each report submitted under this subsection shall include—

"(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for such fiscal year;

"(2) a description of how plans for the operation of the Institute for the succeeding fiscal year will facilitate achievement of the goals of the Institute and the goals of the literacy programs within the National Board, Department of Education, the Department of Labor, and the Department of Health and Human Services; and

"(3) any additional minority, or dissenting views submitted by members of the Council.

"(k) FUNDING.—Any amounts appropriated to the National Board, the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.".

SEC. 832. STATE LITERACY RESOURCE CENTERS.

Section 103 of the National Literacy Act of 1991 is amended to read as follows:

"SEC. 103. STATE LITERACY RESOURCE CENTERS.

"(a) PURPOSE.—The purpose of this section is to establish a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to eliminate illiteracy by—

"(1) stimulating the coordination of literacy services;

"(2) enhancing the capacity of State and local organizations to provide literacy services; and

"(3) serving as a reciprocal link between the National Institute for Literacy established under section 102 and service providers for the purpose of sharing information, data, research, and expertise and literacy resources.

"(b) ESTABLISHMENT.—From amounts appropriated pursuant to section 734(b)(5) of the Workforce Develop-

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AMENDMENT NO. 2647

At the end of section 716, add the following new subsection:

(h) ALL ASPECTS OF AN INDUSTRY.—

(1) DEFINITION.—As used in this subsection, the term "all aspects of an industry", used with respect to a participant, means all aspects of the industry or industry sector the participant is preparing to enter, including planning, management, finances, technical and production skills, underlying principles of technology, labor and community issues, health and safety issues, and environmental issues, related to such industry or industry sector.

(2) WORKFORCE EDUCATION ACTIVITIES AND SCHOOL-TO-WORK ACTIVITIES.—Each State that receives an allotment under section 712 shall ensure that the workforce education activities and school-to-work activities carried out with funds made available through the allotment provide strong experience in and understanding of all aspects of an industry relating to the career major of each participant in either type of activities.

(3) STATE PLAN REQUIREMENT.—To be eligible to receive an allotment under section 712, the State shall specify, in the portion of the State plan described in section 714(c)(3) (relating to workforce education activities), how the activities will provide participants with the experience and understanding described in paragraph (2).

(4) STATE BENCHMARKS.—In developing and identifying State benchmarks that measure student mastery of academic knowledge and work readiness skills under section 731(c)(2)(A), the State shall develop and identify State benchmarks that measure the understanding of all aspects of an industry by student participants.

AMENDMENT NO. 2648

On page 323, line 8, strike "under the direction of the National Board" and insert "under the joint direction of the Secretary of Labor and the Secretary of Education".

On page 469, lines 4 and 5, strike "The Federal Partnership shall be directed by" and insert "There shall be in the Federal Partnership".

On page 470, lines 20 and 21, strike "oversee all activities" and insert "provide advice to the Secretary of Labor and the Secretary of Education regarding all activities".

On page 476, line 19, strike "to the National Board".

On page 496, line 4, strike "to the National Board" and insert "to the President".

On page 496, lines 7 through 9, strike "the President, the Committee on Economic and Educational Opportunities of the House of Representatives," and insert "the Committee on Economic and Educational Opportunities of the House of Representatives".

Beginning on page 497, strike line 25 and all that follows through page 500, line 4, and insert the following:

(3) REVIEW.—

(A) IN GENERAL.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the President shall—

(i) review and approve the workplan; or

(ii) reject the workplan, prepare an alternative workplan that contains the analysis, information, and determinations described in paragraph (2), and submit the alternative workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(B) FUNCTIONS TRANSFERRED.—If the President approves the proposed workplan, or prepares the alternative workplan, the functions described in paragraph (2)(C), as determined in such proposed or alternative workplan, shall be transferred under subsection (b).

(C) SPECIAL RULE.—If the President takes no action on the proposed workplan submitted under paragraph (1) within the 45-day period described in subparagraph (A), such workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(C), as determined in the proposed workplan, shall be transferred under subsection (b).

(4) REPORT.—Not later than July 1, 1998, the Secretary of Education and the Secretary of Labor shall submit to the appropriate committees of Congress information on the transfers required by this section.

On page 501, line 5, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 501, lines 8 and 9, strike "National Board" and insert "Secretaries".

On page 501, lines 11 and 12, strike "National Board" and insert "Secretary of Labor and Secretary of Education".

On page 501, line 13, strike "National Board" and insert "Secretaries".

On page 501, line 15, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 505, line 9, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 511, lines 4 and 5, strike "Director, or National Board" and insert "or Director,".

On page 558, strike lines 15 through 18 and insert the following:

administered by the Secretary of Education (referred to in this section as the 'Secretary'). The Secretary may include in

On page 558, line 20, strike "National Board" and insert "Secretary".

On page 559, lines 1 and 2, strike "National Board" and insert "Secretary".

On page 559, lines 9 and 10, strike "National Board" and insert "Secretary".

On page 559, line 11, strike "National Board" and insert "Secretary".

On page 559, line 12, strike "National Board's" and insert "Secretary's".

On page 559, line 15, strike "National Board" and insert "Secretary".

On page 564, lines 19 and 20, strike "National Board" and insert "Secretary".

On page 566, line 18, strike "National Board" and insert "Secretary".

On page 567, line 22, strike "National Board,".

On page 568, lines 3 and 4, strike "the National Board,".

On page 569, line 3, strike "National Board" and insert "Secretary of Education (referred to in this section as the 'Secretary')".

On page 569, line 9, strike "National Board" and insert "Secretary".

On page 572, line 24, strike "National Board" and insert "Secretary".

On page 573, line 22, strike "National Board" and insert "Secretary".

On page 575, line 5, strike "National Board" and insert "Secretary".

On page 575, line 10, strike "National Board" and insert "Secretary".

On page 575, line 15, strike "National Board" and insert "Secretary".

AMENDMENT NO. 2649

At the end of section 716, add the following new subsection:

(h) NONTRADITIONAL OCCUPATIONS.—

(1) DEFINITION.—The term "nontraditional occupation", used with respect to women or men, refers to an occupation or field of work in which women or men, respectively, comprise less than 25 percent of the individuals employed in such occupation or field of work.

(2) WORK FORCE EMPLOYMENT ACTIVITIES.—Each State that receives an allotment under section 712 may, in carrying out work force employment activities with funds made available through the allotment, carry out—

(A) programs encouraging women and men to consider nontraditional occupations for women and men, respectively; and

(B) development and training relating to provision of effective services, including the provision of current information (as of the date of the provision) on high-wage, high-demand occupations, to individuals with multiple barriers to employment.

(3) WORK FORCE EDUCATION ACTIVITIES.—Each State that receives an allotment under section 712 shall ensure that the work force education activities carried out with funds made available through the allotment provide exposure to high-wage, high-skill careers.

(4) STATE BENCHMARKS.—In developing and identifying State benchmarks under section 731(c)(1), the State shall develop and identify State benchmarks that measure the understanding of all aspects of an industry by participants.

AMENDMENT NO. 2650

At the end of subtitle C, add the following:

SEC. 760. NONTRADITIONAL OCCUPATIONS.

(a) DEFINITION.—The term "nontraditional occupation", used with respect to women or men, refers to an occupation or field of work in which women or men, respectively, comprise less than 25 percent of the individuals employed in such occupation or field of work.

(b) JOB CORPS.—A State that receives funds through an allotment made under section 759(c)(2) shall ensure that enrollees assigned to Job Corps centers in the State receive career awareness activities relating to nontraditional occupations for women and men.

(c) PERMISSIBLE WORKFORCE PREPARATION ACTIVITIES.—A State that receives funds through an allotment made under section 759(c)(3) and uses the funds to assist entities in providing work-based learning as a component of school-to-work activities under section 759(b)(2)(B) shall ensure that the work-based learning includes career exploration programs and occupational skill training relating to nontraditional occupations for women and men.

AMENDMENT NO. 2651

On page 340, line 9, after "State" insert the following: ", including how the State will develop, adopt, or use industry-recognized skill standards, such as the skill standards endorsed by the National Skill Standards Board, to identify skill needs for current (as of the date of submission of the plan) and emerging occupations".

AMENDMENT NO. 2652

Beginning on page 349, strike line 6 and all that follows through page 351, line 20, and insert the following:

dent performance measures, including measures of academic and occupational skills at levels specified in challenging standards, such as the student performance standards certified by the National Education Standards and Improvement Council (and not disapproved by the National Education Goals Panel) and the skill standards endorsed by the National Skill Standards Board, that are developed, adopted, or used by the State.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan;

(3) the Federal Partnership determines that the State, in preparing the plan, has described activities that will enable the State to meet the State benchmarks; and

(4) the State benchmarks for the State have

AMENDMENT NO. 2653

In section 714(c)(2)(E), strike "labor market information" and insert "labor market and occupational information (referred to in this Act as 'labor market information')".

AMENDMENT NO. 2654

Strike section 773 and insert the following:

SEC. 773. LABOR MARKET INFORMATION.

(a) FEDERAL RESPONSIBILITIES.—The Federal Partnership, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide integrated labor market information system that shall include—

(1) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems, that, taken together, shall enumerate, estimate, and project the supply and demand for labor at the substate, State, and national levels in a timely manner, including data on—

(A) the demographics, socioeconomic characteristics, and current employment status of the substate, State, and national populations (as of the date of the collection of the data), including self-employed, part-time, and seasonal workers;

(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution, of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

(C) the educational attainment, training, skills, skill levels, and occupations of the populations;

(D) information maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment for all individuals for whom the information is collected by the States; and

(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

(2) State and substate area employment and consumer information (which shall be current, comprehensive, automated, accessible, easy to understand, and in a form useful for facilitating immediate employment, entry into education and training programs, and career exploration) on—

(A) job openings, locations, hiring requirements, and application procedures, including profiles of industries in the local labor market that describe the nature of work performed, employment requirements, and patterns in wages and benefits;

(B) jobseekers, including the education, training, and employment experience of the jobseekers; and

(C) the cost and effectiveness of providers of workforce employment activities, workforce education activities, and flexible workforce activities, including the percentage of program completion, acquisition of skills to meet industry-recognized skill standards, continued education, job placement, and earnings, by participants, and other information that may be useful in facilitating informed choices among providers by participants;

(3) technical standards for labor market information that will—

(A) ensure compatibility of the information and the ability to aggregate the information from substate areas to State and national levels;

(B) support standardization and aggregation of the data from administrative reporting systems;

(C) include—

(i) classification and coding systems for industries, occupations, skills, programs, and courses;

(ii) nationally standardized definitions of labor market and occupational terms, including terms related to State benchmarks established pursuant to section 731(c);

(iii) quality control mechanisms for the collection and analysis of labor market information; and

(iv) common schedules for collection and dissemination of labor market information; and

(D) eliminate gaps and duplication in statistical undertakings, with a high priority given to the systemization of wage surveys;

(4) an analysis of data and information described in paragraphs (1) and (2) for uses such as—

(A) national, State, and substate area economic policymaking;

(B) planning and evaluation of workforce development activities;

(C) the implementation of Federal policies, including the allocation of Federal funds to States and substate areas; and

(D) research on labor market and occupational dynamics;

(5) dissemination mechanisms for data and analysis, including mechanisms that may be standardized among the States; and

(6) programs of technical assistance for States and substate areas in the development, maintenance, utilization, and continuous improvement of the data, information, standards, analysis, and dissemination mechanisms, described in paragraphs (1) through (5).

(b) JOINT FEDERAL-STATE RESPONSIBILITIES.—

(1) IN GENERAL.—The nationwide integrated labor market information system shall be

planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and the States receiving financial assistance under this title.

(2) ANNUAL PLAN.—The Federal Partnership shall, with the assistance of the Bureau of Labor Statistics and other Federal agencies, where appropriate, prepare an annual plan that shall be the mechanism for achieving the cooperative Federal-State governance structure for the nationwide integrated labor market information system. The plan shall—

(A) establish goals for the development and improvement of a nationwide integrated labor market information system based on information needs for achieving economic growth and productivity, accountability, fund allocation equity, and an understanding of labor market and occupational characteristics and dynamics;

(B) describe the elements of the system, including—

(i) standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting the data and information described in paragraphs (1) and (2) of subsection (a); and

(ii) assurances that—

(I) data will be sufficiently timely and detailed for uses including the uses described in subsection (a)(4);

(II) administrative records will be standardized to facilitate the aggregation of data from substate areas to State and national levels and to support the creation of new statistical series from program records; and

(III) paperwork and reporting requirements on employers and individuals will be reduced;

(C) recommend needed improvements in administrative reporting systems to be used for the nationwide integrated labor market information system;

(D) describe the current spending on integrated labor market information activities from all sources, assess the adequacy of the funds spent, and identify the specific budget needs of the Federal Government and States with respect to implementing and improving the nationwide integrated labor market information system;

(E) develop a budget for the nationwide integrated labor market information system that—

(i) accounts for all funds described in subparagraph (D) and any new funds made available pursuant to this title; and

(ii) describes the relative allotments to be made for—

(I) operating the cooperative statistical programs pursuant to subsection (a)(1);

(II) developing and providing employment and consumer information pursuant to subsection (a)(2);

(III) ensuring that technical standards are met pursuant to subsection (a)(3); and

(IV) providing the analysis, dissemination mechanisms, and technical assistance under paragraphs (4), (5), and (6) of subsection (a), and matching data;

(F) describe the involvement of States in developing the plan by holding formal consultations conducted in cooperation with representatives of the Governors of each State or the State workforce development board described in section 715, where appropriate, pursuant to a process established by the Federal Partnership; and

(G) provide for technical assistance to the States for the development of statewide comprehensive labor market information systems described in subsection (c), including assistance with the development of easy-to-use software and hardware, or uniform information displays.

For purposes of applying Office of Management and Budget Circular A-11 to determine persons eligible to participate in deliberations relating to budget issues for the development of the plan, the representatives of the Governors of each State and the State workforce development board described in subparagraph (F) shall be considered to be employees of the Department of Labor.

(c) STATE RESPONSIBILITIES.—

(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this title, the Governor of a State shall—

(A) establish an interagency process for the oversight of a statewide comprehensive labor market information system and for the participation of the State in the cooperative Federal-State governance structure for the nationwide integrated labor market information system; and

(B) designate a single State agency or entity within the State to be responsible for the management of the statewide comprehensive labor market information system.

(2) DUTIES.—In order to receive Federal financial assistance under this title, the State agency or entity within the State designated under paragraph (1)(B) shall—

(A) consult with employers and local workforce development boards described in section 728(b), where appropriate, about the labor market relevance of the data to be collected and displayed through the statewide comprehensive labor market information system;

(B) develop, maintain, and continuously improve the statewide comprehensive labor market information system, which shall—

(i) include all of the elements described in paragraphs (1), (2), (3), (4), (5), and (6) of subsection (a); and

(ii) provide the consumer information described in clauses (v) and (vi) of section 716(a)(2)(B) in a manner that shall be responsive to the needs of business, industry, workers, and jobseekers;

(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination, through the statewide comprehensive labor market information system;

(D) conduct such other data collection, analysis, and dissemination activities to ensure that State and substate area labor market information is comprehensive;

(E) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data;

(F) participate in the development of the national annual plan described in subsection (b)(2); and

(G) ensure that the matches required for the job placement accountability system by section 731(d)(2)(A) are made for the State and for other States.

(3) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this title.

(d) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

AMENDMENT NO. 2655

In section 101(a)(3)(C)(i)(II) of the Rehabilitation Act of 1973, as amended by section 809(a)(8), strike "labor market information" and insert "labor market and occupational information".

AMENDMENT NO. 2656

On page 465, strike lines 4 through 12.

AMENDMENT NO. 2657

On page 363, beginning with line 12, strike all through page 364, line 13, and insert the following:

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this title for workforce education activities to carry out, through the statewide workforce development system, activities that include—

(1) ensuring that all students, including students who are members of special populations, have the opportunity to achieve to challenging State academic standards and industry-based skill standards;

(2) promoting the integration of academic and vocational education;

(3) supporting career majors in broad occupational clusters or industry sectors;

(4) effectively linking secondary education and postsecondary education, including implementing tech-prep programs;

(5) providing students with strong experience in, and understanding of, all aspects of the industry such students are preparing to enter;

(6) providing connecting activities that link each youth participating in workforce education activities under this subsection with an employer in an industry or occupation relating to the career of such youth;

(7) combining school-based and work-based instruction, including instruction in general workplace competencies;

(8) providing school-site and workplace mentoring;

(9) providing a planned program of job training and work experience that is coordinated with school-based learning;

(10) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, career exploration, exposure to high-wage, high-skill careers, and guidance information, to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(11) expanding, improving, and modernizing quality vocational education programs;

(12) improving access to quality vocational education programs for at-risk youth;

(13) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(14) providing programs for adults and out-of-school youth to complete their secondary education; or

(15) providing programs of family and work-place literacy.

AMENDMENT NO. 2658

Beginning on page 328, line 10, strike all through page 451, line 11, and insert the following:

ernor, in cooperation with the State educational agency and a local educational agency, that reflects, to the extent feasible, a local labor market in a State.

(31) TECH-PREP PROGRAM.—The term "tech-prep program" means a program of study that—

(A) combines at least 2 years of secondary education (as determined under State law) and 2 years of postsecondary education in a nonduplicative sequence;

(B) integrates academic and vocational instruction and utilizes worksite learning where appropriate;

(C) provides technical preparation in an area such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, a health occupation, business, or applied economics;

(D) builds student competence in mathematics, science, communications, economics, and workplace skills, through applied academics and integrated instruction in a coherent sequence of courses;

(E) leads to an associate degree or a certificate in a specific career field; and

(F) leads to placement in appropriate employment or further education.

(32) VETERAN.—The term "veteran" has the meaning given the term in section 101(2) of title 38, United States Code.

(33) VOCATIONAL EDUCATION.—The term "vocational education" means organized educational programs that—

(A) offer a sequence of courses that provide individuals with the academic knowledge and skills the individuals need to prepare for further education and careers in current or emerging employment sectors; and

(B) include competency-based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills, and occupational-specific skills, of an individual.

(34) VOCATIONAL REHABILITATION PROGRAM.—The term "vocational rehabilitation program" means a program assisted under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).

(35) WELFARE ASSISTANCE.—The term "welfare assistance" means—

(A) assistance provided under part A of title IV of the Social Security Act; and

(B) assistance provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

(36) WELFARE RECIPIENT.—The term "welfare recipient" means—

(A) an individual who receives assistance under part A of title IV of the Social Security Act; and

(B) an individual who—

(i) is not an individual described in subparagraph (A); and

(ii) receives assistance under the Food Stamp Act of 1977.

(37) WORKFORCE DEVELOPMENT ACTIVITIES.—The term "workforce development activities" means workforce education activities, workforce employment activities, flexible workforce activities, and economic development activities (within a State that is eligible to carry out such activities).

(38) WORKFORCE EDUCATION ACTIVITIES.—The term "workforce education activities" means the activities described in section 716(b).

(39) WORKFORCE EMPLOYMENT ACTIVITIES.—The term "workforce employment activities" means the activities described in paragraphs (2) through (8) of section 716(a), including activities described in section 716(a)(6) provided through a voucher described in section 716(a)(9).

(40) WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.—The term "workforce preparation activities for at-risk youth" means the activities described in section 759(b), carried out for at-risk youth.

Subtitle B—Statewide Workforce Development Systems

CHAPTER 1—PROVISIONS FOR STATES AND OTHER ENTITIES

SEC. 711. STATEWIDE WORKFORCE DEVELOPMENT SYSTEMS ESTABLISHED.

For program year 1998 and each subsequent program year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make allotments under section 712 to States to assist the States in paying for the cost of establishing and carrying out activities through statewide workforce development systems, in accordance with this subtitle.

SEC. 712. STATE ALLOTMENTS.

(a) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State with a State plan approved under section 714 an amount equal to the total of the amounts made available under subparagraphs (A), (B), (C), and (D) of subsection (b)(2), adjusted in accordance with subsection (c).

(b) ALLOTMENTS BASED ON POPULATIONS.—

(1) DEFINITIONS.—As used in this subsection:

(A) ADULT RECIPIENT OF ASSISTANCE.—The term "adult recipient of assistance" means a recipient of assistance under a State program funded under part A of title IV of the Social Security Act who is not a minor child (as defined in section 402(c)(1) of such Act).

(B) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(i) is not less than age 18;

(ii) is not more than age 64; and

(iii) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(C) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(2) CALCULATION.—Except as provided in subsection (c), from the amount reserved under section 734(b)(1), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership—

(A) using funds equal to 60 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State bears to the total number of such individuals in all States;

(B) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in all States;

(C) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in all States; and

(D) using funds equal to 20 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average monthly number of adult recipients of assistance (as determined by the Secretary of Health and Human Services for the most recent 12-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average monthly number of adult recipients of assistance (as so determined) in all States.

(c) ADJUSTMENTS.—

(1) DEFINITION.—As used in this subsection, the term "national average per capita payment", used with respect to a program year, means the amount obtained by dividing—

(A) the total amount allotted to all States under this section for the program year; by

(B) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in all States.

(2) MINIMUM ALLOTMENT.—Except as provided in paragraph (3), no State with a State plan approved under section 714 for a program year shall receive an allotment under this section for the program year in an amount that is less than 0.5 percent of the amount reserved under section 734(b)(1) for the program year.

(3) LIMITATION.—No State that receives an increase in an allotment under this section for a program year as a result of the application of paragraph (2) shall receive an allotment under this section for the program year in an amount that is more than the product obtained by multiplying—

(A) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State; and

(B) the product obtained by multiplying—

(i) 1.3; and

(ii) the national average per capita payment for the program year.

SEC. 713. STATE APPORTIONMENT BY ACTIVITY.

(a) ACTIVITIES.—From the sum of the funds made available to a State through an allotment received under section 712 and the funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) to carry out this title for a program year—

(1) a portion equal to 25 percent of such sum (which portion shall include the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act) shall be made available for workforce employment activities;

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 50 percent of such sum shall be made available for flexible workforce activities.

(b) RECIPIENTS.—In making an allotment under section 712 to a State, the Secretary of

Labor and the Secretary of Education, acting jointly, shall make a payment—

(1) to the Governor of the State for the portion described in subsection (a)(1), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan of the State submitted under section 714; and

(2) to the State educational agency of the State for the portion described in subsection (a)(2), and such part of the flex account as the State educational agency may be eligible to receive, as determined under the State plan of the State submitted under section 714.

SEC. 714. STATE PLANS.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section 712, the Governor of the State shall submit to the Federal Partnership, and obtain approval of, a single comprehensive State workforce development plan (referred to in this section as a "State plan"), outlining a 3-year strategy for the statewide system of the State.

(b) PARTS.—

(1) IN GENERAL.—The State plan shall contain 3 parts.

(2) STRATEGIC PLAN AND FLEXIBLE WORKFORCE ACTIVITIES.—The first part of the State plan shall describe a strategic plan for the statewide system, including the flexible workforce activities, and, if appropriate, economic development activities, that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the first part of the State plan, using procedures that are consistent with the procedures described in subsection (d).

(3) WORKFORCE EMPLOYMENT ACTIVITIES.—The second part of the State plan shall describe the workforce employment activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the second part of the State plan.

(4) WORKFORCE EDUCATION ACTIVITIES.—The third part of the State plan shall describe the workforce education activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The State educational agency of the State shall develop the third part of the State plan in consultation, where appropriate, with the State postsecondary education agency and with community colleges.

(c) CONTENTS OF THE PLAN.—The State plan shall include—

(1) with respect to the strategic plan for the statewide system—

(A) information describing how the State will identify the current and future workforce development needs of the industry sectors most important to the economic competitiveness of the State;

(B) information describing how the State will identify the current and future workforce development needs of all segments of the population of the State;

(C) information identifying the State goals and State benchmarks and how the goals and benchmarks will make the statewide system relevant and responsive to labor market and education needs at the local level;

(D) information describing how the State will coordinate workforce development activities to meet the State goals and reach the State benchmarks;

(E) information describing the allocation within the State of the funds made available through the flex account for the State, and how the flexible workforce activities, including school-to-work activities, to be carried out with such funds will be carried out to meet the State goals and reach the State benchmarks;

(F) information identifying how the State will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the statewide system;

(G) information identifying how any funds that a State receives under this subtitle will be leveraged with other public and private resources to maximize the effectiveness of such resources for all workforce development activities, and expand the participation of business, industry, labor, and individuals in the statewide system;

(H) information identifying how the workforce development activities to be carried out with funds received through the allotment will be coordinated with programs carried out by the Veterans' Employment and Training Service with funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans;

(I) information describing how the State will eliminate duplication in the administration and delivery of services under this title;

(J) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(K) an assurance that the funds made available under this subtitle will supplement and not supplant other public funds expended to provide workforce development activities;

(L) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for workforce development activities and vocational rehabilitation program activities;

(M) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this subtitle;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(N) the description referred to in subsection (d)(1); and

(O)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B),

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this subtitle, if the State receives an increase in an allotment under section 712 for a program year as a result of the application of section 712(c)(2); and

(B) describing the basic features of one-stop delivery of core services described in section 716(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 716(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost for achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 716(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vi) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop delivery with services provided through State welfare agencies; and

(vii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 716(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d);

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(H)(i) describing the steps that the State will take to segregate the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount allotted to the State from funds made available under such section 901(c)(1)(A) to carry out the required activities described in clauses (ii) through (v) of section 716(a)(2)(B) and section 773;

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 731(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as

unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) on-the-job training;

(B) occupational skills training;

(C) entrepreneurial training;

(D) training to develop work habits to help individuals obtain and retain employment;

(E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;

(F) rapid response assistance for dislocated workers;

(G) skill upgrading and retraining for persons not in the workforce;

(H) preemployment and work maturity skills training for youth;

(I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(J) programs for adults that combine workplace training with related instruction;

(K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(L) case management services;

(M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(N) followup services for participants who are placed in unsubsidized employment; and

(O) an employment and training program described in section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(7) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(9) VOUCHERS.—

(A) IN GENERAL.—A State may deliver some or all of the workforce employment activities described in paragraph (6) that are provided under this subtitle through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) ELIGIBILITY REQUIREMENTS.—

(i) IN GENERAL.—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 714 the criteria that will be developed in cooperation with the State educational agency and used to determine—

(I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;

(II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and

(III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) CONSIDERATIONS.—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) ACCOUNTABILITY REQUIREMENTS.—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

(i) information concerning how the State will utilize the statewide comprehensive labor market information system described in section 773(c) and the job placement accountability system established under section 731(d) to provide timely and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(10) FUNDS FROM UNEMPLOYMENT TRUST FUND.—Funds made available to a Governor under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) for a program year shall only be available for workforce employment activities authorized under such section 901(c)(1)(A), which are—

(A) the administration of State unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law);

(B) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B); and

(C) carrying out the activities described in sections 4103, 4103A, 4104, and 4104A of title 38, United States Code (relating to veterans' employment services).

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) FISCAL REQUIREMENTS FOR WORKFORCE EDUCATION ACTIVITIES.—

(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) MAINTENANCE OF EFFORT.—

(A) DETERMINATION.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) WAIVER.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) FLEXIBLE WORKFORCE ACTIVITIES.—

(1) CORE FLEXIBLE WORKFORCE ACTIVITIES.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) PERMISSIBLE FLEXIBLE WORKFORCE ACTIVITIES.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the

State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) LIMITATIONS.—

(1) WAGES.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) RELOCATION.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) LIMITATIONS ON PARTICIPANTS.—

(1) DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) STATE PROVISION OF SERVICES.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6); and

(ii) are otherwise unable to obtain such services.

SEC. 717. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—As used in this section:

(1) ALASKA NATIVE.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms "Indian", "Indian tribe", and "tribal organization" have the same meanings given such terms in subsections (d), (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term "tribally controlled postsecondary vocational institution" means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 734(b)(2), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations serving Indians or Alaska Natives, and Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Federal Partnership in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians and Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians and Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; and

(iii) supplemental services to recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); and

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Federal Partnership a plan that describes a 3-year strategy for meeting the needs of Indian and Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—There shall be established within the Federal Partnership an office to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Federal Partnership, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Federal Partnership shall provide such administrative support to the office established under paragraph (1) as the Federal Partnership determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Federal Partnership, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

SEC. 718. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 734(b)(3), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Federal Partnership shall issue regulations specifying the provisions of this title that shall apply to outlying areas that receive funds under this subtitle.

CHAPTER 2—LOCAL PROVISIONS

SEC. 721. LOCAL APPORTIONMENT BY ACTIVITY.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (1) and (3) of section 713(a) for workforce employment activities shall be made available to the Governor of such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 25 percent shall be reserved by the Governor to carry out workforce employment activities through the statewide system, of which not more than 20 percent of such 25 percent may be used for administrative expenses; and

(B) 75 percent shall be distributed by the Governor to local entities to carry out workforce employment activities through the statewide system, based on—

(i) such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65, individuals in poverty, unemployed individuals, and adult recipients of assistance, as determined using the definitions specified and the determinations described in section 712(b); and

(ii) such additional factors as the Governor (in consultation with local partnerships described in section 728(a) or, where established, local workforce development boards described in section 728(b)), determines to be necessary.

(b) WORKFORCE EDUCATION ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (2) and (3) of section 713(a) for workforce education activities shall be made available to the State educational agency serving such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 20 percent shall be reserved by the State educational agency to carry out statewide workforce education activities through the statewide system, of which not more than 5 percent of such 20 percent may be used for administrative expenses; and

(B) 80 percent shall be distributed by the State educational agency to entities eligible for financial assistance under section 722, 723, or 724, to carry out workforce education activities through the statewide system.

(3) STATE ACTIVITIES.—Activities to be carried out under paragraph (2)(A) may include professional development, technical assistance, and program assessment activities.

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with sections 722, 723, and 724 for such year for workforce education activities in such State in each of the following areas:

(A) Secondary school vocational education, or postsecondary and adult vocational education, or both; and

(B) Adult education.

(c) SPECIAL RULE.—Nothing in this subtitle shall be construed to prohibit any individual, entity, or agency in a State (other than the State educational agency) that is administering workforce education activities or setting education policies consistent with authority under State law for workforce education activities, on the day preceding the date of enactment of this Act from continuing to administer or set education policies consistent with authority under State law for such activities under this subtitle.

SEC. 722. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

(a) ALLOCATION.—Except as otherwise provided in this section and section 725, each State educational agency shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) by such agency for secondary school vocational education under section 721(b)(3)(A) to local educational agencies within the State as follows:

(1) SEVENTY PERCENT.—From 70 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the amount such local educational agency was allocated under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the preceding fiscal year bears to the total amount received under such section by all local educational agencies in the State for such year.

(2) TWENTY PERCENT.—From 20 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(a)(5) of the Individuals With Disabilities Education Act (20 U.S.C. 1414(a)(5)) served by such local educational agency for the preceding fiscal year bears to the total number of such students served by all local educational agencies in the State for such year.

(3) TEN PERCENT.—From 10 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State for such year.

(b) MINIMUM ALLOCATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no local educational agency shall receive an allocation under subsection (a) unless the amount allocated to such agency under subsection (a) is not less than $15,000. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

(2) WAIVER.—The State educational agency may waive the application of paragraph (1) in any case in which the local educational agency—

(A) is located in a rural, sparsely-populated area; and

(B) demonstrates that such agency is unable to enter into a consortium for purposes of providing services under this section.

(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) or (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

(c) LIMITED JURISDICTION AGENCIES.—

(1) IN GENERAL.—In applying the provisions of subsection (a), no State educational agency receiving assistance under this subtitle

shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

(2) SPECIAL RULE.—The amount to be allocated under paragraph (1) to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that entered such secondary schools in the previous year from the elementary schools involved.

(d) ALLOCATIONS TO AREA VOCATIONAL EDUCATION SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

(1) IN GENERAL.—Each State educational agency shall distribute the portion of funds made available for any program year by such agency for secondary school vocational education under section 721(b)(3)(A) to the appropriate area vocational education school or educational service agency in any case in which—

(A) the area vocational education school or educational service agency, and the local educational agency concerned—

(i) have formed or will form a consortium for the purpose of receiving funds under this section; or

(ii) have entered into or will enter into a cooperative arrangement for such purpose; and

(B)(i) the area vocational education school or educational service agency serves an approximately equal or greater proportion of students who are individuals with disabilities or are low-income than the proportion of such students attending the secondary schools under the jurisdiction of all of the local educational agencies sending students to the area vocational education school or the educational service agency; or

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is unable to meet the criterion described in clause (i) due to the lack of interest by students described in clause (i) in attending vocational education programs in that area vocational education school or educational service agency.

(2) ALLOCATION BASIS.—If an area vocational education school or educational service agency meets the requirements of paragraph (1), then—

(A) the amount that will otherwise be distributed to the local educational agency under this section shall be allocated to the area vocational education school, the educational service agency, and the local educational agency, based on each school's or agency's relative share of students described in paragraph (1)(B)(i) who are attending vocational education programs (based, if practicable, on the average enrollment for the prior 3 years); or

(B) such amount may be allocated on the basis of an agreement between the local educational agency and the area vocational education school or educational service agency.

(3) STATE DETERMINATION.—

(A) IN GENERAL.—For the purposes of this subsection, the State educational agency may determine the number of students who are low-income on the basis of—

(i) eligibility for—

(I) free or reduced-price meals under the National School Lunch Act (7 U.S.C. 1751 et seq.);

(II) assistance under a State program funded under part A of title IV of the Social Security Act;

(III) benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(IV) services under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.); and

(ii) another index of economic status, including an estimate of such index, if the State educational agency demonstrates to the satisfaction of the Federal Partnership that such index is a more representative means of determining such number.

(B) DATA.—If a State educational agency elects to use more than 1 factor described in subparagraph (A) for purposes of making the determination described in such subparagraph, the State educational agency shall ensure that the data used is not duplicative.

(4) APPEALS PROCEDURE.—The State educational agency shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium.

(5) SPECIAL RULE.—Notwithstanding the provisions of paragraphs (1), (2), (3), and (4), any local educational agency receiving an allocation that is not sufficient to conduct a secondary school vocational education program of sufficient size, scope, and quality to be effective may—

(A) form a consortium or enter into a cooperative agreement with an area vocational education school or educational service agency offering secondary school vocational education programs of sufficient size, scope, and quality to be effective and that are accessible to students who are individuals with disabilities or are low-income, and are served by such local educational agency; and

(B) transfer such allocation to the area vocational education school or educational service agency.

(e) SPECIAL RULE.—Each State educational agency distributing funds under this section shall treat a secondary school funded by the Bureau of Indian Affairs within the State as if such school were a local educational agency within the State for the purpose of receiving a distribution under this section.

SEC. 723. DISTRIBUTION FOR POSTSECONDARY AND ADULT VOCATIONAL EDUCATION.

(a) ALLOCATION.—

(1) IN GENERAL.—Except as provided in subsection (b) and section 725, each State educational agency, using the portion of the funds made available for any program year by such agency for postsecondary and adult vocational education under section 721(b)(3)(A)—

(A) shall reserve funds to carry out subsection (d); and

(B) shall distribute the remainder to eligible institutions or consortia of the institutions within the State.

(2) FORMULA.—Each such eligible institution or consortium shall receive an amount for the program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) from such remainder bears the same relationship to such remainder as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs offered by such institution or consortium for the preceding fiscal year bears to the number of all such individuals who are enrolled in any such program within the State for such preceding year.

(3) CONSORTIUM REQUIREMENTS.—In order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(A) provide services to all postsecondary institutions participating in the consortium; and

(B) are of sufficient size, scope, and quality to be effective.

(b) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Federal Partnership may waive the application of subsection (a) in the case of any State educational agency that submits to the Federal Partnership an application for such a waiver that—

(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of low-income individuals and that an alternative formula will result in such a distribution; and

(2) includes a proposal for an alternative formula that may include criteria relating to the number of individuals attending the institutions or consortia within the State who—

(A) receive need-based postsecondary financial aid provided from public funds;

(B) are members of families receiving assistance under a State program funded under part A of title IV of the Social Security Act;

(C) are enrolled in postsecondary educational institutions that—

(i) are funded by the State;

(ii) do not charge tuition; and

(iii) serve only low-income students;

(D) are enrolled in programs serving low-income adults; or

(E) are Pell Grant recipients.

(c) MINIMUM AMOUNT.—

(1) IN GENERAL.—No distribution of funds provided to any institution or consortium for a program year under this section shall be for an amount that is less than $50,000.

(2) REDISTRIBUTION.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia in accordance with the provisions of this section.

(d) SPECIAL RULE FOR CRIMINAL OFFENDERS.—Each State educational agency shall distribute the funds reserved under subsection (a)(1)(A) to 1 or more State corrections agencies to enable the State corrections agencies to administer vocational education programs for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(e) DEFINITION.—For the purposes of this section—

(1) the term "eligible institution" means a postsecondary educational institution, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that seeks to receive financial assistance under this section;

(2) the term "low-income", used with respect to a person, means a person who is determined under guidelines developed by the Federal Partnership to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; and

(3) the term "Pell Grant recipient" means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

SEC. 724. DISTRIBUTION FOR ADULT EDUCATION.

(a) IN GENERAL.—Except as provided in subsection (b)(3), from the amount made available by a State educational agency for adult education under section 721(b)(3)(B) for

a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to establish or expand adult education programs.

(b) GRANT REQUIREMENTS.—

(1) ACCESS.—Each State educational agency making funds available for any program year for adult education under section 721(b)(3)(B) shall ensure that the entities described in subsection (a) will be provided direct and equitable access to all Federal funds provided under this section.

(2) CONSIDERATIONS.—In awarding grants under this section, the State educational agency shall consider—

(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which an applicant will coordinate and utilize other literacy and social services available in the community; and

(C) the commitment of the applicant to serve individuals in the community who are most in need of literacy services.

(3) CONSORTIA.—A State educational agency may award a grant under subsection (a) to a consortium that includes an entity described in subsection (a) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the purposes of this title; and

(B) enters into a contract with the entity described in subsection (a) for the purpose of establishing or expanding adult education programs.

(c) LOCAL ADMINISTRATIVE COSTS LIMITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by a State educational agency to an agency, organization, institution, or consortium described in subsection (a), at least 95 percent shall be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the State educational agency shall negotiate with the agency, organization, institution, or consortium described in subsection (a) in order to determine an adequate level of funds to be used for nonintructional purposes.

SEC. 725. SPECIAL RULE FOR MINIMAL ALLOCATION.

(a) GENERAL AUTHORITY.—For any program year for which a minimal amount is made available by a State educational agency for distribution under section 722 or 723 such agency may, notwithstanding the provisions of section 722 or 723, respectively, in order to make a more equitable distribution of funds for programs serving the highest numbers of low-income individuals (as defined in section 723(e)), distribute such minimal amount—

(1) on a competitive basis; or

(2) through any alternative method determined by the State educational agency.

(b) MINIMAL AMOUNT.—For purposes of this section, the term "minimal amount" means not more than 15 percent of the total amount made available by the State educational agency under section 721(b)(3)(A) for section 722 or 723, respectively, for such program year.

SEC. 726. REDISTRIBUTION.

(a) IN GENERAL.—In any program year that an entity receiving financial assistance under section 722 or 723 does not expend all of the amounts distributed to such entity for such year under section 722 or 723, respectively, such entity shall return any unexpended amounts to the State educational agency for distribution under section 722 or 723, respectively.

(b) REDISTRIBUTION OF AMOUNTS RETURNED LATE IN A PROGRAM YEAR.—In any program year in which amounts are returned to the State educational agency under subsection (a) for programs described in section 722 or 723 and the State educational agency is unable to redistribute such amounts according to section 722 or 723, respectively, in time for such amounts to be expended in such program year, the State educational agency shall retain such amounts for distribution in combination with amounts provided under such section for the following program year.

SEC. 727. LOCAL APPLICATION FOR WORKFORCE EDUCATION ACTIVITIES.

(a) IN GENERAL.—

(1) IN GENERAL.—Each eligible entity desiring financial assistance under this subtitle for workforce education activities shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as such agency (in consultation with such other educational entities as the State educational agency determines to be appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State workforce development plan.

(2) DEFINITION.—For the purpose of this section the term "eligible entity" means an entity eligible for financial assistance under section 722, 723, or 724 from a State educational agency.

(b) CONTENTS.—Each application described in subsection (a) shall, at a minimum—

(1) describe how the workforce education activities required under section 716(b), and other workforce education activities, will be carried out with funds received under this subtitle;

(2) describe how the activities to be carried out relate to meeting the State goals, and reaching the State benchmarks, concerning workforce education activities;

(3) describe how the activities to be carried out are an integral part of the comprehensive efforts of the eligible entity to improve education for all students and adults;

(4) describe the process that will be used to independently evaluate and continuously improve the performance of the eligible entity; and

(5) describe how the eligible entity will coordinate the activities of the entity with the activities of the local workforce development board, if any, in the substate area.

SEC. 728. LOCAL PARTNERSHIPS, AGREEMENTS, AND WORKFORCE DEVELOPMENT BOARDS.

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local partnerships (or, where established, local workforce development boards described in subsection (b)).

(2) LOCAL PARTNERSHIPS.—

(A) IN GENERAL.—A local partnership referred to in paragraph (1) shall be established by the local chief elected official, in accordance with subparagraphs (B) and (C), and shall consist of individuals representing business, industry, and labor, local secondary schools, local postsecondary education institutions, local adult education providers, local elected officials, rehabilitation agencies and organizations, community-based organizations, and veterans, within the appropriate substate area.

(B) MULTIPLE JURISDICTIONS.—In any case in which there are 2 or more units of general local government in the substate area involved, the chief elected official of each such unit shall appoint members of the local partnership in accordance with an agreement entered into by such chief elected officials. In the absence of such an agreement, such appointments shall be made by the Governor of the State involved from the individuals nominated or recommended by the chief elected officials.

(C) SELECTION OF BUSINESS AND INDUSTRY REPRESENTATIVES.—Individuals representing business and industry in the local partnership shall be appointed by the chief elected official from nominations submitted by business organizations in the substate area involved. Such individuals shall reasonably represent the industrial and demographic composition of the business community. Where possible, at least 50 percent of such business and industry representatives shall be representatives of small business.

(3) BUSINESS AND INDUSTRY INVOLVEMENT.—The business and industry representatives shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

(4) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local partnership (or, where established, the local workforce development board);

collaborated in reaching the agreement.

(5) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local partnership (or, where established, the local workforce development board), the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(6) EXCEPTION.—A State that indicates in the State plan described in section 714 that

the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—Each State may facilitate the establishment of local workforce development boards in each substate area to set policy and provide oversight over the workforce development activities in the substate area.

(2) MEMBERSHIP.—

(A) STATE CRITERIA.—The Governor shall establish criteria for use by local chief elected officials in each substate area in the selection of members of the local workforce development boards, in accordance with the requirements of subparagraph (B).

(B) REPRESENTATION REQUIREMENT.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(i) representatives of business and industry in the substate area, who shall constitute a majority of the board;

(ii) representatives of labor, workers, and community-based organizations, who shall constitute not less than 25 percent of the members of the board;

(iii) representatives of local secondary schools, postsecondary education institutions, and adult education providers;

(iv) representatives of veterans; and

(v) 1 or more individuals with disabilities, or their representatives.

(C) CHAIR.—Each local workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(3) CONFLICT OF INTEREST.—No member of a local workforce development board shall vote on a matter relating to the provision of services by the member (or any organization that the member directly represents) or vote on a matter that would provide direct financial benefit to such member or the immediate family of such member or engage in any other activity determined by the Governor to constitute a conflict of interest.

(4) FUNCTIONS.—The functions of the local workforce development board shall include—

(A) submitting to the Governor a single comprehensive 3-year strategic plan for workforce development activities in the substate area that includes information—

(i) identifying the workforce development needs of local industries, students, jobseekers, and workers;

(ii) identifying the workforce development activities to be carried out in the substate area with funds received through the allotment made to the State under section 712, to meet the State goals and reach the State benchmarks; and

(iii) identifying how the local workforce development board will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the workforce development activities carried out in the substate area;

(B) entering into local agreements with the Governor as described in subsection (a);

(C) overseeing the operations of the one-stop delivery of core services described in section 716(a)(2) in the substate area, including the responsibility to—

(i) designate local entities to operate the one-stop delivery in the substate area, consistent with the criteria referred to in section 716(a)(2); and

(ii) develop and approve the budgets and annual operating plans of the providers of the one-stop delivery; and

(D) submitting annual reports to the Governor on the progress being made in the substate area toward meeting the State goals and reaching the State benchmarks.

(5) CONSULTATION.—A local workforce development board that serves a substate area shall conduct the functions described in paragraph (4) in consultation with the chief elected officials in the substate area.

(c) ECONOMIC DEVELOPMENT ACTIVITIES.—A State shall be eligible to use the funds made available through the flex account for flexible workforce activities to carry out economic development activities if—

(1) the boards described in section 715 and subsection (b) are established in the State; or

(2) in the case of a State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle, the board described in section 715 is established in the State.

SEC. 729. CONSTRUCTION.

Nothing in this title shall be construed—

(1) to prohibit a local educational agency (or a consortium thereof) that receives assistance under section 722, from working with an eligible entity (or consortium thereof) that receives assistance under section 723, to carry out secondary school vocational education activities in accordance with this title; or

(2) to prohibit an eligible entity (or consortium thereof) that receives assistance under section 723, from working with a local educational agency (or consortium thereof) that receives assistance under section 722, to carry out postsecondary and adult vocational education activities in accordance with this title.

CHAPTER 3—ADMINISTRATION

SEC. 731. ACCOUNTABILITY.

(a) REPORT.—

(1) IN GENERAL.—Each State that receives an allotment under section 712 shall annually prepare and submit to the Federal Partnership, a report that states how the State is performing on State benchmarks specified in this section, which relate to workforce development activities carried out through the statewide system of the State. In preparing the report, the State may include information on such additional benchmarks as the State may establish to meet the State goals.

(2) CONSOLIDATED REPORT.—In lieu of submitting separate reports under paragraph (1) and section 409(a) of the Social Security Act, the State may prepare a consolidated report. Any consolidated report prepared under this paragraph shall contain the information described in paragraph (1) and subsections (a) through (h) of section 409 of the Social Security Act. The State shall submit any consolidated report prepared under this paragraph to the Federal Partnership, the Secretary of Agriculture, and the Secretary of Health and Human Services, on the dates specified in section 409(a) of the Social Security Act.

(b) GOALS.—

(1) MEANINGFUL EMPLOYMENT.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of assisting participants in obtaining meaningful unsubsidized employment opportunities in the State.

(2) EDUCATION.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of enhancing and developing more fully the academic, occupational, and literacy skills of all segments of the population of the State.

(c) BENCHMARKS.—

(1) MEANINGFUL EMPLOYMENT.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(1), which shall include, at a minimum, measures of—

(A) placement in unsubsidized employment of participants;

(B) retention of the participants in such employment (12 months after completion of the participation); and

(C) increased earnings for the participants.

(2) EDUCATION.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(2), which shall include, at a minimum, measures of—

(A) student mastery of academic knowledge and work readiness skills;

(B) student mastery of occupational and industry-recognized skills according to skill proficiencies for students in career preparation programs;

(C) placement in, retention in, and completion of secondary education (as determined under State law) and postsecondary education, and placement and retention in employment and in military service; and

(D) mastery of the literacy, knowledge, and skills adults need to be productive and responsible citizens and to become more actively involved in the education of their children.

(3) POPULATIONS.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure progress toward meeting the goals described in subsection (b) for populations including, at a minimum—

(A) welfare recipients (including a benchmark for welfare recipients described in section 3(36)(B));

(B) individuals with disabilities;

(C) older workers;

(D) at-risk youth;

(E) dislocated workers; and

(F) veterans.

(4) SPECIAL RULE.—If a State has developed for all students in the State performance indicators, attainment levels, or assessments for skills according to challenging academic, occupational, or industry-recognized skill proficiencies, the State shall use such performance indicators, attainment levels, or assessments in measuring the progress of all students served under this title in attaining the skills.

(5) NEGOTIATIONS.—

(A) INITIAL DETERMINATION.—On receipt of a State plan submitted under section 714, the Federal Partnership shall, not later than 30 days after the date of the receipt, determine—

(i) how the proposed State benchmarks identified by the State in the State plan compare to the model benchmarks established by the Federal Partnership under section 772(b)(2);

(ii) how the proposed State benchmarks compare with State benchmarks proposed by other States in their State plans; and

(iii) whether the proposed State benchmarks, taken as a whole, are sufficient—

(I) to enable the State to meet the State goals; and

(II) to make the State eligible for an incentive grant under section 732(a).

(B) NOTIFICATION.—The Federal Partnership shall immediately notify the State of the determinations referred to in subparagraph (A). If the Federal Partnership determines that the proposed State benchmarks are not sufficient to make the State eligible for an incentive grant under section 732(a), the Federal Partnership shall provide the State with guidance on the steps the State may take to allow the State to become eligible for the grant.

(C) REVISION.—Not later than 30 days after the date of receipt of the notification referred to in subparagraph (B), the State may revise some or all of the State benchmarks identified in the State plan in order to become eligible for the incentive grant or provide reasons why the State benchmarks should be sufficient to make the State eligible for the incentive grant.

(D) DETERMINATION.—After reviewing any revised State benchmarks or information submitted by the State in accordance with subparagraph (C), the Federal Partnership shall make a determination on the eligibility of the State for the incentive grant, as described in paragraph (6), and provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award a grant to the State under section 732(a).

(6) INCENTIVE GRANTS.—Each State that sets high benchmarks under paragraph (1), (2), or (3) and reaches or exceeds the benchmarks, as determined by the Federal Partnership, shall be eligible to receive an incentive grant under section 732(a).

(7) SANCTIONS.—A State that has failed to demonstrate sufficient progress toward reaching the State benchmarks established under this subsection for the 3 years covered by a State plan described in section 714, as determined by the Federal Partnership, may be subject to sanctions under section 732(b).

(d) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—

(1) IN GENERAL.—Each State that receives an allotment under section 712 shall establish a job placement accountability system, which will provide a uniform set of data to track the progress of the State toward reaching the State benchmarks.

(2) DATA.—

(A) IN GENERAL.—In order to maintain data relating to the measures described in subsection (c)(1), each such State shall establish a job placement accountability system using quarterly wage records available through the unemployment insurance system. The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), in conjunction with the Commissioner of Labor Statistics, shall maintain the job placement accountability system and match information on participants served by the statewide systems of the State and other States with quarterly employment and earnings records.

(B) REIMBURSEMENT.—Each local entity that carries out workforce employment activities or workforce education activities and that receives funds under this subtitle shall provide information regarding the social security numbers of the participants served by the entity and such other information as the State may require to the State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B).

(C) CONFIDENTIALITY.—The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), shall protect the confidentiality of information obtained through the job placement accountability system through the use of recognized security procedures.

(e) INDIVIDUAL ACCOUNTABILITY.—Each State that receives an allotment under section 712 shall devise and implement procedures to provide, in a timely manner, information on participants in activities carried out through the statewide system who are participating as a condition of receiving welfare assistance. The procedures shall require that the State provide the information to the State and local agencies carrying out the programs through which the welfare assistance is provided, in a manner that ensures that the agencies can monitor compliance with the conditions regarding the receipt of the welfare assistance.

SEC. 732. INCENTIVES AND SANCTIONS.

(a) INCENTIVES.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award incentive grants of not more than $15,000,000 per program year to a State that—

(A) reaches or exceeds State benchmarks established under section 731(c), with an emphasis on the benchmarks established under section 731(c)(3), in accordance with section 731(c)(6); or

(B) demonstrates to the Federal Partnership that the State has made substantial reductions in the number of adult recipients of assistance, as defined in section 712(b)(1)(A), resulting from increased placement of such adult recipients in unsubsidized employment.

(2) USE OF FUNDS.—A State that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(b) SANCTIONS.—

(1) FAILURE TO DEMONSTRATE SUFFICIENT PROGRESS.—If the Federal Partnership determines, after notice and an opportunity for a hearing, that a State has failed to demonstrate sufficient progress toward reaching the State benchmarks established under section 731(c) for the 3 years covered by a State plan described in section 714, the Federal Partnership shall provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may reduce the allotment of the State under section 712 by not more than 10 percent per program year for not more than 3 years. The Federal Partnership may determine that the failure of the State to demonstrate such progress is attributable to the workforce employment activities, workforce education activities, or flexible workforce activities, of the State and provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may decide to reduce only the portion of the allotment for such activities.

(2) EXPENDITURE CONTRARY TO TITLE.—If the Governor of a State determines that a local entity that carries out workforce employment activities in a substate area of the State has expended funds made available under this title in a manner contrary to the purposes of this title, and such expenditures do not constitute fraudulent activity, the Governor may deduct an amount equal to the funds from a subsequent program year allocation to the substate area.

(c) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may use an amount retained as a result of a reduction in an allotment made under subsection (b)(1) to award an incentive grant under subsection (a).

SEC. 733. UNEMPLOYMENT TRUST FUND.

(a) IN GENERAL.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking clause (ii) and inserting the following:

"(ii) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and"; and

(ii) in clause (iii), by striking "carrying into effect section 4103" and "carrying out the activities described in sections 4103, 4103A, 4104, and 4104A"; and

(B) in subparagraph (B)—

(i) in the matter preceding clause (i), by striking "Department of Labor" and inserting "Department of Labor or the Workforce Development Partnership, as appropriate,"; and

(ii) by striking clause (iii) and inserting the following:

"(iii) the Workforce Development Act of 1995,"; and

(2) in the first sentence of paragraph (4), by striking "the total cost" and all that follows through "the President determines" and inserting "the total cost of administering the statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and of the necessary expenses of the Workforce Development Partnership for the performance of the functions of the partnership under such Act, as the President determines".

(b) GUAM; UNITED STATES VIRGIN ISLANDS.—From the total amount made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) (referred to in this section as the "total amount") for each fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly, shall first allot to Guam and the United States Virgin Islands an amount that, in relation to the total amount for the fiscal year, is equal to the allotment percentage that each received of amounts available under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) in fiscal year 1983.

(c) STATES.—

(1) ALLOTMENTS.—

(A) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary of Labor and the Secretary of Education, acting jointly, shall (after making the allotments required by subsection (b)) allot the remainder of the total amount for each fiscal year among the States as follows:

(i) CIVILIAN LABOR FORCE.—Two-thirds of such remainder shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State as compared to the total number of such individuals in all States.

(ii) UNEMPLOYED INDIVIDUALS.—One-third of such remainder shall be allotted on the basis of the relative number of unemployed individuals in each State as compared to the

total number of such individuals in all States.

(B) CALCULATION.—For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the most recent calendar year available, as determined by the Secretary of Labor and the Secretary of Education, acting jointly.

(2) MINIMUM PERCENTAGE.—No State allotment under this section for any fiscal year shall be a smaller percentage of the total amount for the fiscal year than 90 percent of the allotment percentage for the State for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this section, the Secretary of Labor and the Secretary of Education, acting jointly, shall determine the allotment percentage for each State for fiscal year 1984, which shall be the percentage that the State received of amounts available under section 6 of the Wagner-Peyser Act for fiscal year 1983. For the purpose of this section, for each succeeding fiscal year, the allotment percentage for each such State shall be the percentage that the State received of amounts available under section 6 of the Wagner-Peyser Act for the preceding fiscal year.

(3) MINIMUM ALLOTMENT.—For each fiscal year, no State shall receive a total allotment under paragraphs (1) and (2) that is less than 0.28 percent of the total amount for such fiscal year.

(4) ESTIMATES.—The Secretary of Labor and the Secretary of Education, acting jointly, shall, not later than March 15 of each fiscal year, provide preliminary planning estimates and shall, not later than May 15 of each fiscal year, provide final planning estimates, showing the projected allocation for each State for the following year.

(5) DEFINITION.—Notwithstanding section 703, as used in paragraphs (2) through (4), the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and United States Virgin Islands.

(d) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect July 1, 1998.

SEC. 734. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title (other than subtitle C) $6,127,000,000 for each of fiscal years 1998 through 2001.

(b) RESERVATIONS.—Of the amount appropriated under subsection (a)—

(1) 92.7 percent shall be reserved for making allotments under section 712;

(2) 1.25 percent shall be reserved for carrying out section 717;

(3) 0.2 percent shall be reserved for carrying out section 718;

(4) 4.3 percent shall be reserved for making incentive grants under section 732(a) and for the administration of this title;

(5) 1.4 percent shall be reserved for carrying out section 773; and

(6) 0.15 percent shall be reserved for carrying out sections 774 and 775 and the National Literacy Act of 1991 (20 U.S.C. 1201 note).

(c) PROGRAM YEAR.—

(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) ADMINISTRATION.—Funds obligated for any program year may be expended by each recipient during the program year and the 2 succeeding program years and no amount shall be deobligated on account of a rate of expenditure that is consistent with the provisions of the State plan specified in section 714 that relate to workforce employment activities.

SEC. 735. EFFECTIVE DATE.

This subtitle shall take effect July 1, 1998.

Subtitle C—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. PURPOSES.

The purposes of this subtitle are—

(1) to maintain a Job Corps for at-risk youth as part of statewide systems;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of residential and nonresidential Job Corps centers in which enrollees will participate in intensive programs of workforce development activities;

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps; and

(5) to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens.

SEC. 742. DEFINITIONS.

As used in this subtitle:

(1) AT-RISK YOUTH.—The term "at-risk youth" means an individual who—

(A) is not less than age 15 and not more than age 24;

(B) is low-income (as defined in section 723(e));

(C) is 1 or more of the following:

(i) Basic skills deficient.

(ii) A school dropout.

(iii) Homeless or a runaway.

(iv) Pregnant or parenting.

(v) Involved in the juvenile justice system.

(vi) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

(2) ENROLLEE.—The term "enrollee" means an individual enrolled in the Job Corps.

(3) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(4) JOB CORPS.—The term "Job Corps" means the corps described in section 744.

(5) JOB CORPS CENTER.—The term "Job Corps center" means a center described in section 744.

SEC. 743. AUTHORITY OF GOVERNOR.

The duties and powers granted to a State by this subtitle shall be considered to be granted to the Governor of the State.

CHAPTER 2—JOB CORPS

SEC. 744. GENERAL AUTHORITY.

If a State receives an allotment under section 759, and a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755, the State shall use a portion of the funds made available through the allotment to maintain the center, and carry out activities described in this subtitle for individuals enrolled in a Job Corps and assigned to the center.

SEC. 745. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The State shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps.

(2) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) one-stop career centers;

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(3) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

(c) INDIVIDUALS ELIGIBLE.—To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 746. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the State shall assign an enrollee to the Job Corps center within the State that is closest to the residence of the enrollee.

(2) AGREEMENTS WITH OTHER STATES.—The State may enter into agreements with 1 or more States to enroll individuals from the States in the Job Corps and assign the enrollees to Job Corps centers in the State.

SEC. 747. JOB CORPS CENTERS.

(a) DEVELOPMENT.—The State shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the establishment and operation of a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 748.

(c) CIVILIAN CONSERVATION CENTERS.—The Job Corps centers may include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(d) JOB CORPS OPERATORS.—To be eligible to receive funds under this chapter, an entity who entered into a contract with the

Secretary of Labor that is in effect on the effective date of this section to carry out activities through a center under part B of title IV of the Job Training Partnership Act (as in effect on the day before the effective date of this section), shall enter into a contract with the State in which the center is located that contains provisions substantially similar to the provisions of the contract with the Secretary of Labor, as determined by the State.

SEC. 748. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 716(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment on completion of their enrollment.

(b) ARRANGEMENTS.—The State shall arrange for enrollees assigned to Job Corps centers in the State to receive workforce development activities through the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—Each Job Corps center located in a State shall be connected to the job placement accountability system of the State described in section 731(d).

SEC. 749. SUPPORT.

The State shall provide enrollees assigned to Job Corps centers in the State with such personal allowances as the State may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 750. OPERATING PLAN.

To be eligible to operate a Job Corps center and receive assistance under section 759 for program year 1998 or any subsequent program year, an entity shall prepare and submit, to the Governor of the State in which the center is located, and obtain the approval of the Governor for, an operating plan that shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan for the State submitted under section 714;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) by the State.

SEC. 751. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The State shall provide, and directors of Job Corps center shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding violence, drug abuse, and other criminal activity.

(b) DISCIPLINARY MEASURES.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Corps if the director determines that the retention of the enrollee in the Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees. If the director determines that an enrollee has engaged in an incident involving violence, drug abuse, or other criminal activity, the director shall immediately dismiss the enrollee from the Corps.

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the State.

SEC. 752. COMMUNITY PARTICIPATION.

The State shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities may include the use of any local workforce development boards established in the State under section 728(b) to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

SEC. 753. COUNSELING AND PLACEMENT.

The State shall ensure that enrollees assigned to Job Corps centers in the State receive counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 716(a)(2).

SEC. 754. LEASES AND SALES OF CENTERS.

(a) LEASES.—

(1) IN GENERAL.—The Secretary of Labor shall offer to enter into a lease with each State that has an approved State plan submitted under section 714 and in which 1 or more Job Corps centers are located.

(2) NOMINAL CONSIDERATION.—Under the terms of the lease, the Secretary of Labor shall lease the Job Corps centers in the State to the State in return for nominal consideration.

(3) INDEMNITY AGREEMENT.—To be eligible to lease such a center, a State shall enter into an agreement to hold harmless and indemnify the United States from any liability or claim for damages or injury to any person or property arising out of the lease.

(b) SALES.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary of Labor shall offer each State described in subsection (a)(1) the opportunity to purchase the Job Corps centers in the State in return for nominal consideration.

SEC. 755. CLOSURE OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS AUDIT.—Not later than March 31, 1997, the Federal Partnership shall conduct an audit of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the audit, including information indicating—

(1) the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part (referred to in this subtitle as a "Job Corps center"), the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses; and

(5) the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report.

(b) RECOMMENDATIONS OF NATIONAL BOARD.—

(1) RECOMMENDATIONS.—The National Board shall, based on the results of the audit described in subsection (a), make recommendations to the Secretary of Labor, including identifying 25 Job Corps centers to be closed by September 30, 1997.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the National Board shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the audit described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the audit described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the National Board may determine to be appropriate.

(B) COVERAGE OF STATES AND REGIONS.—Notwithstanding subparagraph (A), the National Board shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) ALLOWANCE FOR NEW JOB CORPS CENTERS.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the National Board shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) REPORT.—Not later than June 30, 1997, the National Board shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the National Board resulting

from the audit described in subsection (a) together with the recommendations described in paragraph (1).

(c) CLOSURE.—The Secretary of Labor shall, after reviewing the report submitted under subsection (b)(3), close 25 Job Corps centers by September 30, 1997.

SEC. 756. INTERIM OPERATING PLANS FOR JOB CORPS CENTERS.

Part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.) is amended by inserting after section 439 the following section:

"SEC. 439A. OPERATING PLAN.

"(a) SUBMISSION OF PLAN.—To be eligible to operate a Job Corps center and receive assistance under this part for fiscal year 1997, an entity shall prepare and submit to the Secretary and the Governor of the State in which the center is located, and obtain the approval of the Secretary for, an operating plan that shall include, at a minimum, information indicating—

"(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the interim plan for the State submitted under section 763 of the Workforce Development Act of 1995;

"(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

"(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) of the Workforce Development Act of 1995 by the State as identified in the interim plan.

"(b) SUBMISSION OF COMMENTS.—Not later than 30 days after receiving an operating plan described in subsection (a), the Governor of the State in which the center is located may submit comments on the plan to the Secretary.

"(c) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities to be carried out through the statewide system of the State in which the center is located.".

SEC. 757. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) INTERIM PROVISIONS.—Sections 754 and 755, and the amendment made by section 756, shall take effect on the date of enactment of this Act.

CHAPTER 3—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

SEC. 759. WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.

(a) IN GENERAL.—For program year 1998 and each subsequent program year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make allotments under subsection (c) to States to assist the States in paying for the cost of carrying out workforce preparation activities for at-risk youth, as described in this section.

(b) STATE USE OF FUNDS.—

(1) CORE ACTIVITIES.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants, in cooperation with the State educational agency, to eligible entities, as described in subsection (e), to assist the entities in carrying out innovative programs to assist out-of-school at-risk youth in participating in school-to-work activities;

(B) make grants, in cooperation with the State educational agency, to eligible entities, as described in subsection (e), to assist the entities in providing work-based learning as a component of school-to-work activities, including summer jobs linked to year-round school-to-work programs; and

(C) carry out, in cooperation with the State educational agency, other workforce development activities specifically for at-risk youth.

(c) ALLOTMENTS.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) TOTAL ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) UNEMPLOYED INDIVIDUALS.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) INDIVIDUALS IN POVERTY.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) AT-RISK YOUTH.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b)(2) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) APPLICATION.—To be eligible to receive a grant under subparagraph (A) or (B) of subsection (b)(2) from a State, an entity shall prepare and submit to the Governor of the State an application at such time, in such manner, and containing such information as the Governor may require.

(f) WITHIN STATE DISTRIBUTION.—Of the funds allotted to a State under subsection (c)(3) for workforce preparation activities for at-risk youth for a program year—

(1) 15 percent shall be reserved by the Governor to carry out such activities through the statewide system; and

(2) 85 percent shall be distributed to local entities to carry out such activities through the statewide system.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle, $2,100,000,000 for each of fiscal years 1998 through 2001.

(h) EFFECTIVE DATE.—This chapter shall take effect on July 1, 1998.

Subtitle D—Transition Provisions

SEC. 761. WAIVERS.

(a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Notwithstanding any other provision of Federal law, and except as provided in subsection (d), the Secretary may waive any requirement under any provision of law relating to a covered activity, or of any regulation issued under such a provision, for—

(A) a State that requests such a waiver and submits an application as described in subsection (b); or

(B) a local entity that requests such a waiver and complies with the requirements of subsection (c);

in order to assist the State or local entity in planning or developing a statewide system or workforce development activities to be carried out through the statewide system.

(2) TERM.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each waiver approved pursuant to this section shall be for a period beginning on the date of the approval and ending on June 30, 1998.

(B) FAILURE TO SUBMIT INTERIM PLAN.—If a State receives a waiver under this section and fails to submit an interim plan under section 763 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997. If a local entity receives a waiver under this section, and the State in which the local entity is located fails to submit an interim plan under section 763 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997.

(b) STATE REQUEST FOR WAIVER.—

(1) IN GENERAL.—A State may submit to the Secretary a request for a waiver of 1 or more requirements referred to in subsection (a). The request may include a request for different waivers with respect to different areas within the State.

(2) APPLICATION.—To be eligible to receive a waiver described in subsection (a), a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including information—

(A) identifying the requirement to be waived and the goal that the State (or the local agency applying to the State under subsection (c)) intends to achieve through the waiver;

(B) identifying, and describing the actions that the State will take to remove, similar State requirements;

(C) describing the activities to which the waiver will apply, including information on how the activities may be continued, or related to activities carried out, under the statewide system of the State;

(D) describing the number and type of persons to be affected by such waiver; and

(E) providing evidence of approval of the

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Beginning on page 341, line 7, strike all through page 406, line 13, and insert the following:

tion of business, industry, labor, and the education community in the development and continuous improvement of the statewide system;

(G) information identifying how any funds that a State receives under this subtitle will be leveraged with other public and private resources to maximize the effectiveness of such resources for all workforce development activities, and expand the participation of business, industry, labor, the education community, and individuals in the statewide system;

(H) information identifying how the workforce development activities to be carried out with funds received through the allotment will be coordinated with programs carried out by the Veterans' Employment and Training Service with funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans;

(I) information describing how the State will eliminate duplication in the administration and delivery of services under this title;

(J) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(K) an assurance that the funds made available under this subtitle will supplement and not supplant other public funds expended to provide workforce development activities;

(L) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for workforce development activities and vocational rehabilitation program activities;

(M) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this subtitle;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(N) the description referred to in subsection (d)(1); and

(O)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B),

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this subtitle, if the State receives an increase in an allotment under section 712 for a program year as a result of the application of section 712(c)(2); and

(B) describing the basic features of one-stop delivery of core services described in section 716(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 716(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost for achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 716(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vi) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop delivery with services provided through State welfare agencies; and

(vii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 716(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d);

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(H)(i) describing the steps that the State will take to segregate the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount allotted to the State from funds made available under such section 901(c)(1)(A) to carry out the required activities described in clauses (ii) through (v) of section 716(a)(2)(B) and section 773;

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 731(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) on-the-job training;

(B) occupational skills training;

(C) entrepreneurial training;

(D) training to develop work habits to help individuals obtain and retain employment;

(E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;

(F) rapid response assistance for dislocated workers;

(G) skill upgrading and retraining for persons not in the workforce;

(H) preemployment and work maturity skills training for youth;

(I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(J) programs for adults that combine workplace training with related instruction;

(K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(L) case management services;

(M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(N) followup services for participants who are placed in unsubsidized employment; and

(O) an employment and training program described in section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(7) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(9) VOUCHERS.—

(A) IN GENERAL.—A State may deliver some or all of the workforce employment activities described in paragraph (6) that are provided under this subtitle through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) ELIGIBILITY REQUIREMENTS.—

(i) IN GENERAL.—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 714 the criteria that will be used to determine—

(I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;

(II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and

(III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) CONSIDERATIONS.—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) ACCOUNTABILITY REQUIREMENTS.—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

(i) information concerning how the State will utilize the statewide comprehensive labor market information system described in section 773(c) and the job placement accountability system established under section 731(d) to provide timely and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(10) FUNDS FROM UNEMPLOYMENT TRUST FUND.—Funds made available to a Governor under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) for a program year shall only be available for workforce employment activities authorized under such section 901(c)(1)(A), which are—

(A) the administration of State unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law);

(B) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B); and

(C) carrying out the activities described in sections 4103, 4103A, 4104, and 4104A of title 38, United States Code (relating to veterans' employment services).

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) FISCAL REQUIREMENTS FOR WORKFORCE EDUCATION ACTIVITIES.—

(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) MAINTENANCE OF EFFORT.—

(A) DETERMINATION.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) WAIVER.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) FLEXIBLE WORKFORCE ACTIVITIES.—

(1) CORE FLEXIBLE WORKFORCE ACTIVITIES.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) PERMISSIBLE FLEXIBLE WORKFORCE ACTIVITIES.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) LIMITATIONS.—

(1) WAGES.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) RELOCATION.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) LIMITATIONS ON PARTICIPANTS.—

(1) DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) STATE PROVISION OF SERVICES.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6); and

(ii) are otherwise unable to obtain such services.

SEC. 717. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—As used in this section:

(1) ALASKA NATIVE.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms "Indian", "Indian tribe", and "tribal organization" have the same meanings given such terms in subsections (d), (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term "tribally controlled postsecondary vocational institution" means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 734(b)(2), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations serving Indians or Alaska Natives, and Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Federal Partnership in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians and Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians and Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; and

(iii) supplemental services to recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); and

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Federal Partnership a plan that describes a 3-year strategy for meeting the needs of Indian and Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—There shall be established within the Federal Partnership an office to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Federal Partnership, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Federal Partnership shall provide such administrative support to the office established under paragraph (1) as the Federal Partnership determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Federal Partnership, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

SEC. 718. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 734(b)(3), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Federal Partnership shall issue regulations specifying the provisions of this title that shall apply to outlying areas that receive funds under this subtitle.

CHAPTER 2—LOCAL PROVISIONS

SEC. 721. LOCAL APPORTIONMENT BY ACTIVITY.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (1) and (3) of section 713(a) for workforce employment activities shall be made available to the Governor of such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 25 percent shall be reserved by the Governor to carry out workforce employment activities through the statewide system, of which not more than 20 percent of such 25 percent may be used for administrative expenses; and

(B) 75 percent shall be distributed by the Governor to local entities to carry out workforce employment activities through the statewide system, based on—

(i) such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65, individuals in poverty, unemployed individuals, and adult recipients of assistance, as determined using the definitions specified and the determinations described in section 712(b); and

(ii) such additional factors as the Governor (in consultation with local partnerships described in section 728(a) or, where established, local workforce development boards described in section 728(b)), determines to be necessary.

(b) WORKFORCE EDUCATION ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (2) and (3) of section 713(a) for workforce education activities shall be made available to the State educational agency serving such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 20 percent shall be reserved by the State educational agency to carry out statewide workforce education activities through the statewide system, of which not more than 5 percent of such 20 percent may be used for administrative expenses; and

(B) 80 percent shall be distributed by the State educational agency to entities eligible for financial assistance under section 722, 723, or 724, to carry out workforce education activities through the statewide system.

(3) STATE ACTIVITIES.—Activities to be carried out under paragraph (2)(A) may include professional development, technical assistance, and program assessment activities.

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with sections 722, 723, and 724 for such year for workforce education activities in such State in each of the following areas:

(A) Secondary school vocational education, or postsecondary and adult vocational education, or both; and

(B) Adult education.

(c) SPECIAL RULE.—Nothing in this subtitle shall be construed to prohibit any individual, entity, or agency in a State (other than the State educational agency) that is administering workforce education activities or setting education policies consistent with authority under State law for workforce education activities, on the day preceding the date of enactment of this Act from continuing to administer or set education policies consistent with authority under State law for such activities under this subtitle.

SEC. 722. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

(a) ALLOCATION.—Except as otherwise provided in this section and section 725, each State educational agency shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) by such agency for secondary school vocational education under section 721(b)(3)(A) to local educational agencies within the State as follows:

(1) SEVENTY PERCENT.—From 70 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the amount such local educational agency was allocated under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the preceding fiscal year bears to the total amount received under such section by all local educational agencies in the State for such year.

(2) TWENTY PERCENT.—From 20 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(a)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(a)(5)) served by such local educational agency for the preceding fiscal year bears to the total number of such students served by all local educational agencies in the State for such year.

(3) TEN PERCENT.—From 10 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State for such year.

(b) MINIMUM ALLOCATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no local educational agency shall receive an allocation under subsection (a) unless the amount allocated to such agency under subsection (a) is not less than $15,000. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

(2) WAIVER.—The State educational agency may waive the application of paragraph (1) in any case in which the local educational agency—

(A) is located in a rural, sparsely-populated area; and

(B) demonstrates that such agency is unable to enter into a consortium for purposes of providing services under this section.

(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) or (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

(c) LIMITED JURISDICTION AGENCIES.—

(1) IN GENERAL.—In applying the provisions of subsection (a), no State educational agency receiving assistance under this subtitle shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

(2) SPECIAL RULE.—The amount to be allocated under paragraph (1) to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that entered such secondary schools in the previous year from the elementary schools involved.

(d) ALLOCATIONS TO AREA VOCATIONAL EDUCATION SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

(1) IN GENERAL.—Each State educational agency shall distribute the portion of funds made available for any program year by such agency for secondary school vocational education under section 721(b)(3)(A) to the appropriate area vocational education school or educational service agency in any case in which—

(A) the area vocational education school or educational service agency, and the local educational agency concerned—

(i) have formed or will form a consortium for the purpose of receiving funds under this section; or

(ii) have entered into or will enter into a cooperative arrangement for such purpose; and

(B)(i) the area vocational education school or educational service agency serves an approximately equal or greater proportion of students who are individuals with disabilities or are low-income than the proportion of such students attending the secondary schools under the jurisdiction of all of the local educational agencies sending students to the area vocational education school or the educational service agency; or

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is unable to meet the criterion described in clause (i) due to the lack of interest by students described in clause (i) in attending vocational education programs in that area vocational education school or educational service agency.

(2) ALLOCATION BASIS.—If an area vocational education school or educational service agency meets the requirements of paragraph (1), then—

(A) the amount that will otherwise be distributed to the local educational agency under this section shall be allocated to the area vocational education school, the educational service agency, and the local educational agency, based on each school's or agency's relative share of students described in paragraph (1)(B)(i) who are attending vocational education programs (based, if practicable, on the average enrollment for the prior 3 years); or

(B) such amount may be allocated on the basis of an agreement between the local educational agency and the area vocational education school or educational service agency.

(3) STATE DETERMINATION.—

(A) IN GENERAL.—For the purposes of this subsection, the State educational agency may determine the number of students who are low-income on the basis of—

(i) eligibility for—

(I) free or reduced-price meals under the National School Lunch Act (7 U.S.C. 1751 et seq.);

(II) assistance under a State program funded under part A of title IV of the Social Security Act;

(III) benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(IV) services under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.); and

(ii) another index of economic status, including an estimate of such index, if the State educational agency demonstrates to the satisfaction of the Federal Partnership that such index is a more representative means of determining such number.

(B) DATA.—If a State educational agency elects to use more than 1 factor described in subparagraph (A) for purposes of making the determination described in such subparagraph, the State educational agency shall ensure that the data used is not duplicative.

(4) APPEALS PROCEDURE.—The State educational agency shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium.

(5) SPECIAL RULE.—Notwithstanding the provisions of paragraphs (1), (2), (3), and (4), any local educational agency receiving an allocation that is not sufficient to conduct a secondary school vocational education program of sufficient size, scope, and quality to be effective may—

(A) form a consortium or enter into a cooperative agreement with an area vocational education school or educational service agency offering secondary school vocational education programs of sufficient size, scope, and quality to be effective and that are accessible to students who are individuals with disabilities or are low-income, and are served by such local educational agency; and

(B) transfer such allocation to the area vocational education school or educational service agency.

(e) SPECIAL RULE.—Each State educational agency distributing funds under this section shall treat a secondary school funded by the Bureau of Indian Affairs within the State as if such school were a local educational agency within the State for the purpose of receiving a distribution under this section.

SEC. 723. DISTRIBUTION FOR POSTSECONDARY AND ADULT VOCATIONAL EDUCATION.

(a) ALLOCATION.—

(1) IN GENERAL.—Except as provided in subsection (b) and section 725, each State educational agency, using the portion of the funds made available for any program year by such agency for postsecondary and adult vocational education under section 721(b)(3)(A)—

(A) shall reserve funds to carry out subsection (d); and

(B) shall distribute the remainder to eligible institutions or consortia of the institutions within the State.

(2) FORMULA.—Each such eligible institution or consortium shall receive an amount for the program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) from such remainder bears the same relationship to such remainder as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs offered by such institution or consortium for the preceding fiscal year bears to the number of all such individuals who are enrolled in any such program within the State for such preceding year.

(3) CONSORTIUM REQUIREMENTS.—In order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(A) provide services to all postsecondary institutions participating in the consortium; and

(B) are of sufficient size, scope, and quality to be effective.

(b) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Federal Partnership may waive the application of subsection (a) in the case of any State educational agency that submits to the Federal Partnership an application for such a waiver that—

(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of low-income individuals and that an alternative formula will result in such a distribution; and

(2) includes a proposal for an alternative formula that may include criteria relating to the number of individuals attending the institutions or consortia within the State who—

(A) receive need-based postsecondary financial aid provided from public funds;

(B) are members of families receiving assistance under a State program funded under part A of title IV of the Social Security Act;

(C) are enrolled in postsecondary educational institutions that—

(i) are funded by the State;

(ii) do not charge tuition; and

(iii) serve only low-income students;

(D) are enrolled in programs serving low-income adults; or

(E) are Pell Grant recipients.

(c) MINIMUM AMOUNT.—

(1) IN GENERAL.—No distribution of funds provided to any institution or consortium for a program year under this section shall be for an amount that is less than $50,000.

(2) REDISTRIBUTION.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia in accordance with the provisions of this section.

(d) SPECIAL RULE FOR CRIMINAL OFFENDERS.—Each State educational agency shall distribute the funds reserved under subsection (a)(1)(A) to 1 or more State corrections agencies to enable the State corrections agencies to administer vocational education programs for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(e) DEFINITION.—For the purposes of this section—

(1) the term "eligible institution" means a postsecondary educational institution, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that seeks to receive financial assistance under this section;

(2) the term "low-income", used with respect to a person, means a person who is determined under guidelines developed by the Federal Partnership to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; and

(3) the term "Pell Grant recipient" means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

SEC. 724. DISTRIBUTION FOR ADULT EDUCATION.

(a) IN GENERAL.—Except as provided in subsection (b)(3), from the amount made available by a State educational agency for adult education under section 721(b)(3)(B) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to establish or expand adult education programs.

(b) GRANT REQUIREMENTS.—

(1) ACCESS.—Each State educational agency making funds available for any program year for adult education under section 721(b)(3)(B) shall ensure that the entities described in subsection (a) will be provided direct and equitable access to all Federal funds provided under this section.

(2) CONSIDERATIONS.—In awarding grants under this section, the State educational agency shall consider—

(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which an applicant will coordinate and utilize other literacy and social services available in the community; and

(C) the commitment of the applicant to serve individuals in the community who are most in need of literacy services.

(3) CONSORTIA.—A State educational agency may award a grant under subsection (a) to a consortium that includes an entity described in subsection (a) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the purposes of this title; and

(B) enters into a contract with the entity described in subsection (a) for the purpose of establishing or expanding adult education programs.

(c) LOCAL ADMINISTRATIVE COSTS LIMITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by a State educational agency to an agency, organization, institution, or consortium described in subsection (a), at least 95 percent shall be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the State educational agency shall negotiate with the agency, organization, institution, or consortium described in subsection (a) in order to determine an adequate level of funds to be used for non-instructional purposes.

SEC. 725. SPECIAL RULE FOR MINIMAL ALLOCATION.

(a) GENERAL AUTHORITY.—For any program year for which a minimal amount is made available by a State educational agency for distribution under section 722 or 723 such agency may, notwithstanding the provisions of section 722 or 723, respectively, in order to make a more equitable distribution of funds for programs serving the highest numbers of low-income individuals (as defined in section 723(e)), distribute such minimal amount—

(1) on a competitive basis; or

(2) through any alternative method determined by the State educational agency.

(b) MINIMAL AMOUNT.—For purposes of this section, the term "minimal amount" means not more than 15 percent of the total amount made available by the State educational agency under section 721(b)(3)(A) for section 722 or 723, respectively, for such program year.

SEC. 726. REDISTRIBUTION.

(a) IN GENERAL.—In any program year that an entity receiving financial assistance under section 722 or 723 does not expend all of the amounts distributed to such entity for such year under section 722 or 723, respectively, such entity shall return any unexpended amounts to the State educational agency for distribution under section 722 or 723, respectively.

(b) REDISTRIBUTION OF AMOUNTS RETURNED LATE IN A PROGRAM YEAR.—In any program year in which amounts are returned to the State educational agency under subsection (a) for programs described in section 722 or 723 and the State educational agency is unable to redistribute such amounts according to section 722 or 723, respectively, in time for such amounts to be expended in such program year, the State educational agency shall retain such amounts for distribution in combination with amounts provided under such section for the following program year.

SEC. 727. LOCAL APPLICATION FOR WORKFORCE EDUCATION ACTIVITIES.

(a) IN GENERAL.—

(1) IN GENERAL.—Each eligible entity desiring financial assistance under this subtitle for workforce education activities shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as such agency (in consultation with such other educational entities as the State educational agency determines to be appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State workforce development plan.

(2) DEFINITION.—For the purpose of this section the term "eligible entity" means an entity eligible for financial assistance under section 722, 723, or 724 from a State educational agency.

(b) CONTENTS.—Each application described in subsection (a) shall, at a minimum—

(1) describe how the workforce education activities required under section 716(b), and other workforce education activities, will be carried out with funds received under this subtitle;

(2) describe how the activities to be carried out relate to meeting the State goals, and reaching the State benchmarks, concerning workforce education activities;

(3) describe how the activities to be carried out are an integral part of the comprehensive efforts of the eligible entity to improve education for all students and adults;

(4) describe the process that will be used to independently evaluate and continuously improve the performance of the eligible entity; and

(5) describe how the eligible entity will coordinate the activities of the entity with the activities of the local workforce development board, if any, in the substate area.

SEC. 728. LOCAL PARTNERSHIPS, AGREEMENTS, AND WORKFORCE DEVELOPMENT BOARDS.

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local partnerships (or, where established, local workforce development boards described in subsection (b)).

(2) LOCAL PARTNERSHIPS.—

(A) IN GENERAL.—A local partnership referred to in paragraph (1) shall be established by the local chief elected official, in accordance with subparagraphs (B) and (C), and shall consist of individuals representing business, industry, and labor, local secondary schools (including individuals representing teachers), local postsecondary education institutions, local adult education providers, local elected officials, rehabilitation agencies and organizations, community-based organizations, and veterans, within the appropriate substate area.

(B) MULTIPLE JURISDICTIONS.—In any case in which there are 2 or more units of general local government in the substate area involved, the chief elected official of each such unit shall appoint members of the local partnership in accordance with an agreement entered into by such chief elected officials. In the absence of such an agreement, such appointments shall be made by the Governor of the State involved from the individuals nominated or recommended by the chief elected officials.

(C) SELECTION OF BUSINESS AND INDUSTRY REPRESENTATIVES.—Individuals representing business and industry in the local partnership shall be appointed by the chief elected official from nominations submitted by business organizations in the substate area involved. Such individuals shall reasonably represent the industrial and demographic composition of the business community. Where possible, at least 50 percent of such business and industry representatives shall be representatives of small business.

(3) BUSINESS AND INDUSTRY INVOLVEMENT.—The business and industry representatives shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

(4) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local partnership (or, where established, the local workforce development board);

collaborated in reaching the agreement.

(5) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local partnership (or, where established, the local workforce development board), the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(6) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—Each State may facilitate the establishment of local workforce development boards in each substate area to set policy and provide oversight over the workforce development activities in the substate area.

(2) MEMBERSHIP.—

(A) STATE CRITERIA.—The Governor shall establish criteria for use by local chief elected officials in each substate area in the selection of members of the local workforce development boards, in accordance with the requirements of subparagraph (B).

(B) REPRESENTATION REQUIREMENT.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(i) representatives of business and industry in the substate area, who shall constitute a majority of the board;

(ii) representatives of labor, workers, and community-based organizations, who shall constitute not less than 25 percent of the members of the board;

(iii) representatives of local secondary schools, postsecondary education institutions, and adult education providers;

(iv) representatives of veterans; and

(v) 1 or more individuals with disabilities, or their representatives.

(C) CHAIR.—Each local workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(3) CONFLICT OF INTEREST.—No member of a local workforce development board shall vote on a matter relating to the provision of services by the member (or any organization that the member directly represents) or vote on a matter that would provide direct financial benefit to such member or the immediate family of such member or engage in any other activity determined by the Governor to constitute a conflict of interest.

(4) FUNCTIONS.—The functions of the local workforce development board shall include—

(A) submitting to the Governor a single comprehensive 3-year strategic plan for workforce development activities in the substate area that includes information—

(i) identifying the workforce development needs of local industries, students, jobseekers, and workers;

(ii) identifying the workforce development activities to be carried out in the substate area with funds received through the allotment made to the State under section 712, to meet the State goals and reach the State benchmarks; and

(iii) identifying how the local workforce development board will obtain the active and continuous participation of business, industry, labor, and the education community in the devel-

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AMENDMENT NO. 2660

On page 489, line 18, insert "volunteers," after "teachers,".

KERRY AMENDMENT NO. 2661

Mr. MOYNIHAN (for Mr. KERRY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 124, beginning on line 16, strike all through page 133, line 18, and insert the following:

SEC. 201. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI BENEFITS.

Paragraph (1) of section 1614(a) (42 U.S.C. 1382c(a)) is amended—

(1) in subparagraph (B)(i), by striking "either" and all that follows through ", or" and inserting "(I) a citizen; (II) a noncitizen who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act for a period of not more than 5 years after the date of arrival into the United States; (III) a noncitizen who is admitted to the United States as a refugee under section 207 of such Act for not more than such 5-year period; (IV) a noncitizen, lawfully present in any State (or any territory or possession of the United States), who is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage or who is the spouse or unmarried dependent child of such veteran; or (V) a noncitizen who has worked sufficient calendar quarters of coverage to be a fully insured individual for benefits under title II, or"; and

(2) by adding at the end the following new flush sentence:

"For purposes of subparagraph (B)(i)(IV), the determination of whether a noncitizen is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. A noncitizen shall not be considered to be lawfully present in the United States for purposes of this title merely because the noncitizen may be considered to be permanently residing in the United States under color of law for purposes of any particular program.".

SEC. 202. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.".

SEC. 203. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by adding at the end the following new paragraph:

"(6) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

SEC. 204. EFFECTIVE DATES; APPLICATION TO CURRENT RECIPIENTS.

(a) SECTION 201.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by section 201 shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) APPLICATION AND NOTICE.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by section 201, such amendments shall apply with respect to the benefits of such individual for months beginning on or after January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

(B) REAPPLICATION.—

(i) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subparagraph (A) who desires to reapply for benefits under title XVI of the Social Security Act, as amended by this title, shall reapply to the Commissioner of Social Security.

(ii) DETERMINATION OF ELIGIBILITY.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall determine the eligibility of each individual who reapplies for benefits under clause (i) pursuant to the procedures of such title.

(b) OTHER AMENDMENTS.—The amendments made by sections 202 and 203 shall take effect on the date of the enactment of this Act.

Subtitle B—Benefits for Disabled Children

SEC. 211. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

KERRY AMENDMENT NO. 2662

Mr. MOYNIHAN (for Mr. KERRY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 122, between lines 11 and 12, insert:

SEC. 110. DEMONSTRATION PROJECTS FOR SCHOOL UTILIZATION.

(a) FINDINGS.—It is the goal of the United States that children grow to be self-sufficient citizens, that parents equip themselves to provide the best parental care and guidance to their children, and that welfare dependency, crime, and the deterioration of neighborhoods be eliminated. It will contribute to these goals to increase the level of parents' involvement in their children's school and other activities, to increase the amount of time parents spend with or in close proximity to their children, to increase the portion of the day and night when children are in a safe and healthy environment and not exposed to unfavorable influences, to

increase the opportunities for children to participate in safe, healthy, and enjoyable extra-curricular and organized developmental and recreational activities, and to make more accessible the opportunities for parents, especially those dependent on public assistance, to increase and enhance their parenting and living skills. All of these contributions can be facilitated by establishing the neighborhood public school as a focal point for such activities and by extending the hours of the day in which its facilities are available for such activities.

(b) GRANTS.—The Secretary of Education (hereafter in this section referred to as the "Secretary") shall make demonstration grants as provided in subsection (c) to States to enable them to increase the number of hours during each day when existing public school facilities are available for use for the purposes set forth in subsection (d).

(c) SELECTION OF STATES.—The Secretary shall make grants to not more than 5 States for demonstration projects in accordance with this section. Each State shall select the number and location of schools based on the amount of funds it deems necessary for a school properly to achieve the goals of this program. The schools selected must have a significant percentage of students receiving benefits under part A of title IV of the Social Security Act. No more than 2 percent of the grant to any State shall be used for administrative expenses of any kind by any entity (except that none of the activities set forth in paragraphs (1) and (2) of subsection (d) shall be considered an administrative activity the expenses for which are limited by this subsection).

(d) USE OF FUNDS.—The grants made under subsection (b), in order that school facilities can be more fully utilized, shall be used to provide funding for, among other things—

(1) extending the length of the school day, expanding the scope of student programs offered before and after pre-existing school hours, enabling volunteers and parents or professionals paid from other sources to teach, tutor, coach, organize, advise, or monitor students before and after pre-existing school hours, and providing security, supplies, utilities, and janitorial services before and after pre-existing school hours for these programs,

(2) making the school facilities available for community and neighborhood clubs, civic associations and organizations, Boy and Girl Scouts and similar organizations, adult education classes, organized sports, parental education classes, and other educational, recreational, and social activities.

None of the funds provided under this section can be used to supplant funds already provided to a school facility for services, equipment, personnel, or utilities nor can funds be used to pay costs associated with operating school facilities during hours those facilities are already available for student or community use.

(e) APPLICATIONS.—

(1) IN GENERAL.—The Governor of each State desiring to conduct a demonstration project under this section shall prepare and submit to the Secretary an application in such manner and containing such information as the Secretary may require. The Secretary shall actively encourage States to submit such applications.

(2) APPROVAL.—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this section and shall approve such applications in a number of States to be determined by the Secretary (not to exceed 5), taking into account the overall funding levels available under this section.

(f) DURATION.—A demonstration project under this section shall be conducted for not more than 4 years plus an additional time period of up to 12 months for final evaluation and reporting. The Secretary may terminate a project if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this section.

(g) EVALUATION PLAN.—

(1) STANDARDS.—Not later than 3 months after the date of the enactment of this section, the Secretary shall develop standards for evaluating the effectiveness of each demonstration project in contributing toward meeting the objectives set forth in subsection (a), which shall include the requirement that an independent expert entity selected by the Secretary provide an evaluation of all demonstration projects, which evaluations shall be included in the appropriate State's annual and final reports to the Secretary under subsection (h)(1).

(2) SUBMISSION OF PLAN.—Each State conducting a demonstration project under this section shall submit an evaluation plan (meeting the standards developed by the Secretary under paragraph (1)) to the Secretary not later than 90 days after the State is notified of the Secretary's approval for such project. A State shall not receive any Federal funds for the operation of the demonstration project until the Secretary approves such evaluation plan.

(h) REPORTS.—

(1) STATE.—A State that conducts a demonstration project under this section shall prepare and submit to the Secretary annual and final reports in accordance with the State's evaluation plan under subsection (g)(2) for such demonstration project.

(2) SECRETARY.—The Secretary shall prepare and submit to the Congress annual reports concerning each demonstration project under this Act.

(i) AUTHORIZATIONS.—

(1) GRANTS.—There are authorized to be appropriated for grants under subsection (b) for each of fiscal years 1996, 1997, 1998, 1999, and 2000, $10,000,000.

(2) ADMINISTRATION.—There are authorized to be appropriated $1,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 for the administration of this section by the Secretary, including development of standards and evaluation of all demonstration projects by an independent expert entity under subsection (g)(1).

KERRY AMENDMENTS NOS. 2663–2664

Mr. MOYNIHAN (for Mr. KERRY) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2663

On page 122, between lines 11 and 12, insert:

SEC. 110. DEMONSTRATION PROJECTS FOR SCHOOL UTILIZATION.

(a) FINDINGS.—It is the goal of the United States that children grow to be self-sufficient citizens, that parents equip themselves to provide the best parental care and guidance to their children, and that welfare dependency, crime, and the deterioration of neighborhoods be eliminated. It will contribute to these goals to increase the level of parents' involvement in their children's school and other activities, to increase the amount of time parents spend with or in close proximity to their children, to increase the portion of the day and night when children are in a safe and healthy environment and not exposed to unfavorable influences, to increase the opportunities for children to participate in safe, healthy, and enjoyable extra-curricular and organized developmental and recreational activities, and to make more accessible the opportunities for parents, especially those dependent on public assistance, to increase and enhance their parenting and living skills. All of these contributions can be facilitated by establishing the neighborhood public school as a focal point for such activities and by extending the hours of the day in which its facilities are available for such activities.

(b) GRANTS.—The Secretary of Education (hereafter in this section referred to as the "Secretary") shall make demonstration grants as provided in subsection (c) to States to enable them to increase the number of hours during each day when existing public school facilities are available for use for the purposes set forth in subsection (d).

(c) SELECTION OF STATES.—The Secretary shall make grants to not more than 5 States for demonstration projects in accordance with this section. Each State shall select the number and location of schools based on the amount of funds it deems necessary for a school properly to achieve the goals of this program. The schools selected must have a significant percentage of students receiving benefits under part A of title IV of the Social Security Act. No more than 2 percent of the grant to any State shall be used for administrative expenses of any kind by any entity (except that none of the activities set forth in paragraphs (1) and (2) of subsection (d) shall be considered an administrative activity the expenses for which are limited by this subsection).

(d) USE OF FUNDS.—The grants made under subsection (b), in order that school facilities can be more fully utilized, shall be used to provide funding for, among other things—

(1) extending the length of the school day, expanding the scope of student programs offered before and after pre-existing school hours, enabling volunteers and parents or professionals paid from other sources to teach, tutor, coach, organize, advise, or monitor students before and after pre-existing school hours, and providing security, supplies, utilities, and janitorial services before and after pre-existing school hours for these programs,

(2) making the school facilities available for community and neighborhood clubs, civic associations and organizations, Boy and Girl Scouts and similar organizations, adult education classes, organized sports, parental education classes, and other educational, recreational, and social activities.

None of the funds provided under this section can be used to supplant funds already provided to a school facility for services, equipment, personnel, or utilities nor can funds be used to pay costs associated with operating school facilities during hours those facilities are already available for student or community use.

(e) APPLICATIONS.—

(1) IN GENERAL.—The Governor of each State desiring to conduct a demonstration project under this section shall prepare and submit to the Secretary an application in such manner and containing such information as the Secretary may require. The Secretary shall actively encourage States to submit such applications.

(2) APPROVAL.—The Secretary shall consider all applications received from States

desiring to conduct demonstration projects under this section and shall approve such applications in a number of States to be determined by the Secretary (not to exceed 5), taking into account the overall funding levels available under this section.

(f) DURATION.—A demonstration project under this section shall be conducted for not more than 4 years plus an additional time period of up to 12 months for final evaluation and reporting. The Secretary may terminate a project if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this section.

(g) EVALUATION PLAN.—

(1) STANDARDS.—Not later than 3 months after the date of the enactment of this section, the Secretary shall develop standards for evaluating the effectiveness of each demonstration project in contributing toward meeting the objectives set forth in subsection (a), which shall include the requirement that an independent expert entity selected by the Secretary provide an evaluation of all demonstration projects, which evaluations shall be included in the appropriate State's annual and final reports to the Secretary under subsection (h)(1).

(2) SUBMISSION OF PLAN.—Each State conducting a demonstration project under this section shall submit an evaluation plan (meeting the standards developed by the Secretary under paragraph (1)) to the Secretary not later than 90 days after the State is notified of the Secretary's approval for such project. A State shall not receive any Federal funds for the operation of the demonstration project until the Secretary approves such evaluation plan.

(h) REPORTS.—

(1) STATE.—A State that conducts a demonstration project under this section shall prepare and submit to the Secretary annual and final reports in accordance with the State's evaluation plan under subsection (g)(2) for such demonstration project.

(2) SECRETARY.—The Secretary shall prepare and submit to the Congress annual reports concerning each demonstration project under this Act.

(i) AUTHORIZATIONS.—

(1) GRANTS.—There are authorized to be appropriated for grants under subsection (b) for each of fiscal years 1996, 1997, 1998, 1999, and 2000, $10,000,000.

(2) ADMINISTRATION.—There are authorized to be appropriated $1,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 for the administration of this section by the Secretary, including development of standards and evaluation of all demonstration projects by an independent expert entity under subsection (g)(1).

SEC. 111. STUDY OF SCHOOLS WITH STUDENTS FAILING TO ENTER WORKFORCE.

(a) STUDY.—The Secretary of Education shall conduct a study to—

(1) determine which high schools have the highest proportion of students, both those who graduate and those who drop out before graduating, who never reach the workforce, and establish the reasons for such disproportionate failure, and

(2) measure the educational effectiveness of existing innovative educational mechanisms, including charter schools, extended school days, the community schools program, and child care programs, in increasing the proportion of a school's students who become a part of the workforce.

(b) REPORT.—The Secretary shall, not later than January 1, 1997, report to the Congress the results of the study conducted under subsection (a), including recommendations with respect to measures which prove effective in assisting schools in preparing students for the workforce.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $7,000,000 to carry out the purposes of this section.

SEC. 112. SCHOOL CARE FOR CHILDREN OF INDIVIDUALS REQUIRED TO WORK.

Notwithstanding any other provision of, or amendment made by, this title, if a State requires an individual receiving assistance under a State program funded under part A of title IV to engage in work activities, the State shall provide adult-supervised care to each school-age child of the individual before and after school during the hours during which the individual is working and in transit between home and work. Such care shall be provided at the location where each child attends school. Comparable activities shall be provided during the same daily time periods for all days during which the individual is working but school is not in session.

SEC. 113. PARENTAL RESPONSIBILITY CONTRACTS.

(a) ASSESSMENT.—Notwithstanding any other provision of, or amendment made by, this title, each State to which a grant is made under section 403 of the Social Security Act shall provide that the State agency, through a case manager, shall make an initial assessment of the education level, parenting skills, and history of parenting activities and involvement of each parent who is applying for financial assistance under the plan.

(b) PARENTAL RESPONSIBILITY CONTRACTS.—On the basis of the assessment made under subsection (a) with respect to each parent applicant, the case manager, in consultation with the parent applicant (hereafter in this subsection referred to as the "client"), and, if possible, the client's spouse if one is present, shall develop a parental responsibility contract for the client, which meets the following requirements:

(1) Sets forth the obligations of the client, including all of the following the case manager believes are within the ability and capacity of the client, are not incompatible with the employment or school activities of the client, and are not inconsistent with each other in the client's case or with the well being of the client's children:

(A) Attend school, if necessary, and maintain certain grades and attendance.

(B) Keep school-age children of the client in school.

(C) Immunize children of the client.

(D) Attend parenting and money management classes.

(E) Participate in parent and teachers associations and other activities intended to involve parents in their children's school activities and in the affairs of their children's school.

(F) Attend school activities with their children where attendance or participation by both children and parents is appropriate.

(G) Undergo appropriate substance abuse treatment counseling.

(H) Any other appropriate activity, at the option of the State.

(2) Provides that the client shall accept any bona fide offer of unsubsidized full-time employment, unless the client has good cause for not doing so.

(c) PENALTIES FOR NONCOMPLIANCE WITH PARENTAL RESPONSIBILITY CONTRACT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the following penalties shall apply:

(A) PROGRESSIVE REDUCTIONS IN ASSISTANCE FOR 1ST AND 2ND ACTS OF NON-COMPLIANCE.—The State plan shall provide that the amount of assistance otherwise payable under this part to a family that includes a client who, with respect to a parental responsibility contract signed by the client, commits an act of noncompliance without good cause, shall be reduced by—

(i) 33 percent for the 1st such act of noncompliance; or

(ii) 66 percent for the 2nd such act of noncompliance.

(B) DENIAL OF ASSISTANCE FOR 3RD AND SUBSEQUENT ACTS OF NONCOMPLIANCE.—The State shall provide that in the case of the 3rd or subsequent such act of noncompliance, the family of which the client is a member shall not thereafter be eligible for assistance under this part.

(C) LENGTH OF PENALTIES.—The penalty for an act of noncompliance shall not exceed the greater of—

(i) in the case of—

(I) the 1st act of noncompliance, 1 month,

(II) the 2nd act of noncompliance, 3 months, or

(III) the 3rd or subsequent act of noncompliance, 6 months; or

(ii) the period ending with the cessation of such act of noncompliance.

(D) DENIAL OF ASSISTANCE TO ADULTS REFUSING TO ACCEPT A BONA FIDE OFFER OF EMPLOYMENT.—The State plan shall provide that if an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment without good cause, such act of noncompliance shall be considered a 3rd or subsequent act of noncompliance.

(2) STATE FLEXIBILITY.—The State plan may provide for different penalties than those specified in paragraph (1).

SEC. 114. AMENDMENT TO GOALS 2000: EDUCATE AMERICA ACT.

Section 102 of the Goals 2000: Educate America Act (20 U.S.C. 5812) is amended by adding at the end the following new paragraph:

"(9) SELF-SUFFICIENCY.—By the year 2000, fewer Americans will need to rely on welfare benefits because—

"(A) schools will place greater emphasis on equipping all students to achieve economic self-sufficiency in adulthood, regardless of whether they pursue higher education;

"(B) schools will not compromise educational standards in order to graduate students who have not achieved the recognized educational competency levels applicable to high school graduates; and

"(C) schools will focus more attention and resources on ensuring that children from families who receive public assistance, or are at risk of needing public assistance, make expected scholastic progress throughout their elementary and secondary schooling or are provided with special assistance and directed to remedial programs and activities designed to return them to expected levels of progress."

AMENDMENT NO. 2664

On page 122, between lines 11 and 12, insert:

SEC. 110. PARENTAL RESPONSIBILITY CONTRACTS.

(a) ASSESSMENT.—Notwithstanding any other provision of, or amendment made by, this title, each State to which a grant is made under section 403 of the Social Security Act shall provide that the State agency, through a case manager, shall make an initial assessment of the education level, parenting skills, and history of parenting activities and involvement of each parent who

is applying for financial assistance under the plan.

(b) PARENTAL RESPONSIBILITY CONTRACTS.—On the basis of the assessment made under subsection (a) with respect to each parent applicant, the case manager, in consultation with the parent applicant (hereafter in this subsection referred to as the "client") and, if possible, the client's spouse if one is present, shall develop a parental responsibility contract for the client, which meets the following requirements:

(1) Sets forth the obligations of the client, including all of the following the case manager believes are within the ability and capacity of the client, are not incompatible with the employment or school activities of the client, and are not inconsistent with each other in the client's case or with the well being of the client's children:

(A) Attend school, if necessary, and maintain certain grades and attendance.

(B) Keep school-age children of the client in school.

(C) Immunize children of the client.

(D) Attend parenting and money management classes.

(E) Participate in parent and teacher associations and other activities intended to involve parents in their children's school activities and in the affairs of their children's school.

(F) Attend school activities with their children where attendance or participation by both children and parents is appropriate.

(G) Undergo appropriate substance abuse treatment counseling.

(H) Any other appropriate activity, at the option of the State.

(2) Provides that the client shall accept any bona fide offer of unsubsidized full-time employment, unless the client has good cause for not doing so.

(c) PENALTIES FOR NONCOMPLIANCE WITH PARENTAL RESPONSIBILITY CONTRACT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the following penalties shall apply:

(A) PROGRESSIVE REDUCTIONS IN ASSISTANCE FOR 1ST AND 2ND ACTS OF NON-COMPLIANCE.—The State plan shall provide that the amount of assistance otherwise payable under this part to a family that includes a client who, with respect to a parental responsibility contract signed by the client, commits an act of noncompliance without good cause, shall be reduced by—

(i) 33 percent for the 1st such act of noncompliance; or

(ii) 66 percent for the 2nd such act of noncompliance.

(B) DENIAL OF ASSISTANCE FOR 3RD AND SUBSEQUENT ACTS OF NONCOMPLIANCE.—The State shall provide that in the case of the 3rd or subsequent such act of noncompliance, the family of which the client is a member shall not thereafter be eligible for assistance under this part.

(C) LENGTH OF PENALTIES.—The penalty for an act of noncompliance shall not exceed the greater of—

(i) in the case of—

(I) the 1st act of noncompliance, 1 month,

(II) the 2nd act of noncompliance, 3 months, or

(III) the 3rd or subsequent act of noncompliance, 6 months; or

(ii) the period ending with the cessation of such act of noncompliance.

(D) DENIAL OF ASSISTANCE TO ADULTS REFUSING TO ACCEPT A BONA FIDE OFFER OF EMPLOYMENT.—The State plan shall provide that if an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment without good cause, such act of noncompliance shall be considered a 3rd or subsequent act of noncompliance.

(2) STATE FLEXIBILITY.—The State plan may provide for different penalties than those specified in paragraph (1).

HARKIN AMENDMENT NO. 2665

Mr. MOYNIHAN (for Mr. HARKIN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 10, line 10, strike all through page 77, line 21, and insert the following:

(b) REDUCTION IN INDIVIDUAL TAX RATES.—Section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) is amended by adding at the end the following new subsection:

"(i) ADJUSTMENTS IN TAX TABLES TO REFLECT REPEAL OF CERTAIN PROGRAMS.—

"(1) IN GENERAL.—Not later than December 15 of 1995, and each subsequent calendar year, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) (after the application of subsection (f)) with respect to taxable years beginning in the succeeding calendar year.

"(2) METHOD OF PRESCRIBING TABLES.—The tables under paragraph (1) shall be prescribed by reducing the rates of tax proportionately such that the resulting loss of revenue for such calendar year equals the estimated total expenditures for the fiscal year in which such calendar year begins for part A of title IV of the Social Security Act as proposed to be added by Senate amendment numbered 2280 (as in effect on September 8, 1995).

Beginning on page 83, line 16, strike through page 86, line 3.

Beginning on page 87, line 6, strike through page 120, line 8.

Beginning on page 122, line 12, strike through page 124, line 12.

BREAUX (AND OTHERS) AMENDMENTS NOS. 2666–2667

Mr. MOYNIHAN (for Mr. BREAUX, Mr. KENNEDY, Mr. PELL, and Mr. DASCHLE) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2666

In section 702(a)(8), strike "private sector leadership in designing" and insert "private sector leadership and the diverse and changing demands of employers and workers in designing".

In section 702(b)(1), insert before the semicolon the following: "and to respond more effectively to changing local labor markets".

In section 703(29), insert before the period the following: "and designed to ensure that local labor and education and training markets are responsive to the diverse and changing demands of employers and workers".

In section 716(a)(2)(B)(viii), strike "; and" and insert a semicolon.

In section 716(a)(2)(B)(ix), strike the period and insert "; and".

At the end of section 716(a)(2)(B), add the following:

(x) establishment of such system of individual skill grants as will enable dislocated workers who are unable to find new jobs through the core services described in clauses (i) through (ix), and who are unable to obtain other grant assistance (such as a Pell Grant), to learn new skills to find new jobs.

In section 716(a)(9), strike "provided under this subtitle" and insert "provided under this subtitle for persons age 18 or older who are unable to obtain other assistance (such as a Pell Grant)".

At the end of section 731(b), add the following new paragraph:

(3) RESPONSIVENESS TO MARKET DEMAND.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of ensuring that the local labor and education and training markets in the State are responsive to the diverse and changing demands of employers and workers.

At the end of section 731(c), add the following:

(8) RESPONSIVENESS TO MARKET DEMAND.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State in meeting the goal described in subsection (b)(3).

In section 732(a)(1)(A), strike "; or" and insert a semicolon.

In section 732(a)(1)(B), strike the period and insert "; or".

At the end of section 732(a)(1), add the following:

(C) demonstrates to the Federal Partnership that the State has made a substantial increase in the number of dislocated workers placed in unsubsidized employment, the reemployment wage rates of the workers, or the speed of reemployment of the workers through the use of training vouchers or other continually improving systems that respond effectively to the diverse and changing demands of local employers and workers.

AMENDMENT NO. 2667

Beginning on page 345, strike line 14 and all that follows through page 370, line 19, and insert the following:

(vii) the steps the State will take over the 3 years covered by the plan to comply with the requirements specified in section 716(a)(3) relating to the provision of education and training services;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d);

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(H)(i) describing the steps that the State will take to segregate the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount allotted to the State from funds made available under such section 901(c)(1)(A) to carry out the required activities described in clauses (ii) through (v) of section 716(a)(2)(B) and section 773;

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 731(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), (4), and (5); and

(B) may be used to carry out the activities described in paragraphs (6), (7), (8), and (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) EDUCATION AND TRAINING SERVICES.—

(A) IN GENERAL.—The State shall use a portion of the funds described in paragraph (1) to provide education and training services in accordance with this paragraph to adults, each of whom—

(i) is unable to obtain employment through core services described in paragraph (2)(B);

(ii) needs the education and training services in order to obtain employment, as determined through—

(I) an initial assessment under paragraph (2)(B)(ii); or

(II) a comprehensive and specialized assessment; and

(iii) is unable to obtain other grant assistance, such as a Pell Grant provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), for such services.

(B) TYPES OF SERVICES.—Such education and training services may include the following:

(i) Occupational skills training, including training for nontraditional employment.

(ii) On-the-job training.

(iii) Services that combine workplace training with related instruction.

(iv) Skill upgrading and retraining.

(v) Entrepreneurial training.

(vi) Preemployment training to enhance basic workplace competencies, provided to individuals who are determined under guidelines developed by the Federal Partnership to be low-income.

(vii) Customized training conducted with a commitment by an employer or group of employers to employ an individual on successful completion of the training.

(C) USE OF VOUCHERS FOR DISLOCATED WORKERS.—

(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), education and training services described in subparagraph (B) shall be provided to dislocated workers through a system of vouchers that is administered through one-stop delivery described in paragraph (2).

(ii) EXCEPTIONS.—Education and training services described in subparagraph (B) may be provided to dislocated workers in a substate area through a contract for services in lieu of a voucher if—

(I) the local partnership described in section 728(a), or local workforce development board described in section 728(b), for the substate area determines there are an insufficient number of eligible entities in the substate area to effectively provide the education and training services through a voucher system;

(II) the local partnership or local workforce development board determines that the eligible entities in the substate area are unable to effectively provide the education and training services to special participant populations; or

(III) the local partnership or local workforce development board decides that the education and training services shall be provided through a direct contract with a community-based organization serving special participant populations.

(iii) PROHIBITION ON PROVISION OF ON-THE-JOB TRAINING THROUGH VOUCHERS.—On-the-job training provided under this paragraph shall not be provided through a voucher system.

(D) ELIGIBILITY OF EDUCATION AND TRAINING SERVICE PROVIDERS.—

(i) ELIGIBILITY REQUIREMENTS.—An entity shall be eligible to provide the education and training services through a program carried out under this paragraph and receive funds from the portion described in subparagraph (A) through the receipt of vouchers if—

(I)(aa) the entity is eligible to carry out the program under title IV of the Higher Education Act of 1965; or

(bb) the entity is eligible to carry out the program under an alternative eligibility procedure established by the Governor of the State that includes criteria for minimum acceptable levels of performance; and

(II) the entity submits accurate performance-based information required pursuant to clause (ii), except that entities described in subclause (I)(aa) shall only be required to provide information for programs other than programs leading to a degree.

(ii) PERFORMANCE-BASED INFORMATION.—The State shall identify performance-based information that is to be submitted by an entity for the entity to be eligible to provide the services, and receive the funds, described in clause (i). Such information shall include information relating to—

(I) the percentage of students completing the programs, if any, through which the entity provides education and training services described in subparagraph (B), as of the date of the submission;

(II) the rates of licensure of graduates of the programs;

(III) the percentage of graduates of the programs meeting skill standards and certification requirements endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act;

(IV) the rates of placement and retention in employment, and earnings, of the graduates of the programs;

(V) the percentage of students in such a program who obtained employment in an occupation related to the program; and

(VI) the warranties or guarantees provided by such entity relating to the skill levels or employment to be attained by recipients of the education and training services provided by the entity under this paragraph.

(iii) ADMINISTRATION.—The Governor shall designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to clause (ii).

(iv) ON-THE-JOB TRAINING EXCEPTION.—Entities shall not be subject to the requirements of clauses (i) through (iii) with respect to on-the-job training activities.

(4) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(5) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(6) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(7) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) training to develop work habits to help individuals obtain and retain employment;

(B) rapid response assistance for dislocated workers;

(C) preemployment and work maturity skills training for youth;

(D) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(E) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(F) case management services;

(G) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(H) followup services for participants who are placed in unsubsidized employment; and

(I) an employment and training program described in section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(8) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(9) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(10) FUNDS FROM UNEMPLOYMENT TRUST FUND.—Funds made available to a Governor under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) for a program year shall only be available for workforce employment activities authorized under such section 901(c)(1)(A), which are—

(A) the administration of State unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law);

(B) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B); and

(C) carrying out the activities described in sections 4103, 4103A, 4104, and 4104A of title 38, United States Code (relating to veterans' employment services).

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age,

including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) FISCAL REQUIREMENTS FOR WORKFORCE EDUCATION ACTIVITIES.—

(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) MAINTENANCE OF EFFORT.—

(A) DETERMINATION.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) WAIVER.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) FLEXIBLE WORKFORCE ACTIVITIES.—

(1) CORE FLEXIBLE WORKFORCE ACTIVITIES.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) PERMISSIBLE FLEXIBLE WORKFORCE ACTIVITIES.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) LIMITATIONS.—

(1) WAGES.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) RELOCATION.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) LIMITATIONS ON PARTICIPANTS.—

(1) DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(7) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(7) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(7), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) STATE PROVISION OF SERVICES.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(7); and

(ii) are otherwise unable to obtain such services.

(h) SPECIAL RULE.—References in section 703(39), and section 7(38) of the Rehabilitation Act of 1973, to section 716(a)(8) shall be deemed to be references to section 716(a)(9).

MIKULSKI AMENDMENTS NOS. 2668–2669

Mr. MOYNIHAN (for Ms. MIKULSKI) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2668

On page 520, strike lines 17 through 19 and insert the following:

(7) Title VII of the Stewart B. McKinney

AMENDMENT NO. 2669

On page 10, line 24, insert "in a way that does not encourage the break up of 2-parent families" after "minor children".

On page 12, between lines 22 and 23, insert the following:

"(G) Develop and implement, in cases where appropriate and beneficial to the child, a program that encourages participation of both parents in the parenting of the child or children and encourages two-parent families.

On page 17, line 22, strike "amount (if any) determined under subparagraph (B)" and insert "amount determined under subparagraphs (B) and (C)".

On page 18, between lines 15 and 16, insert the following:

"(C) AMOUNT DETERMINED.—The amount determined under this subparagraph is the amount which bears the same ratio to the amount specified under section 413A(h) as the amount otherwise determined for such State under subparagraph (A) (without regard to the reduction determined under this subparagraph) bears to $16,795,323.

On page 18, line 16, strike "(C)" and insert "(D)".

On page 18, line 21, strike "subparagraph (B)" and insert "subparagraphs (B) and (C)".

On page 22, line 15, strike "and".

On page 22, line 17, strike the period and insert "; and".

On page 22, between lines 17 and 18, insert:

"(iii) grants to States under section 413A.

On page 42, between lines 21 and 22, insert the following:

"(f) DISREGARD OF FIRST $50 OF CHILD SUPPORT.—A State to which a grant is made under section 403 shall, in determining the eligibility of a family for assistance under the State program funded under this part, disregard for any month the first $50 of any child support payments received by such family received in that month.

On page 50, line 5, strike the period and insert a semicolon.

On page 50, between lines 5 and 6, insert the following:

"except that if a State elects to deny benefits under this subsection the State shall certify to the Secretary that the State has established financial incentives to encourage recipients of assistance to marry. Such incentives must permit recipients who marry to retain benefits that are at least equal in value to the amount of the penalty imposed on other families under this subsection.".

On page 51, between lines 11 and 12 , insert the following new subsection:

"(e) PROHIBITION OF THE 100 HOUR RULE.—A State to which a grant is made under section 403 may not deny an individual eligibility for assistance under such grant solely on the basis of the number of hours worked by the spouse of the individual.

On page 51, line 12, strike "(e)" and insert "(f).

On page 69, between lines 22 and 23, insert the following:

"SEC. 413A. TRAINING AND EMPLOYMENT FOR NON-CUSTODIAL PARENTS.

"(a) IN GENERAL.—The Secretary shall make grants to States with applications approved under this section to conduct programs of training and employment opportunities for noncustodial parents in accordance with the requirements of this section.

"(b) APPLICATION.—

"(1) IN GENERAL.—Each State desiring to conduct a program under this section shall prepare and submit to the Secretary an application described in paragraph (2) at such time, in such manner, and containing such information as the Secretary may require.

"(2) APPLICATION DESCRIBED.—An application to conduct a program under this section shall—

"(A) describe the political subdivision or subdivisions, or other identifiable areas of the State where the program will be conducted;

"(B) describe the services that will be provided to participants, including the training, job readiness services, and employment opportunities that will be available, and indicate whether these will be provided through the program under this part or whether some or all of the activities under this subsection will be conducted as a separate program;

"(C) describe the supportive services that will be provided to enhance the participant's involvement in the program and ability to obtain employment and meet his or her child support obligations;

"(D) indicate whether the State will conduct a random assignment evaluation of the effects of the program on improved responsibility in meeting child support obligations; and

"(E) provide assurance that the State's program will comply with the requirements of this subsection.

"(c) ELIGIBILITY FOR PARTICIPATION IN THE PROGRAM.—The application described in subsection (b)(1) shall provide that a noncustodial parent will be eligible to commence participation in the program under this section if his or her child is receiving assistance under the State program funded under this part or if the noncustodial parent owes past-due child support which has been assigned to the State and is unemployed. Paternity must be established before a noncustodial father may enter the program, and the noncustodial parent must be cooperating in the establishment of a child support obligation and the entry of an award. If a parent who has been participating in the program ceases to be eligible therefore because the child with respect to whom the support obligation exists is no longer eligible for assistance under the State program funded under this part, the State must nonetheless allow the participant to complete the training or program activity.

"(d) NO GUARANTEE OF PARTICIPATION OR ACCESS TO SERVICES.—A State conducting a program under this section shall not be required—

"(1) to accept all applicants even though they meet the criteria of subsection (c); or

"(2) to provide the same training, services, or employment opportunities to all participants.

"(e) WAGES.—The State agency shall assure that wages will be paid for work performed by the participant and may provide for the payment of training stipends.

"(f) CHILD SUPPORT.—

"(1) GARNISHMENT.—The State agency shall garnish subsidized wages, or any stipends, paid in connection with a non-custodial parent's participation in the program under this section, and remit them to the State agency administering the State plan approved under part D for distribution as a child support collection in accordance with the provisions of that part.

"(2) CREDITING OF PAST DUE AMOUNTS.—The State may provide, if, with respect to an individual participating in the program under this section, it has jurisdiction over the child support obligation being enforced, that hours of participation in program activities may, or a reasonable basis, be credited to reduce amounts of past-due child support owed to such State agency by the individual.

"(g) MINIMUM PARTICIPATION RATE.—For purposes of determining the minimum participation rates for a fiscal year under section 404, an individual participating in the program under this section shall be included in the number determined under section 404(b)(1)(B)(i)(I) for purposes of determining the participation rate for 2-parent families under section 404(b)(2).

"(h) FUNDING.—The following amounts shall be available to make grants under this section:

"(1) $80,000,000 of the amount appropriated under section 403(a)(4) for fiscal year 1996.

"(2) $100,000,000 of the amount appropriated under section 403(a)(4) for fiscal year 1997.

"(3) $130,000,000 of the amount appropriated under section 403(a)(4) for fiscal year 1998.

"(4) $150,000,000 of the amount appropriated under section 403(a)(4) for fiscal year 1999.

"(5) $175,000,000 of the amount appropriated under section 403(a)(4) for fiscal year 2000.

On page 580, between lines 22 and 23, insert the following:

"(1) FOR ALL FAMILIES.—The State shall distribute the first $50 of such amount to the family.

On page 580, line 23, strike "(1)" and insert "(2)".

On page 581, line 5, strike "(2)" and insert "(3)".

On page 583, line 3, strike "(3)" and insert "(4)".

On page 641, between lines 11 and 12, insert the following:

SEC. 426. DURATION OF SUPPORT.

Section 466(a) (42 U.S.C. 666(a)), as amended by this Act, is amended—

(1) by inserting after paragraph (16) the following new paragraph:

"(17) Procedures under which the State—

"(A) requires a continuing support obligation by the noncustodial parent until at least the later of the date on which a child for whom a support obligation is owed reaches the age of 18, or graduates from or is no longer enrolled in secondary school or its equivalent, unless a child marries, joins the United States armed forces, or is otherwise emancipated under State law;

"(B)(i) provides that courts or administrative agencies with child support jurisdiction have the discretionary power, until the date on which the child involved reaches the age of 22, pursuant to criteria established by the State, to order child support, payable directly or indirectly (support may be paid directly to a postsecondary or vocational school or college) to a child, at least up to the age of 22 for a child enrolled full-time in an accredited postsecondary or vocational school or college and who is a student in good standing; and

"(ii) may, without application of the rebuttable presumption in section 467(b)(2), award support under this subsection in amounts that, in whole or in part, reflect the actual costs of post secondary education; and

"(C) provides for child support to continue beyond the child's age of majority provided the child is disabled, unable to be self-supportive, and the disability arose during the child's minority."; and

(2) by adding at the end the following new sentence: "Nothing in paragraph (17) shall preclude a State from imposing more extensive child support obligations or obligations of longer duration.".

On page 792, after line 22, add the following new title:

TITLE ___—CHILD CUSTODY REFORM

SEC. ___01. SHORT TITLE.

This title may be cited as the "Child Custody Reform Act of 1995".

SEC. ___02. REQUIREMENTS FOR EXCLUSIVE CONTINUING JURISDICTION MODIFICATION.

Section 1738A of title 28, United States Code, is amended—

(1) in subsection (d) to read as follows:

"(d)(1) Subject to paragraph (2) the jurisdiction of a court of a State that has made a child custody or visitation determination in accordance with this section continues exclusively as long as such State remains the residence of the child or of any contestant.

"(2) Continuing jurisdiction under paragraph (1) shall be subject to any applicable provision of law of the State that issued the initial child custody determination in accordance with this section, when such State law establishes limitations on continuing jurisdiction when a child is absent from such State.";

(2) in subsection (f)

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (1), respectively and transferring paragraph (2) (as so redesignated) so as to appear after paragraph (1) (as so redesignated); and

(B) in paragraph (1) (as so redesignated), by inserting "pursuant to subsection (d)," after "the court of the other State no longer has jurisdiction,"; and

(3) in subsection (g), by inserting "or continuing jurisdiction" after "exercising jurisdiction".

SEC. ___03. ESTABLISHMENT OF NATIONAL CHILD CUSTODY REGISTRY.

Section 453 of the Social Security Act (42 U.S.C. 653) (as amended by section 916) is further amended by adding at the end the following new subsection:

"(p)(1) Not later than 1 year after the date of enactment of this subsection, the Secretary, in consultation with the Attorney General, shall conduct and conclude a study regarding the most practicable and efficient way to create a national child custody registry to carry out the purposes of paragraph (3). Pursuant to this study, and subject to the availability of appropriations, the Secretary shall create a national child custody

registry and promulgate regulations necessary to implement such registry. The study and regulations shall include—

"(A) a determination concerning whether a new national database should be established or whether an existing network should be expanded in order to enable courts to identify child custody determinations made by, or proceedings filed before, any court of the United States, its territories or possessions;

"(B) measures to encourage and provide assistance to States to collect and organize the data necessary to carry out subparagraph (A);

"(C) if necessary, measures describing how the Secretary will work with the related and interested State agencies so that the database described in subparagraph (A) can be linked with appropriate State registries for the purpose of exchanging and comparing the child custody information contained therein;

"(D) the information that should be entered in the registry (such as the court of jurisdiction where a child custody proceeding has been filed or a child custody determination has been made, the name of the presiding officer of the court in which a child custody proceeding has been filed, the telephone number of such court, the names and social security numbers of the parties, the name, date of birth, and social security numbers of each child) to carry out the purposes of paragraph (3);

"(E) the standards necessary to ensure the standardization of data elements, updating of information, reimbursement, reports, safeguards for privacy and information security, and other such provisions as the Secretary determines appropriate;

"(F) measures to protect confidential information and privacy rights (including safeguards against the unauthorized use or disclosure of information) which ensure that—

"(i) no confidential information is entered into the registry;

"(ii) the information contained in the registry shall be available only to courts or law enforcement officers to carry out the purposes in paragraph (3); and

"(iii) no information is entered into the registry (or where information has previously been entered, that other necessary means will be taken) if there is a reason to believe that the information may result in physical harm to a person; and

"(G) an analysis of costs associated with the establishment of the child custody registry and the implementation of the proposed regulations.

"(2) As used in this subsection—

"(A) the term 'child custody determination' means a judgment, decree, or other order of a court providing for custody or visitation of a child, and includes permanent and temporary orders, and initial orders and modifications; and

"(B) the term 'custody proceeding'—

"(i) means a proceeding in which a custody determination is one of several issues, such as a proceeding for divorce or separation, as well as neglect, abuse, dependency, wardship, guardianship, termination of parental rights, adoption, protective action from domestic violence, and Hague Child Abduction Convention proceedings; and

"(ii) does not include a judgment, decree, or other order of a court made in a juvenile delinquency, or status offender proceeding.

"(3) The purposes of this subsection are to—

"(A) encourage and provide assistance to State and local jurisdictions to permit—

"(i) courts to identify child custody determinations made by, and proceedings in, other States, local jurisdictions, and countries;

"(ii) law enforcement officers to enforce child custody determinations and recover parentally abducted children consistent with State law and regulations;

"(B) avoid duplicative and or contradictory child custody or visitation determinations by assuring that courts have the information they need to—

"(i) give full faith and credit to the child custody or visitation determination made by a court of another State as required by section 1738A of title 28, United States Code; and

"(ii) refrain from exercising jurisdiction when another court is exercising jurisdiction consistent with section 1738A of title 28, United States Code.

"(4) There are authorized to be appropriated such sums as may be necessary to establish the child custody registry and implement the regulations pursuant to paragraph (1).".

SEC. ___04. SENSE OF THE SENATE REGARDING SUPERVISED CHILD VISITATION CENTERS.

It is the sense of the Senate that local governments should take full advantage of the Local Crime Prevention Block Grant Program established under subtitle B of title III of the Violent Crime Control and Law Enforcement Act of 1994, to establish supervised visitation centers for children who have been removed from their parents and placed outside the home as a result of abuse or neglect or other risk of harm to such children, and for children whose parents are separated or divorced and the children are at risk because of physical or mental abuse or domestic violence.

KERREY AMENDMENT NO. 2670

Mr. MOYNIHAN (for Mr. KERREY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 229, strike lines 4 through 8 and insert the following:

"(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently reverse its election only once thereafter. Following such reversal, the State shall only be eligible to participate in the food stamp program in accordance with the other sections of this Act and shall not receive a block grant under this section.

DASCHLE (AND BINGAMAN) AMENDMENT NO. 2671

Mr. MOYNIHAN (for Mr. DASCHLE for himself and Mr. BINGAMAN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 26, before line 1, insert the following:

"(6) LOANS TO INDIAN TRIBES.—For purposes of this subsection, an Indian tribe with a tribal family assistance plan approved under section 414 shall be treated as a State, except that—

"(A) the Secretary may extend the time limitation under paragraph (4)(A);

"(B) the Secretary may waive the interest requirement under subparagraph (4)(B);

"(C) paragraph (4)(C) shall be applied by substituting 'tribal family assistance grant under section 414' for 'State family assistance grant under subsection (a)(2)'; and

"(D) paragraph (5) shall be applied without regard to subparagraph (B).

On page 26, strike lines 11 through 16, and insert the following:

"(2) ELIGIBLE INDIAN TRIBE.—For purposes of paragraph (1), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that—

"(A) conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during such fiscal year); and

"(B) is not receiving a tribal family assistance grant under section 414.

Beginning on page 63, line 14, strike all through page 68, line 21, and insert the following:

"(a) IN GENERAL.—

"(1) APPLICATION.—

"(A) IN GENERAL.—An Indian tribe may apply at any time to the Secretary (in such manner as the Secretary prescribes) to receive a family assistance grant.

"(B) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(i) IN GENERAL.—As part of the application under subparagraph (A), the Indian tribe shall submit to the Secretary a 3-year tribal family assistance plan that—

"(I) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with the purposes of this section;

"(II) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(III) identifies the population and service area or areas to be served by such plan;

"(IV) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(V) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(VI) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code. Nothing in this clause shall preclude an Indian tribe from entering into an agreement with a State under the tribal family assistance plan for providing services to individuals residing outside the tribe's jurisdiction or for providing services to non-tribal members residing within the tribe's jurisdiction. Any such agreement shall include an appropriate transfer of funds from the State to the tribe.

"(ii) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with clause (i).

"(2) PARTICIPATION.—If a tribe chooses to apply and the application is approved, such tribe shall be entitled to a direct payment in the amount determined in accordance with the provisions of subsection (b) for each fiscal year beginning after such approval.

"(3) NO PARTICIPATION.—If a tribe chooses not to apply, the amount that would otherwise be available to such tribe for the fiscal year shall be payable to the State in which that tribe is located. Such State shall provide equitable access to services by recipients within that tribe's jurisdiction.

"(4) NO MATCH REQUIRED.—Indian tribes shall not be required to submit a monetary

match to receive a payment under this section.

"(5) JOINT PROGRAMS.—An Indian tribe may also apply to the Secretary jointly with 1 or more such tribes to administer family assistance services as a consortium. The Secretary shall establish such terms and conditions for such consortium as are necessary.

"(b) PAYMENT AMOUNT.—

"(1) IN GENERAL.—From an amount equal to 3 percent of the amount specified under section 403(a)(4) for a fiscal year, the Secretary shall pay directly to each Indian tribe requesting a family assistance grant for such fiscal year an amount pursuant to an allocation formula determined by the Secretary based on the need for services and utilizing (if possible) data that is common to all Indian tribes.

"(2) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—An Indian tribe may reserve amounts paid to the Indian tribe under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the program operated under this part.

"(c) VOLUNTARY TERMINATION.—An Indian tribe may voluntarily terminate receipt of a family assistance grant. The Indian tribe shall give the State and the Secretary notice of such decision 6 months prior to the date of termination. The amount under subsection (b) with respect to such grant for the fiscal year shall be payable to the State in which that tribe is located. Such State shall provide equitable access to services by recipients residing within that tribe's jurisdiction. If a voluntary termination of a grant occurs under this subsection, the tribe shall not be eligible to submit an application under this section before the 6th year following such termination.

"(d) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under such grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 404(d).

"(e) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(f) MAINTENANCE OF EFFORT ASSISTANCE.—Nothing in this section shall preclude a State from providing maintenance of effort funds to Indian tribes located in such State.

"(g) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(h) TRIBAL PENALTIES.—For the purpose of ensuring the proper use of family assistance grants, the following provisions shall apply to an Indian tribe with an approved tribal assistance plan:

"(1) The provisions of subsections (a)(1), (a)(6), and (b) of section 407, in the same manner as such subsections apply to a State.

"(2) The provisions of section 407(a)(3), except that such subsection shall be applied by substituting 'the minimum requirements established under subsection (d) of section 414' for 'the minimum participation rates specified in section 404'.

"(i) DATA COLLECTION AND REPORTING.—For the purpose of ensuring uniformity in data collection, section 409 shall apply to an Indian tribe with an approved family assistance plan.

"(j) INFORMATION SHARING.—Each State and the Indian tribes located within its jurisdiction may share (in a manner that ensures confidentiality) eligibility and other information on residents in such State that would be helpful for determining eligibility for other Federal and State assistance programs.

On page 101, between lines 20 and 21, insert the following:

(j) AMENDMENT TO TITLE XIX.—Section 1903(u)(1)(D) (42 U.S.C. 1396b(u)(1)(D)) is amended by adding at the end the following new clause:

"(vi) In determining the amount of erroneous excess payments, there shall not be included any erroneous payments made by the State to the benefit of members of Indian families based on correctly processed information received or information not timely received from a tribe with a tribal family assistance plan approved under part A of title IV of the Social Security Act.".

On page 108, between lines 20 and 21, insert the following:

(i) Section 16(c)(3) of the Food Stamp Act (7 U.S.C. 2025(c)(3)) is amended by adding at the end the following new subparagraph:

"(C) Any errors resulting from State payments to Indian families based on correctly processed information received or information not timely received from a tribe with a tribal family assistance plan approved under part A of title IV of the Social Security Act.".

DASCHLE AMENDMENT NO. 2672

Mr. MOYNIHAN (for Mr. DASCHLE) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 26, line 13, strike all through page 28, line 19, and insert the following:

"(d) CONTINGENCY FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (hereafter in this section referred to as the 'Fund').

"(2) DEPOSITS INTO FUND.—Out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 such sums as are necessary for payment to the Fund in a total amount not to exceed $5,000,000,000, of which not more than $4,000,000,000 shall be available during the first 5 fiscal years.

"(3) COMPUTATION OF GRANT.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of the Treasury shall pay to each eligible State in a fiscal year an amount equal to the Federal medical assistance percentage for such State for such fiscal year (as defined in section 1905(b)) of so much of the expenditures by the State in such year under the State program funded under this part as exceed the historic State expenditures for such State.

"(B) LIMITATION.—The total amount paid to a State under subparagraph (A) for any fiscal year shall not exceed an amount equal to 20 percent of the annual amount determined for such State under the State program funded under this part (without regard to this subsection) for such fiscal year.

"(C) METHOD OF COMPUTATION, PAYMENT, AND RECONCILIATION.—

"(i) METHOD OF COMPUTATION.—The method of computing and paying such amounts shall be as follows:

"(I) The Secretary of Health and Human Services shall estimate the amount to be paid to the State for each quarter under the provisions of subparagraph (A), such estimate to be based on a report filed by the State containing its estimate of the total sum to be expended in such quarter and such other information as the Secretary may find necessary.

"(II) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services.

"(ii) METHOD OF PAYMENT.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(iii) METHOD OF RECONCILIATION.—If at the end of each fiscal year, the Secretary of Health and Human Services finds that a State which received amounts from the Fund in such fiscal year did not meet the maintenance of effort requirement under paragraph (5)(B) for such fiscal year, the Secretary shall reduce the State family assistance grant for such State for the succeeding fiscal year by such amounts.

"(4) USE OF GRANT.—

"(A) IN GENERAL.—An eligible State may use the grant—

"(i) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(ii) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(B) REFUND OF UNUSED PORTION.—Any amount of a grant under this subsection not used during the fiscal year shall be returned to the Fund.

"(5) ELIGIBLE STATE.—

"(A) IN GENERAL.—For purposes of this subsection, a State is an eligible State with respect to a fiscal year, if such State—

"(i) has an average total unemployment rate or a children population in such State's food stamp program which exceeds such average total rate or population for fiscal year 1994; and

"(ii) has met the maintenance of effort requirement under subparagraph (B) for the State program funded under this part for the fiscal year.

"(B) MAINTENANCE OF EFFORT.—

"(i) IN GENERAL.—The maintenance of effort requirement for any State under this subparagraph for any fiscal year is the expenditure of an amount at least equal to 100 percent of the level of spending in FY 94.

"(ii) HISTORIC STATE EXPENDITURES.—For purposes of this subparagraph, the term 'historic State expenditures' means payments of cash assistance to recipients of aid to families with dependent children under the State plan under part A of title IV for fiscal year 1994, as in effect during such fiscal year.

"(iii) DETERMINING STATE EXPENDITURES.—For purposes of this subparagraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

"(6) ANNUAL REPORTS.—The Secretary of the Treasury shall annually report to the Congress on the status of the Fund.

SANTORUM AMENDMENT NO. 2673

Mr. SANTORUM proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 200, between lines 11 and 12, insert:

"(4) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—

"(A) IN GENERAL.—A State to which a grant is made under this Act is encouraged to implement the electronic benefit transfer system for providing assistance under the State program funded under this Act and may use the grant for such purpose. In implementing the system, the State shall use an open, competitive

McCONNELL AMENDMENTS NOS. 2674–2675

Mr. SANTORUM (for Mr. McCONNELL) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2674

On page 270, after line 23, insert the following:

(3) REGULATIONS.—

(A) INTERIM REGULATIONS.—Not later than February 1, 1996, the Secretary shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (b); and

(ii) section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)).

(B) FINAL REGULATIONS.—Not later than August 1, 1996, the Secretary shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

AMENDMENT NO. 2675

On page 268, strike lines 4 through 17 and insert the following:

"(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide to approved family or group day care home sponsoring organizations a list of schools serving elementary school children in the State in which not less than ½ of the children enrolled are certified to receive free or reduced price meals. The State agency shall collect the data necessary to create the list annually and provide the list on a timely basis to any approved family or group day care home sponsoring organization that requests the list.

PACKWOOD AMENDMENT NO. 2676

Mr. SANTORUM (for Mr. PACKWOOD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 11 strike lines 5 through 22.

On page 11, line 23, insert the following:

(B) NONDISCRIMINATION AGAINST EMPLOYEES ADMINISTERING OR PROVIDING SERVICES.—

(i) PROHIBITION.—A religious organization with a contract described in subsection (a)(1)(A) shall not discriminate in employment on the basis of religion of an employee or prospective employee if such employee's primary responsibility is or would be administering or providing services under such contract.

(ii) QUALIFIED APPLICANTS.—If 2 or more prospective employees are qualified for a position administering or providing services under a contract described in subsection (a)(1)(A), nothing in this section shall prohibit a religious organization from employing a prospective employee who is already participating on a regular basis in other activities of the organization.

(C) PRESENT EMPLOYEES.—This paragraph shall not apply to employees of religious organizations with a contract described in subsection (a)(1)(A) if such employees are employed by such organization on the date of the enactment of this Act.

KENNEDY AMENDMENT NO. 2677

Mr. MOYNIHAN (for Mr. KENNEDY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place, insert the following new section:

SEC. ___. EXTENSION OF TRANSITIONAL MEDICAID BENEFITS.

(a) EXTENSION OF MEDICAID ENROLLMENT FOR FORMER TEMPORARY EMPLOYMENT ASSISTANCE RECIPIENTS FOR 1 ADDITIONAL YEAR.—

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r–6(b)(1)) is amended by striking the period at the end and inserting the following: ", and shall provide that the State shall offer to each such family the option of extending coverage under this subsection for an additional 2 succeeding 6-month periods in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.".

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 1925 (42 U.S.C. 1396r–6) is amended—

(i) in subsection (b)—

(I) in the heading, by striking "EXTENSION" and inserting "EXTENSIONS";

(II) in the heading of paragraph (1), by striking "REQUIREMENT" and inserting "IN GENERAL";

(III) in paragraph (2)(B)(ii)—

(aa) in the heading, by striking "PERIOD" and inserting "PERIODS"; and

(bb) by striking "in the period" and inserting "in each of the 6-month periods";

(IV) in paragraph (3)(A), by striking "the 6-month period" and inserting "any 6-month period";

(V) in paragraph (4)(A), by striking "the extension period" and inserting "any extension period"; and

(VI) in paragraph (5)(D)(i), by striking "is a 3-month period" and all that follows and inserting the following: "is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the first or fourth month of such extension period."; and

(ii) by striking subsection (f).

(B) FAMILY SUPPORT ACT.—Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(i) by striking "(A)"; and

(ii) by striking subparagraphs (B) and (C).

(b) TRANSITIONAL ELIGIBILITY FOR MEDICAID.—Part A of title IV, as added by section 101(a) is amended by adding at the end the following new section:

"SEC. 417. TRANSITIONAL ELIGIBILITY FOR MEDICAID.

"Each needy child, and each relative with whom such a child is living (including the spouse of such relative), who becomes ineligible for temporary employment assistance as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title, and who has received such assistance in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, shall be deemed to be a recipient of temporary employment assistance for purposes of title XIX for an additional 4 calendar months beginning with the month in which such ineligibility begins.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1996, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

(2) WHEN STATE LEGISLATION IS REQUIRED.—In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

TITLE ___—CORPORATE WELFARE REDUCTION

SEC. ___01. SHORT TITLE.

This title may be cited as the "Corporate Welfare Reduction Act of 1995".

SEC. ___02. FOREIGN OIL AND GAS INCOME.

(a) SPECIAL RULES FOR FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN OIL AND GAS INCOME.—

(1) CERTAIN TAXES NOT CREDITABLE.—

(A) IN GENERAL.—Subsection (a) of section 907 of the Internal Revenue Code of 1986 (relating to reduction in amount allowed as foreign tax under section 901) is amended to read as follows:

"(a) CERTAIN TAXES NOT CREDITABLE.—

"(1) IN GENERAL.—For purposes of this subtitle, the term 'income, war profits, and excess profits taxes' shall not include—

"(A) any taxes which are paid or accrued to any foreign country with respect to foreign oil and gas income and which are not imposed under a generally applicable income tax law of such country, and

"(B) any taxes (not described in subparagraph (A)) which are paid or accrued to any foreign country with respect to foreign oil and gas income to the extent that the foreign law imposing such amount of tax is structured, or in fact operates, so that the amount of tax imposed with respect to foreign oil and gas income will generally be materially greater, over a reasonable period of time, than the amount generally imposed on income that is not foreign oil and gas income.

In computing the amount not treated as tax under subparagraph (B), such amount shall be treated as a deduction under the foreign law.

"(2) FOREIGN OIL AND GAS INCOME.—For purposes of this paragraph, the term 'foreign oil

and gas income' means the amount of foreign oil and gas extraction income and foreign oil related income.

"(3) GENERALLY APPLICABLE INCOME TAX LAW.—For purposes of this paragraph, the term 'generally applicable income tax law' means any law of a foreign country imposing an income tax if such tax generally applies to all income from sources within such foreign country—

"(A) without regard to the residence or nationality of the person earning such income, and

"(B) in the case of any income earned by a corporation, partnership, or other entity, without regard to—

"(i) where such corporation, partnership, or other entity is organized, and

"(ii) the residence or nationality of the persons owning interests in such corporation, partnership, or entity."

(B) CONFORMING AMENDMENT.—Section 907 of such Code is amended by striking subsections (b), (c)(3), (c)(4), (c)(5), and (f).

(2) SEPARATE BASKETS FOR FOREIGN OIL AND GAS EXTRACTION INCOME AND FOREIGN OIL RELATED INCOME.—

(A) IN GENERAL.—Paragraph (1) of section 904(d) of such Code (relating to separate application of section with respect to certain categories of income) is amended by striking "and" at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (K) and by inserting after subparagraph (H) the following new subparagraphs:

"(I) foreign oil and gas extraction income,

"(J) foreign oil related income, and".

(B) DEFINITIONS.—Paragraph (2) of section 904(d) of such Code is amended by redesignating subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively, and by inserting after subparagraph (G) the following new subparagraphs:

"(H) FOREIGN OIL AND GAS EXTRACTION INCOME.—The term 'foreign oil and gas extraction income' has the meaning given such term by section 907(c)(1). Such term shall not include any dividend from a noncontrolled section 902 corporation.

"(I) FOREIGN OIL RELATED INCOME.—The term 'foreign oil related income' has the meaning given such term by section 907(c)(2). Such term shall not include any dividend from a noncontrolled section 902 corporation and any shipping income."

(C) CONFORMING AMENDMENT.—Clause (i) of section 904(d)(3)(F) of such Code is amended by striking "or (E)" and inserting "(E), (I), or (J)".

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this subsection shall apply to taxable years beginning after December 31, 1995.

(B) DISALLOWANCE RULE.—

(i) Section 907(a) of such Code (as amended by paragraph (1)) shall apply to taxes paid or accrued after December 31, 1995, in taxable years ending after such date.

(ii) In determining the amount of taxes deemed to be paid in a taxable year beginning after December 31, 1995, under section 902 or 960 of such Code, section 907(a) of such Code (as amended by paragraph (1)) shall apply to all taxes whether paid or accrued before, on, or after December 31, 1995.

(C) LOSS RULE.—Notwithstanding the amendments made by paragraph (1)(B), section 907(c)(4) of such Code shall continue to apply with respect to foreign oil and gas extraction losses for taxable years beginning before January 1, 1996.

(D) TRANSITIONAL RULES.—

(i) Any taxes paid or accrued in a taxable year beginning before January 1, 1996, with respect to income which was described in subparagraph (I) of section 904(d)(1) of such Code (as in effect on the day before the date of the enactment of this Act) shall be treated as taxes paid or accrued with respect to foreign oil and gas extraction income or foreign oil related income (as the case may be) to the extent such taxes were paid or accrued with respect to such type of income.

(ii) Any unused oil and gas extraction taxes which under section 907(f) of such Code (as so in effect) would have been allowed as a carryover to the taxpayer's first taxable year beginning after December 31, 1995 (determined without regard to the limitation of paragraph (2) of such section 907(f) for such first taxable year), shall be allowed as carryovers under section 904(c) of such Code in the same manner as if they were unused taxes under section 904(c) with respect to foreign oil and gas extraction income.

(b) ELIMINATION OF DEFERRAL FOR FOREIGN OIL AND GAS EXTRACTION INCOME.—

(1) GENERAL RULE.—Paragraph (1) of section 954(g) of the Internal Revenue Code of 1986 (defining foreign base company oil related income) is amended to read as follows:

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'foreign oil and gas income' means any income of a kind which would be taken into account in determining the amount of—

"(A) foreign oil and gas extraction income (as defined in section 907(c)(1)), or

"(B) foreign oil related income (as defined in section 907(c)(2))."

(2) CONFORMING AMENDMENTS.—

(A) Subsections (a)(5), (b)(4), (b)(5), and (b)(8) of section 954 of such Code are each amended by striking "base company oil related income" each place it appears (including in the heading of subsection (b)(8)) and inserting "oil and gas income".

(B) The subsection heading for subsection (g) of section 954 of such Code is amended by striking "FOREIGN BASE COMPANY OIL RELATED INCOME" and inserting "FOREIGN OIL AND GAS INCOME".

(C) Subparagraph (A) of section 954(g)(2) of such Code is amended by striking "foreign base company oil related income" and inserting "foreign oil and gas income".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years of foreign corporations beginning after December 31, 1995, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. ___03. TRANSFER PRICING.

(a) AUTHORITY OF SECRETARY WHEN LEGAL LIMITS ON TRANSFER BY TAXPAYER.—Section 482 of the Internal Revenue Code of 1986 (relating to allocation of income and deductions among taxpayers) is amended by adding at the end the following: "The authority of the Secretary under this section shall not be limited by any restriction (by any law or agreement) on the ability of such interests, organizations, trades, or businesses to transfer or receive money or other property."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. ___04. ELIMINATION OF EXCLUSION FOR CITIZENS OR RESIDENTS OF UNITED STATES LIVING ABROAD.

Section 911 of the Internal Revenue Code of 1986 (relating to citizens or residents of the United States living abroad) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 1995."

SEC. ___05. DISPOSITION OF STOCK IN DOMESTIC CORPORATIONS BY 10-PERCENT FOREIGN SHAREHOLDERS.

(a) GENERAL RULE.—Subpart D of part II of subchapter N of chapter 1 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 899. DISPOSITION OF STOCK IN DOMESTIC CORPORATIONS BY 10-PERCENT FOREIGN SHAREHOLDERS.

"(a) GENERAL RULE.—

"(1) TREATMENT AS EFFECTIVELY CONNECTED WITH UNITED STATES TRADE OR BUSINESS.—For purposes of this title, if any nonresident alien individual or foreign corporation is a 10-percent shareholder in any domestic corporation, any gain or loss of such individual or foreign corporation from the disposition of any stock in such domestic corporation shall be taken into account—

"(A) in the case of a nonresident alien individual, under section 871(b)(1), or

"(B) in the case of a foreign corporation, under section 882(a)(1),

as if the taxpayer were engaged during the taxable year in a trade or business within the United States through a permanent establishment in the United States and as if such gain or loss were effectively connected with such trade or business and attributable to such permanent establishment. Notwithstanding section 865, any such gain or loss shall be treated as from sources in the United States.

"(2) 26-PERCENT MINIMUM TAX ON NONRESIDENT ALIEN INDIVIDUALS.—

"(A) IN GENERAL.—In the case of any nonresident alien individual, the amount determined under section 55(b)(1)(A) shall not be less than 26 percent of the lesser of—

"(i) the individual's alternative minimum taxable income (as defined in section 55(b)(2)) for the taxable year, or

"(ii) the individual's net taxable stock gain for the taxable year.

"(B) NET TAXABLE STOCK GAIN.—For purposes of subparagraph (A), the term 'net taxable stock gain' means the excess of—

"(i) the aggregate gains for the taxable year from dispositions of stock in domestic corporations with respect to which such individual is a 10-percent shareholder, over

"(ii) the aggregate of the losses for the taxable year from dispositions of such stock.

"(C) COORDINATION WITH SECTION 897(a)(2).—Section 897(a)(2)(A) shall not apply to any nonresident alien individual for any taxable year for which such individual has a net taxable stock gain, but the amount of such net taxable stock gain shall be increased by the amount of such individual's net United States real property gain (as defined in section 897(a)(2)(B)) for such taxable year.

"(b) 10-PERCENT SHAREHOLDER.—

"(1) IN GENERAL.—For purposes of this section, the term '10-percent shareholder' means any person who at any time during the shorter of—

"(A) the period beginning on January 1, 1995, and ending on the date of the disposition, or

"(B) the 5-year period ending on the date of the disposition,

owned 10 percent or more (by vote or value) of the stock in the domestic corporation.

"(2) CONSTRUCTIVE OWNERSHIP.—

"(A) IN GENERAL.—Section 318(a) (relating to constructive ownership of stock) shall apply for purposes of paragraph (1).

"(B) MODIFICATIONS.—For purposes of subparagraph (A)—

"(i) paragraph (2)(C) of section 318(a) shall be applied by substituting '10 percent' for '50 percent', and

"(ii) paragraph (3)(C) of section 318(a) shall be applied—

"(I) by substituting '10 percent' for '50 percent', and

"(II) in any case where such paragraph would not apply but for subclause (I), by considering a corporation as owning the stock (other than stock in such corporation) owned by or for any shareholder of such corporation in that proportion which the value of the stock which such shareholder owns in such corporation bears to the value of all stock in such corporation.

"(3) TREATMENT OF STOCK HELD BY CERTAIN PARTNERSHIPS.—

"(A) IN GENERAL.—For purposes of this section, if—

"(i) a partnership is a 10-percent shareholder in any domestic corporation, and

"(ii) 10 percent or more of the capital or profits interests in such partnership is held (directly or indirectly) by nonresident alien individuals or foreign corporations,

each partner in such partnership who is not otherwise a 10-percent shareholder in such corporation shall, with respect to the stock in such corporation held by the partnership, be treated as a 10-percent shareholder in such corporation.

"(B) EXCEPTION.—

"(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to stock in a domestic corporation held by any partnership if, at all times during the 5-year period ending on the date of the disposition involved—

"(I) the aggregate bases of the stock and securities in such domestic corporation held by such partnership were less than 25 percent of the partnership's net adjusted asset cost, and

"(II) the partnership did not own 50 percent or more (by vote or value) of the stock in such domestic corporation.

The Secretary may by regulations disregard any failure to meet the requirements of subclause (I) where the partnership normally met such requirements during such 5-year period.

"(ii) NET ADJUSTED ASSET COST.—For purposes of clause (i), the term 'net adjusted asset cost' means—

"(I) the aggregate bases of all of the assets of the partnership other than cash and cash items, reduced by

"(II) the portion of the liabilities of the partnership not allocable (on a proportionate basis) to assets excluded under subclause (I).

"(C) EXCEPTION NOT TO APPLY TO 50-PERCENT PARTNERS.—Subparagraph (B) shall not apply in the case of any partner owning (directly or indirectly) more than 50 percent of the capital or profits interests in the partnership at any time during the 5-year period ending on the date of the disposition.

"(D) SPECIAL RULES.—For purposes of subparagraphs (B) and (C)—

"(i) TREATMENT OF PREDECESSORS.—Any reference to a partnership or corporation shall be treated as including a reference to any predecessor thereof.

"(ii) PARTNERSHIP NOT IN EXISTENCE.—If any partnership was not in existence throughout the entire 5-year period ending on the date of the disposition, only the portion of such period during which the partnership (or any predecessor) was in existence shall be taken into account.

"(E) OTHER PASS-THRU ENTITIES; TIERED ENTITIES.—Rules similar to the rules of the preceding provisions of this paragraph shall also apply in the case of any pass-thru entity other than a partnership and in the case of tiered partnerships and other entities.

"(c) COORDINATION WITH NONRECOGNITION PROVISIONS; ETC.—

"(1) COORDINATION WITH NONRECOGNITION PROVISIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any nonrecognition provision shall apply for purposes of this section to a transaction only in the case of—

"(i) an exchange of stock in a domestic corporation for other property the sale of which would be subject to taxation under this chapter, or

"(ii) a distribution with respect to which gain or loss would not be recognized under section 336 if the sale of the distributed property by the distributee would be subject to tax under this chapter.

"(B) REGULATIONS.—The Secretary shall prescribe regulations (which are necessary or appropriate to prevent the avoidance of Federal income taxes) providing—

"(i) the extent to which nonrecognition provisions shall, and shall not, apply for purposes of this section, and

"(ii) the extent to which—

"(I) transfers of property in a reorganization, and

"(II) changes in interests in, or distributions from, a partnership, trust, or estate,

shall be treated as sales of property at fair market value.

"(C) NONRECOGNITION PROVISION.—For purposes of this paragraph, the term 'nonrecognition provision' means any provision of this title for not recognizing gain or loss.

"(2) CERTAIN OTHER RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of subsections (g) and (j) of section 897 shall apply.

"(d) CERTAIN INTEREST TREATED AS STOCK.—For purposes of this section—

"(1) any option or other right to acquire stock in a domestic corporation,

"(2) the conversion feature of any debt instrument issued by a domestic corporation, and

"(3) to the extent provided in regulations, any other interest in a domestic corporation other than an interest solely as creditor,

shall be treated as stock in such corporation.

"(e) TREATMENT OF CERTAIN GAIN AS A DIVIDEND.—In the case of any gain which would be subject to tax by reason of this section but for a treaty and which results from any distribution in liquidation or redemption, for purposes of this subtitle, such gain shall be treated as a dividend to the extent of the earnings and profits of the domestic corporation attributable to the stock. Rules similar to the rules of section 1248(c) (determined without regard to paragraph (2)(D) thereof) shall apply for purposes of the preceding sentence.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including—

"(1) regulations coordinating the provisions of this section with the provisions of section 897, and

"(2) regulations aggregating stock held by a group of persons acting together."

(b) WITHHOLDING OF TAX.—Subchapter A of chapter 3 of such Code is amended by adding at the end the following new section:

"SEC. 1447. WITHHOLDING OF TAX ON CERTAIN STOCK DISPOSITIONS.

"(a) GENERAL RULE.—Except as otherwise provided in this section, in the case of any disposition of stock in a domestic corporation by a foreign person who is a 10-percent shareholder in such corporation, the withholding agent shall deduct and withhold a tax equal to 10 percent of the amount realized on the disposition.

"(b) EXCEPTIONS.—

"(1) STOCK WHICH IS NOT REGULARLY TRADED.—In the case of a disposition of stock which is not regularly traded, a withholding agent shall not be required to deduct and withhold any amount under subsection (a) if—

"(A) the transferor furnishes to such withholding agent an affidavit by such transferor stating, under penalty of perjury, that section 899 does not apply to such disposition because—

"(i) the transferor is not a foreign person, or

"(ii) the transferor is not a 10-percent shareholder, and

"(B) such withholding agent does not know (or have reason to know) that such affidavit is not correct.

"(2) STOCK WHICH IS REGULARLY TRADED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a withholding agent shall not be required to deduct and withhold any amount under subsection (a) with respect to any disposition of regularly traded stock if such withholding agent does not know (or have reason to know) that section 899 applies to such disposition.

"(B) SPECIAL RULE WHERE SUBSTANTIAL DISPOSITION.—If—

"(i) there is a disposition of regularly traded stock in a corporation, and

"(ii) the amount of stock involved in such disposition constitutes 1 percent or more (by vote or value) of the stock in such corporation,

subparagraph (A) shall not apply but paragraph (1) shall apply as if the disposition involved stock which was not regularly traded.

"(C) NOTIFICATION BY FOREIGN PERSON.—If section 899 applies to any disposition by a foreign person of regularly traded stock, such foreign person shall notify the withholding agent that section 899 applies to such disposition.

"(3) NONRECOGNITION TRANSACTIONS.—A withholding agent shall not be required to deduct and withhold any amount under subsection (a) in any case where gain or loss is not recognized by reason of section 899(c) (or the regulations prescribed under such section).

"(c) SPECIAL RULE WHERE NO WITHHOLDING.—If—

"(1) there is no amount deducted and withheld under this section with respect to any disposition to which section 899 applies, and

"(2) the foreign person does not pay the tax imposed by this subtitle to the extent attributable to such disposition on the date prescribed therefor,

for purposes of determining the amount of such tax, the foreign person's basis in the stock disposed of shall be treated as zero or such other amount as the Secretary may determine (and, for purposes of section 6501, the underpayment of such tax shall be treated as due to a willful attempt to evade such tax).

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) WITHHOLDING AGENT.—The term 'withholding agent' means—

"(A) the last United States person to have the control, receipt, custody, disposal, or payment of the amount realized on the disposition, or

"(B) if there is no such United States person, the person prescribed in regulations.

"(2) FOREIGN PERSON.—The term 'foreign person' means any person other than a United States person.

"(3) REGULARLY TRADED STOCK.—The term 'regularly traded stock' means any stock of a class which is regularly traded on an established securities market.

"(4) AUTHORITY TO PRESCRIBE REDUCED AMOUNT.—At the request of the person making the disposition or the withholding agent, the Secretary may prescribe a reduced amount to be withheld under this section if the Secretary determines that to substitute such reduced amount will not jeopardize the collection of the tax imposed by section 871(b)(1) or 882(a)(1).

"(5) OTHER TERMS.—Except as provided in this section, terms used in this section shall have the same respective meanings as when used in section 899.

"(6) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of section 1445(e) shall apply for purposes of this section.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations coordinating the provisions of this section with the provisions of sections 1445 and 1446."

(c) EXCEPTION FROM BRANCH PROFITS TAX.—Subparagraph (C) of section 884(d)(2) of such Code is amended to read as follows:

"(C) gain treated as effectively connected with the conduct of a trade or business within the United States under—

"(i) section 897 in the case of the disposition of a United States real property interest described in section 897(c)(1)(A)(ii), or

"(ii) section 899,".

(d) REPORTS WITH RESPECT TO CERTAIN DISTRIBUTIONS.—Paragraph (2) of section 6038B(a) of such Code (relating to notice of certain transfers to foreign person) is amended by striking "section 336" and inserting "section 302, 331, or 336".

(e) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart D of part II of subchapter N of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 899. Dispositions of stock in domestic corporations by 10-percent foreign shareholders."

(2) The table of sections for subchapter A of chapter 3 of such Code is amended by adding at the end the following new item:

"Sec. 1447. Withholding of tax on certain stock dispositions."

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to dispositions after the date of the enactment of this Act, except that section 1447 of such Code (as added by this section) shall not apply to any disposition before the date 6 months after the date of the enactment of this Act.

(2) COORDINATION WITH TREATIES.—

(A) IN GENERAL.—Sections 899 (other than subsection (e) thereof) and 1447 of such Code (as added by this section) shall not apply to any disposition if such disposition is by a qualified resident of a foreign country and the application of such sections to such disposition would be contrary to any treaty between the United States and such foreign country which is in effect on the date of the enactment of this Act and at the time of such disposition.

(B) QUALIFIED RESIDENT.—For purposes of subparagraph (A), the term "qualified resident" means any resident of the foreign country entitled to the benefits of the treaty referred to in subparagraph (A); except that such term shall not include a corporation unless such corporation is a qualified resident of such country (as defined in section 884(e)(4) of such Code).

SEC. ___06. PORTFOLIO DEBT.

(a) IN GENERAL.—Section 871(h)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

"(3) PORTFOLIO INTEREST TO INCLUDE ONLY INTEREST ON GOVERNMENT OBLIGATIONS.—The term 'portfolio interest' shall include only interest paid on an obligation issued by a governmental entity."

(b) CONFORMING AMENDMENTS.—

(1) Section 881(c)(3) of such Code is amended—

(A) in subparagraph (A), by adding "or" at the end, and

(B) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(2) Section 881(c)(4) of such Code is amended—

(A) by striking "section 871(h)(4)" and inserting "section 871(h)(3) or (4)", and

(B) in the heading, by inserting "INTEREST ON NON-GOVERNMENT OBLIGATIONS OR" after "INCLUDE".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest received after December 31, 1995, with respect to obligations issued after such date.

SEC. ___07. SOURCE OF INCOME FROM CERTAIN SALES OF INVENTORY PROPERTY.

(a) GENERAL RULE.—Subsection (b) of section 865 of the Internal Revenue Code of 1986 (relating to exception for inventory property) is amended to read as follows:

"(b) INVENTORY PROPERTY.—

"(1) INCOME ATTRIBUTABLE TO PRODUCTION ACTIVITY.—In the case of income from the sale of inventory property produced (in whole or in part) by the taxpayer—

"(A) a portion (determined under regulations) of such income shall be allocated to production activity (and sourced in the United States or outside the United States depending on where such activity occurs), and

"(B) the remaining portion of such income shall be sourced under the other provisions of this section.

The regulations prescribed under subparagraph (A) shall provide that at least 50 percent of such income shall be allocated to production activities.

"(2) SALES INCOME.—

"(A) UNITED STATES RESIDENTS.—Income from the sale of inventory property by a United States resident shall be sourced outside the United States if—

"(i) the property is sold for use, consumption, or disposition outside the United States and an office or another fixed place of business of the taxpayer outside the United States participated materially in the sale, and

"(ii) such sale is not (directly or indirectly) to an affiliate of the taxpayer.

"(B) NONRESIDENT.—Income from the sale of inventory property by a nonresident shall be sourced in the United States if—

"(i) the taxpayer has an office or other fixed place of business in the United States, and

"(ii) such sale is through such office or other fixed place of business.

This subparagraph shall not apply if the requirements of clauses (i) and (ii) of subparagraph (A) are met with respect to such sale.

"(3) COORDINATION WITH TREATIES.—For purposes of paragraph (2)(A)(i), a United States resident shall not be treated as having an office or fixed place of business in a foreign country if a treaty prevents such country from imposing an income tax on the income."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to income from sales occurring after December 31, 1995.

SEC. ___08. ENHANCEMENT OF BENEFITS FOR FOREIGN SALES CORPORATIONS.

(a) IN GENERAL.—Subsection (a) of section 923 of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (2), by striking "32 percent" and inserting "34 percent", and

(2) in paragraph (3), by striking "16/23" and inserting "17/23".

(b) SPECIAL RULES RELATING TO CORPORATE PREFERENCE ITEMS.—Paragraph (4) of section 291(a) of such Code is amended—

(1) in subparagraph (A), by striking "'30 percent' for '32 percent'" and inserting "'32 percent' for '34 percent'", and

(2) in subparagraph (B), by striking "'15/23' for '16/23'" and inserting "'16/23' for '17/23'".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

D'AMATO AMENDMENT NO. 2678

Mr. SANTORUM (for Mr. D'AMATO) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

(1) Except as provided in paragraph (2) of this subsection, in order for an eligible State to receive funds pursuant to Title I of this Act after April 1, 1996, the State Shall enact legislation establishing a program fully conforming to the requirements of this Act by that date AND EFFECTIVE ON THE DATE OF DISCONTINUANCE OF THE STATE'S AFDC PROGRAM, IN ACCORDANCE WITH SECTION 112 OF THIS ACT.

(2) In the case of a State whose legislature meets biennially, and does not have a regular session scheduled in calendar year 1996, the requirement contained in paragraph (1) of this subsection shall be effective no later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

KERRY AMENDMENT NO. 2679

Mr. MOYNIHAN (for Mr. KERRY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 124, beginning on line 16, strike all through page 127, line 2.

On page 127, line 3, strike "**SEC. 202.**" and insert "**SEC. 201.**".

On page 128, line 14, strike "**SEC. 203.**" and insert "**SEC. 202.**".

On page 129, line 7, strike "**SEC. 204.**" and insert "**SEC. 203.**".

On page 129, beginning on line 9, strike all through line 12, and insert:

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by adding at the end the following new paragraph:

On page 129, line 13, strike "(3)" and insert "(6)".

On page 131, line 6, strike "**SEC. 205.**" and insert "**SEC. 204.**".

On page 131, line 5, strike "Sections 201 and 202" and insert "Section 201".

On page 131, lines 7 and 8, strike "sections 201 and 202" and insert "section 201".

On page 131, line 21, strike "or 202".

On page 132, beginning on line 19, strike all through page 133, line 9.

On page 133, line 11, strike "sections 203 and 204" and insert "sections 202 and 203".

On page 133, lines 17 and 18, strike ", as amended by section 201(a),".

HARKIN AMENDMENT NO. 2680

Mr. MOYNIHAN (for Mr. HARKIN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE REGARDING COMPETITIVE BIDDING FOR INFANT FORMULA.

(a) IN GENERAL.—The Senate finds that—

(1) the federal Supplemental Nutrition Program for Women, Infants and Children (WIC) is a proven success story, providing special nutrition and health assistance to at-risk pregnant women, infants and children;

(2) WIC has been shown to reduce the incidence of fetal death, low birthweight, infant mortality and anemia, to increase the nutritional and health status of pregnant women, infants and children and to improve the cognitive development of infants and children;

(3) research has shown that each dollar spent on WIC for pregnant women results in savings of $1.92 to $4.21 in Medicaid expenditures;

(4) because of funding limitations not all individuals eligible for WIC assistance are served by the program;

(5) infant formula is a significant item in the cost of WIC monthly food packages, amounting to approximately 26 percent of WIC food costs after subtracting manufacturer's rebates, but approximately 48 percent of food costs prior to applying rebates;

(6) rebates obtained through competitive bidding for infant formula have reduced the cost of infant formula for WIC participants by approximately $4.1 billion through the end of fiscal year 1994, allowing millions of additional pregnant women, infants and children to be served by WIC with the limited funds available;

(7) the Department of Agriculture has estimated that in fiscal year 1995 rebates obtained through competitive bidding for infant formula will total over $1 billion, which will enable WIC to serve approximately 1.6 million additional women, infants and children; and

(8) because of the very substantial cost savings involved, Congress enacted in 1989 legislation requiring that states administering the WIC program conduct competitive bidding for infant formula.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that any legislation enacted by Congress should not eliminate or in any way weaken the present competitive bidding requirements for the purchase of infant formula with respect to any program supported wholly or in part by federal funds.

AUTHORITY FOR COMMITTEE TO MEET

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY, AND GOVERNMENT INFORMATION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology, and Government Information of the Committee on the Judiciary be authorized to meet during the session of the Senate on Friday, September 8, 1995, at 10 a.m. in SH-216 to hold a hearing on "The Ruby Ridge Incident."

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

IMPROVED RELATIONS BETWEEN TURKEY AND ARMENIA

Mr. SIMON. Mr. President, sometimes the good news that we get comes in small pieces that we hope portend better things to come.

The recent agreement between Turkey and Armenia for an air corridor is a small step toward improved relations between those two countries but, nevertheless, it is a positive development. It would be a mistake to exaggerate it, but it would be a mistake to ignore it.

I noticed that when Prime Minister Tansu Ciller visited Azerbaijan, she returned to Turkey by way of the corridor over Armenia and was the first high-ranking Turkish official to use the air corridor. While she traveled, she congratulated Armenian President Levon Ter-Petrossian on the victory of his party in the July 5th parliamentary elections in Turkey.

These concessions seems small, indeed, and they are small. But I hope they can result in improvements.

I recall, about 2 years ago, flying in a U.S. military plane to Armenia. The Turkish Government would not let us fly over Turkey to go to Armenia—strange conduct on the part of a government that has been helped in a substantial way over the years by the United States.

It was an action taken that was not so much adverse to the United States as adverse to Armenia.

In noting this step forward in better relations between Turkey and Armenia, it must also be noted with regret that Turkish President Suleyman Demirel refuses to use the corridor over Armenia.

I hope he can overcome his fears or his hatreds enough to do that one of these days.

And I hope the use of the air corridor over Armenia by the Turkish Prime Minister will be followed with more significant actions by Turkey and Armenia.

A TRIBUTE TO REBEKAH HARLESTON

• Mr. MCCONNELL. Mr. President, I rise here today to pay tribute to Rebekah M. Harleston, a pioneer in the field of documents librarians. Ms. Harleston died on October 14, 1994, after dedicating more than two decades of her life to public service. Her innovative work as a reference and government documents librarian has been widely recognized and appreciated, and today the public still reaps the benefits of her lasting contribution to this field.

Ms. Harleston was a powerful driving force behind improvements to the libraries of Kentucky and the Nation. She worked as a reference and government documents librarian within the University of Kentucky [UK] Library system from July 1, 1958 until her retirement on June 30, 1983. During her time at the University of Kentucky, the UK libraries became both the regional depository library for the Commonwealth of Kentucky and a United Nations depository library. She was a charter member of the Government Documents Round Table of the American Library Association and chaired the Kentucky Library Association's Government Documents Round Table. In addition, she collaborated with Carla Stoffle, currently dean of the University of Arizona libraries, in writing what was then considered the definitive book on depository libraries, "Administration of Government Documents Collections."

Mr. President, this woman's dedication and exemplary work are illustrated by the many fond recollections of her colleagues. They speak of her as an excellent teacher who mentored many documents librarians, and they recall her "infectious enthusiasm for government reference work." Her dedication and accomplishments as a professional are truly admirable.

As a public servant, Rebekah Harleston made lasting contributions to the state of Kentucky and the Nation. It is my honor to pay tribute today to this representative of Kentucky—a tireless, dedicated public servant, a woman to be emulated and admired.•

THEY PLAY TO LOSE

• Mr. SIMON. Mr. President, some weeks ago, I gave a lengthier than usual talk on the floor of the Senate about the growing problem of legalized gambling in the United States.

This is not a phenomenon only in the United States. The Jerusalem Post contained an article about the problem in Israel. The title of this article: "They play to lose."

The subhead is: "Compulsive gambling is a disease that gradually overwhelms one's life, Ruth Beker writes."

There is an unfavorable reference to the United States.

The article quotes a Dr. Yair Caspi as saying: "Together with an increase in use of alcohol and drugs, gambling is part of a general addictive phenomenon growing rapidly in Israel, trying to be little America."

I ask that the article be printed in the RECORD.

The article follows:

[From the Jerusalem Post, March 25, 1995]

THEY PLAY TO LOSE—COMPULSIVE GAMBLING IS A DISEASE THAT GRADUALLY OVERWHELMS ONE'S LIFE, RUTH BEKER WRITES

Gambling is a gate to dangerously false hope.

For Michael, 53, a compulsive gambler, it was sweet at the beginning, hell at the end, and many things in between.

Michael's sickness—for that's what it is—is rooted in the Holocaust.

When he was six months old, he was given to a Gentile family for safekeeping before his parents were sent to Bergen Belsen, where

his mother died. "After the war [my father] found me and took me home. When I was eight he remarried. It was disastrous.

"My father and stepmother always punished me harshly for no reason. Once I spent three months in my room on bread and water. I was never allowed to play outside. My father forced me to wear a skullcap to school. This was very cruel as we lived in a Gentile neighborhood.

"My father and stepmother crushed my spirit and destroyed my willpower. I could not think for myself, make any decisions. My self-confidence was shot. I'm still afraid of my father and he's been dead for years."

Such a background, according to at least one expert in the field, is typical.

"A compulsive gambler is like someone who touches a hot stove, gets burned yet keeps coming back for more," explains Don Lavender, clinical coordinator at Arizona's Sierra Tucson Treatment Center for Psychological and Emotional Disorders. He was in Israel recently to give a one-week workshop at the new Herzliya Medical Center for Addictions at Beit Oren.

Gambling becomes the lover, the best friend, the only comfort as the sufferer runs from a pain he cannot deal with, Lavender explains.

"I didn't know I was addicted, but I knew something was wrong if I organized my whole day around gambling," Michael continues. "At first gambling was fun, a diversion. Then it became a habit I couldn't live without and finally an escape for all my problems. I spent my business money, my children's money, everyone's money.

"My wife knew nothing about my gambling. I was a great liar and came home with a thousand stories. I was clever at "combinations," the expertise of every gambler. I hid the truth brilliantly from everyone, including myself.

"I was in a trance, in a blackout when I played. Lost to the world. If the man next to me dropped dead I wouldn't look up. I wouldn't go to the bathroom.

"I could feel the adrenalin pumping in me while I was playing. I felt alive.

"You always lose. I didn't care. A compulsive gambler *plays*; it doesn't matter if he wins or loses. It has nothing to do with money.

"I know I have tons of anger in me and I can't let it go. I'm afraid to show my anger or any other emotion. I'm afraid to be myself.

"Nothing was sacred. I gambled everything away. If I had money to pay the bills, I gambled it away.

"Because gambling isn't physical like drugs or alcohol, it is hard for people to understand what a dangerous addiction it is," warns Michael. "It sneaks up on you.

"Win or lose, I kept playing. I couldn't stop. My business was ruined. I owed money everywhere. I couldn't sleep. Suicide seemed the only way to go. Gambling had gobbled up my life."

At that desperate point, Michael read about Penina Eldar's gambling disorder clinic. The treatment has been successful so far. "I can't ever gamble again, not even for a penny," he insists.

Eldar opened the Center for Compulsive Gambling in Jerusalem in 1991, and recently opened a branch in the Center for Alternative Medicine in Tel Aviv.

"The Jewish people are more vulnerable to this disorder than others because of their troubled history," Michael says. "The Holocaust had a lot to do with all this."

Dr. Yair Caspi, a lecturer in addiction at the Hebrew University Law School and the Tel Aviv School of Social Work, defines a compulsive gambler: "What place has gambling in his life? Does he think about it all the time? Is every vacation planned around it, whether the casino is in Turkey, Egypt or Rio?"

"Gambling gives you the same high you get from drugs. It's easy money. You don't have to work, you just play games," said Dr. Val Velkes, co-director with Dr. Pinhas Harris of the Herzliya Medical Center's addiction clinic.

"People here are addicted to Lotto, Hish Gad, Toto, all the state lottery games," says Harris. "Gambling is much more of a problem here than anyone wants to admit." He adds that Jews are big gamblers.

"The mania of gambling sweeping Israel is going to cause lots of problems," Penina Eldar warns.

"Eldar is former director of the department for the treatment of alcoholics at the Ministry of Labor and Social Affairs, and founded Alcoholics Anonymous 20 years ago.

"Now with credit and access cards you can phone around the world and bet on any sporting event you want, a dangerous and tempting situation for compulsive gamblers and people vulnerable in that direction," she warns.

Eldar began the gambling program four years ago, but despite extensive media attention and an advertising campaign, "of the 100 people who came to talk to me, only 50 decided on treatment."

"That in itself is no part of the problem. "It is very hard for a compulsive gambler to admit his sickness," she says. "Today we are treating 12 people in intensive treatment and 30 in group therapy. It is a commitment many are not ready to take."

"Eldar's method of treatment is more attractive than that used in Spain and France, where compulsive gamblers are kept in psychiatric wards. Eldar espouses rehabilitation and group and family therapy. The gambler seeking help gets 10 one-on-one sessions, 10 group meetings, two meetings with the family, and, if therapy is going well, monthly group sessions that continue "for as long as necessary, sometimes forever."

"Compulsive gambling disorder is a man's disease," Eldar explains, "though it is the wives and mothers who face the dire economic consequences." An alcoholic may drink only a bottle a day and still be an alcoholic, but a compulsive gambler spends all the family's money, leaving them physically and emotionally destitute, she says.

Playing cards with family or friends is okay, but stay away from gambling clubs, she warns. "It gets tricky when you start playing two to three times a week. Then it's only a matter of time." She says it can take five to seven years for gambling to develop into a compulsion.

"According to my statistics, 67,000 compulsive gamblers need treatment here, and there are between 50,000 and 200,000 gamblers at risk in Israel."

The hundreds of illegal casinos mushrooming all over Israel signify the breakdown of Israeli society, warns Dr. Yair Caspi.

"This wasn't here 20 years ago. Not the growing gambling phenomenon, nor the drugs or alcohol. It isn't that we weren't aware, it just wasn't here.

"Together with an increase in use of alcohol and drugs, gambling is part of a general addictive phenomenon growing rapidly in Israel, trying to be little America."

Caspi holds an opposing view to the widely accepted theory that addiction is caused by individual deficiency.

"Israel has lost its traditional Jewish value system. The '50s immigration from North Africa and Eastern Europe lost a value system from which they never recovered. Then Zionism and socialism and idealism were still strong and gave something back to replace it."

Religion, he says, has "reneged on its job."•

TRIBUTE TO WILLIAM S. CONN, JR.

Mr. McCONNELL. Mr. President, I rise today to pay tribute to William S. Conn Jr., a resident of Louisville, KY, who will soon retire from two decades of service as president of the Kentucky Hospital Association.

A native of Monticello, Mr. Conn began his career pursuits at Western Kentucky University where he received a degree in Business and Accounting. He then went on to receive his graduate degree in Hospital Administration from the University of Michigan.

After serving 7 years with the Kentucky Department of Mental Health, he became president and CEO of the Kentucky Hospital Association and the Kentucky Hospital Research & Education Foundation in 1975. His dedication to professional excellence took him one step further in 1980 when he became president and CEO of the Kentucky Hospital Service Corp., a wholly-owned, for-profit subsidiary of the Kentucky Hospital Association.

Mr. President, William Conn has given faithful service to his country and community. From 1954 to 1958 he served in the Medical Service Corps of the U.S. Navy. Throughout the years, William has invested both his time and creativity in community service. Mr. Conn is a former member of the U.S. Jaycees and is past president of the Fleming County Jaycees. He is currently a member of the Masonic Lodge and the American Society of Association Executives. He has also served as past president of the Kentucky Society of Association Executives.

His extensive service to his community and dedication to his field has earned Mr. Conn such admirable awards as the Distinguished Service Award from the Kentucky Hospital Association.

Administrator, community leader and friend—Mr. Conn's retirement is well deserved. His accomplishments over the past two decades are too extensive to capture in these few words. He is a respected and admired Kentuckian, and I appreciate this opportunity to honor his professional and community achievements today.

THE 22D ANNUAL GERMAN HERITAGE FESTIVAL

• Mr. BRADLEY. Mr. President, our country is a remarkable mosaic—a mixture of races, languages, ethnicities and religions—that grows increasingly diverse with each passing year. Nowhere is this incredible diversity more

evident than in the State of New Jersey. In New Jersey, schoolchildren come from families that speak 120 different languages at home. These different languages are used in over 1.4 million homes in my State. I have always believed that one of the United States' greatest strengths is the diversity of the people that make up its citizenry and I am proud to call the attention of my colleagues to an event in New Jersey that celebrates the importance of the diversity that is a part of America's collective heritage.

On June 4, 1995, the Garden State Arts Center in Holmdel, NJ, began its 1995 Spring Heritage Festival Series. The Heritage Festival program salutes some of the different ethnic communities that contribute so greatly to New Jersey's diverse makeup. Highlighting old country customs and culture, the festival programs are an opportunity to express pride in the ethnic backgrounds that are a part of our collective heritage. Additionally, the Spring Heritage Festivals will contribute proceeds from their programs to the Garden State Arts Center's Cultural Center Fund which presents theater productions free-of-charge to New Jersey's school children, seniors and other deserving residents. The Heritage Festival thus not only pays tribute to the cultural influences from our past, it also makes a significant contribution to our present day cultural activities.

On Sunday, September 10, 1995, the Heritage Festival Series will celebrate the 22d Annual German Heritage Festival. Chaired by Ted Hierl, this year's event is a wonderful opportunity for the German-American community to share its colorful culture with New Jerseyans and people from surrounding States through folk dancing, singing, food, and craft and cultural displays. Ted Hierl, of the radio stations WTTM/Trenton and WJDM/Elizabeth will join Hansel Kronauer and Edith Prock, two of Germany's most popular entertainers as part of the evening's stage entertainment. The day promises to be full of fun, friendship and family.

On behalf of all New Jerseyans of German descent, I offer my congratulations on the 22d anniversary of the German Heritage Festival.●

CENTENNIAL CELEBRATION OF THE DETROIT HEBREW FREE LOAN ASSOCIATION

● Mr. LEVIN. Mr. President, I am proud to rise to congratulate the Hebrew Free Loan Association of Detroit on the celebration of 100 years of service to the Jewish community.

The Hebrew Free Loan Association of Detroit was founded in 1895 to provide loans to Jewish people in the Detroit metropolitan area. Over the last century, this revered institution has made loans without interest to assist people in small businesses, and other endeavors with a particular emphasis on aiding people to do productive work.

The Hebrew Free Loan Association has also provided aid to waves of immigrants and refugees arriving in the Detroit area. A critical part of its mission has been to assist these newcomers in getting their start in America and in bringing their relatives from the old country to join them. Many of our families in the Jewish community have benefited from such loans and have gone on to become successful and to help others. Remarkably, historically, more than 96 percent of the loans made have been repaid.

Mr. President, this is an organization with old and strong roots in Jewish tradition, the Detroit community, and in American values. On September 10, the Hebrew Free Loan Association of Detroit will celebrate its centennial. I know all of my colleagues in the Senate join me in congratulating its president, Paul Hack, its executive director Ruth Marcus, its officers and directors, and all of those whose efforts over the years have contributed to this American success story.●

TRIBUTE TO CORPORATE AIR

● Mr. BAUCUS. Mr. President, I rise today to honor a made in Montana business. Corporate Air of Billings, MT is a modern day success story. Founded in 1981 by Mike and Linda Overstreet, Corporate Air has grown to employ over 300 people and serve a national and international market.

Mike has been an ambassador for Montana and America. And Corporate Air has created new jobs both here and abroad. Today, they are leaders in an overseas market that appears limitless. That is what teamwork and Corporate Air is all about.

This company was years ahead of the industry in recognizing that freight hauling was a viable growth industry for the future. And they were also far ahead in recognizing and seizing the opportunity for expansion in Asia. Mike Overstreet accompanied me on two trade missions to Asia in order to look at exciting business opportunities.

That is why I was not surprised when Corporate Air was recently recognized with the Regional Airlines Teamwork Award by the Professional Pilots Association. This award is testament to teamwork and a can-do attitude that describes Montanans in general and the Overstreets in particular.

Corporate Air and Montana understand that teamwork can solve almost any problem, no matter how difficult. When founded in 1981, the economy in America and Montana was weak. Naysayers discounted the chances of a little Montana air service that did not carry passengers.

Well, they were wrong. Through organization, vision, and hard work, the Overstreets and Corporate Air not only made it but are national and international leaders.

Finally, Corporate Air is as committed to the Billings community as to success in business. They organized a successful Big Sky International Air Show, with an attendance of over 12,000 people, with the proceeds going to local charities.

That is just one example of how Corporate Air and the Overstreet family strive daily to give back to the community that helped them grow. Their children, Luke and Sara, and their three wonderful grandchildren represent generations of hardworking Montanans who will continue Mike and Linda's work.

To conclude, Mr. President, we in Montana are justifiably proud of this important award and Corporate Air's many contributions. The rest of America would do well to follow the example set by these innovative Montanans.●

REMARKS OF SENATOR HOWELL HEFLIN AT THE V-J. 50TH ANNIVERSARY COMMEMORATION SERVICE

● Mr. WARNER. Mr. President, I rise today to praise our colleague, Senator HOWELL HEFLIN. Senator HEFLIN served in the U.S. Marine Corps in World War II. He was wounded twice and decorated with the Silver Star. Senator HEFLIN is a strong supporter of America's military and has worked hard to ensure that the United States maintains its position as the leader of the free world.

Although his time on active duty is behind him, Senator HEFLIN remains a soldier at heart. On September 2, he attended the V-J 50th Anniversary Commemoration Service at Pearl Harbor. I would like to share the remarks he delivered with my colleagues.

For all of us in Congress who served in World War II, and for that matter, all World War II veterans, his words remind us of the faith we placed in God and our country. A faith that remains unshakable today.

I ask that Senator HEFLIN's remarks be printed in the RECORD.

The remarks follow:

V-J DAY 50TH ANNIVERSARY COMMEMORATION SERVICE

(By Senator Howell Heflin)

I was asked to read from the Book of Matthew, Chapter 5, verses 3-16. I have chosen to depart from the printed program and read from the Bible familiar to all troops and sailors during World War II—The King James Version:

Blessed are the poor in spirit: for theirs is the kingdom of heaven.

Blessed are they that mourn: for they shall be comforted.

Blessed are the meek: for they shall inherit the earth.

Blessed are they which do hunger and thirst after righteousness: for they shall be filled.

Blessed are the merciful: for they shall obtain mercy.

Blessed are the pure in heart: for they shall see God.

Blessed are the peacemakers: for they shall be called the children of God.

Blessed are they which are persecuted for righteousness sake: for theirs is the kingdom of heaven.

Blessed are ye, when men shall revile you, and persecute you, and shall say all manner of evil against you falsely, for my sake.

Rejoice, and be exceedingly glad: for great is your reward in heaven: for so persecuted they the prophets which were before you.

Ye are the salt of the earth: but if the salt have lost his savour, wherewith shall it be salted? It is thenceforth good for nothing, but to be cast out, and to be trodden under foot of men.

Ye are the light of the world. A city that is set on an hill cannot be hid.

Neither do men light a candle, and put it under a bushel, but on a candlestick; and it giveth light unto all that are in the house.

Let your light so shine before men, that they may see your good works, and glorify your Father, which is in heaven.

I have been asked to say a few words on behalf of the veterans of World War II.

In the early days of World War II, American Chaplain William Thomas Cummings was delivering a sermon to troops on Baatan when he uttered the words, "There are no atheists in foxholes." Those words quickly spread throughout the Pacific and shortly thereafter to wherever American troops were deployed. This truism symbolized the reliance of American service personnel on Almighty God as they served under the Stars and Strips.

On this 50th anniversary of the official end of World War II, I know that each surviving veteran of World War II gives thanks to our Supreme Deity for His decisive role in protecting us from the chains of totalitarianism, for the preservation of democratic values and for victory over our then-enemies as well as for life itself and many join me in thanking our Father in heaven for His redeeming grace of salvation.

At this time, I am reminded of the written words of Francis Scott Key which he penned as he watched the bombardment of Fort McHenry on the night of September 13–14, 1814, contained in the last stanza of the Star Spangled Banner. These words, which I paraphrase slightly, express our hope for our nation's future:

Blest with victory and peace, may this heaven-rescued land

Praise the power that hath made and preserved us as a nation!

Then defend it we must, may our cause always be just,

And this be our motto: "In God is our trust!"

And may this star-spangled banner continue to wave, O'er a land of the free, and a home of the brave!

On behalf of all veterans of World War II, our prayer is that there will never be World War III.•

WORK NOT WELFARE IN THE MORMON CHURCH

• Mr. SIMON. Mr. President, we are talking a great deal in the Senate these days about welfare reform. Recently, I had a chance to read an article by Ralph Hardy, a Mormon leader in the Washington, D.C. area, in the magazine American Enterprise published by the American Enterprise Institute.

It is titled, "Work not Welfare."

For a long time we have known that Mormons have been exceptional in not having their people on welfare. But this article goes into more detail than I had known.

If we try to get welfare reform without providing jobs for people, we will not have welfare reform.

It is interesting to note in the article, he says, "I quickly learned that the physical welfare of my charges was an important influence on their spiritual welfare." That is true in the religious sense and also in the non-religious sense.

I will have an amendment to try a WPA-type of demonstration in four different places in the country.

I hope it can pass.

The reality is there is simply no great demand for unskilled labor in the United States today, and most of the people on welfare fall in that category. If we were to do that, not only would we help the people more, as the Latter-Day Saints do, but we would be moving on other social problems.

We spend a great deal of time making speeches about crime and doing very little constructive about it. Show me an area with high unemployment, whether it is White, Black, or Hispanic, and I will show you an area of high crime.

I ask that the Ralph Hardy piece be printed in the RECORD and I urge my colleagues to read it.

The article follows:

WORK NOT WELFARE IN THE MORMON CHURCH

(By Ralph Hardy)

In 1996, the 9 million-member Church of Jesus Christ of Latter-Day Saints (popularly known as the Mormons) will commemorate the sixtieth year of its welfare program. It was in 1936, with the Great Depression sapping the strength and spirit of the nation, that our church's visionary president Heber Grant inaugurated the Church Welfare Program as "a system under which the curse of idleness would be done away with, the evils of a dole abolished, and independence, industry, thrift, and self-respect be once more established amongst our people. The aim of the church is to help the people to help themselves. Work is to be re-enthroned as the ruling principle of the lives of our church membership."

From this beginning, the Church of Jesus Christ of Latter-Day Saints developed a detailed system for social assistance that favors work instead of welfare. It has proven extremely practical and effective in helping vulnerable people. This I know from my own personal experiences.

In the late 1940s, when I was about eight years of age, my father roused me out of bed one early Saturday morning and announced that we were going to the stake (roughly analogous to a diocese) welfare farm. This was an exciting prospect; I had never visited a farm and I eagerly anticipated seeing many creatures of my imagination. However, when my father and I arrived at the enterprise on the far west side of Salt Lake City, I was surprised not only by the lack of farm animals but by the large machete I was given. There ended the fun. For the remainder of that Saturday my father and I, along with several other men and their sons, harvested heavy, dirty sugar beets by hand, throwing them into the back of a three-quarter-ton truck. After hefting those beets I never felt the same about sugar again. I did, however, acquire a healthy respect for the life of a farm boy.

Later, a few years after my family had moved to Washington, D.C., the assignment came again to work on the stake welfare farm. This time, however, I held no illusions. I braced myself to work in the intent heat and 95 percent humidity that only the Washington area can promise in July. Throughout that day, which still ranks as one of the hardest episodes of labor I can remember, my father and I toiled in the fields digging fence-post holes.

It was with a little sadness that I later learned that this stake welfare farm had been sold, with a large dairy farm on Maryland's Eastern Shore acquired in its place. When I returned to Washington after graduate school, I spent many more Saturdays cleaning barns and pouring cement at the dairy farm.

When I turned 12, I became a deacon in the church like other boys of my age. One of my first assignments was to visit about eight families in our local congregation on the first Sunday of every month. My purpose in going was to collect from these families a "fast offering"—a cash contribution from each household equal to the value of two meals skipped by that family on the first Sunday of the month, known as Fast Sunday. I traveled by bicycle, and at the end of the afternoon I would bring all the offerings back to the bishop at the meetinghouse. These contributions created a pool of funds for our bishop to use in providing assistance to needy families in our ward. Although I did not know who these families were, I knew that our wise bishop would put the funds to good use.

When I was 34, the leadership of the church asked me to serve as bishop of my ward. One of the key assignments I was given, like all other bishops in the Church of Jesus Christ of Latter-Day Saints, was to assume direct responsibility for the physical welfare of the nearly 600 members of the congregation. I quickly learned that the physical welfare of my charges was an important influence on their spiritual welfare.

The good people of my ward were from all walks of life. Some were reasonably affluent, many were not. More than a few, especially young families, struggled. One adult member of my ward was retarded and living alone. Another was severely overweight, without family or transportation, and virtually unemployable. Over the five years of my service I spent an enormous amount of time administering to the many needs of these people.

One day, after I had been bishop for only about four months, one of the very faithful men in my ward came to see me. He had been assigned as the "home teacher" to several families, and, as such, he visited these families faithfully each month on my behalf. This man said to me, "Bishop Hardy, I am concerned about one of my families. The husband is out of a job, and his spirit and self-confidence are broken." I knew the man's name at once, and was distressed that I had not been perceptive enough to detect that the family was in difficulty.

I immediately visited the man and his wife and confirmed that they were without the

basic necessities of life. Their pantry was bare. All of their meager income went toward paying rent, now in arrears, and for gasoline so the man could search for work. And that search was not proving successful. That evening, I immediately called the very capable president of our ward's women's auxiliary, known in our church as the Relief Society, and asked her to also visit the home so that this family's immediate needs could be confidentially assessed. By noon the next day this was done. Counseling was begun, and a list of commodities and other necessities that this struggling family would need was compiled. By five o'clock in the evening, the Relief Society president and the wife in the family had driven to our regional bishops' storehouse facility and filled a large order of foodstuffs and other commodities to sustain that family of five for a period of time.

A few days later, by prearrangement with the husband, I contacted the man's older brother living in the southwest and inquired about the extended family's ability to be of assistance to their kin. To my joy I received a commitment from them to donate not only cash assistance to their brother but also a good used automobile to replace the family's old car, which was not worth fixing. Then I asked a capable young attorney in my ward to help me prevent the family from being evicted from their rented townhouse; he was able to work out a rent moratorium with the landlord. From the Fast Offering funds donated by members of my congregation I advanced a deposit of one month's rent so that the landlord would feel a sense of commitment. Also from Fast offering funds I made several direct payments to the electric utility and to several physicians, in order to free up the family's meager cash resources for other purposes.

As is the practice in our church, I asked the man and his wife if they would perform some church service to partially recompense for the assistance that they received. I asked the man if he would undertake a project to repaint one of the long hallway walls in our ward meetinghouse. This assignment was accepted and the work was performed over the course of several Saturdays.

A member of our ward who had been assigned to serve as an employment specialist then began turning over to this man every possible job lead. Before we could succeed at this, however, the man's own extended family found him employment in the Southwest. I still hear from him every Christmas and can report that he has been gainfully employed ever since his crisis, and is a productive member of our church and society.

At every turn the LDS church teaches the dignity of work and the importance of personal industry. Work is emphasized as a ruling principle in the lives of all of our believers. I learned this lesson as part of a religious congregation, through personal labor in the church welfare system, and through my participation in our system of financial and service offerings. Work is basic in the doctrine of our church, and the virtues of work—and the cursedness of idleness—are taught to Latter-Day Saints at a young age.

More generally, the members of our church are taught to be self-reliant. Coming in part from our pioneer traditions, the importance of self-reliance and personal independence receives great emphasis. Spencer W. Kimball, a recent church president, taught that:

The responsibility for each person's social, emotional, spiritual, physical, or economic well-being rests first upon himself, second upon his family, and third upon the church if he is a faithful member thereof. No true Latter-Day Saint, while physically or emotionally able, will voluntarily shift the burden of his own or his family's well-being to someone else.

Our emphases on work and self-reliance lead directly to a third requirement in church teaching—that of provident living. This means we must train members, from youth, to live within their means; to avoid unnecessary debt; to adopt on a family basis the principle of the "storehouse," which encourages laying up a year's stock of food, commodities, and financial resources against a time when they may be needed.

These work- and independence-based principles inoculate most church members from serious problems of economic security. And where personal welfare problems do crop up, our vast system of temporary church assistance and guidance back toward work is able to ease most situations without any involvement by the government. This is not mere rhetoric. Last year within the United States alone, 35,207 of our unemployed members were placed in gainful employment through the church's employment centers. In addition, over 1,500 so-called "unemployable" persons were placed in jobs, with more than 85 percent still working at the same business over one year later.

I have seen the LDS church welfare assistance system in action. I learned its principles as a child; I taught them as a full-time missionary for the church as a young man overseas; I have administered the system at the grassroots level as a church bishop. This system works because it is focused on the self-worth of the individual, and because it is administered as a part of religious practice at the local level.

Ours is a program built on work, self-help, personal dignity, and redemption. I have seen it succeed. And I know that many of its principles could be applied to the world at large.●

TRIBUTE TO COL. ROBERT F. BEHLER

Mr. THURMOND. Mr. President, each of us has found cause to use the services of congressional liaison offices that have been set up by Government agencies to assist us in servicing our constituents and managing the affairs of the Nation. Almost without exception, the men and women who staff these offices are individuals who are competent, polite, and eager to serve. I rise today to pay tribute to a person who has met and exceeded those characteristics, the Chief of the U.S. Air Force Office of Senate Liaison, Col. Robert F. Behler.

Known, liked, and respected by Senators and staffers, Colonel Behler has spent the last 2 years representing the Air Force and striving to meet the needs of the Members of this Chamber. Always maintaining the highest degree of professionalism, Colonel Behler ensured that he and those under his direction responded to our queries quickly and completely. As the chairman of the Senate Armed Services Committee, I greatly appreciated the commitment that Colonel Behler and his staff made to their jobs and I hope that his successor will maintain the same sense of duty and responsibility.

Soon Colonel Behler will take command of the 9th Reconnaissance Wing at Beale Air Force Base, CA. This will certainly be an important and challenging assignment, but one I am confident he will quickly master and at which he will excel. I wish him the best of luck in his new assignment and in the remainder of his career.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, as of the close of business yesterday, September 7, the Federal debt stood at $4,968,651,845,437.79. On a per capita basis, every man, woman, and child in America owes $18,861.09 as his or her share of that debt.

WELCOMING HIS HOLINESS THE DALAI LAMA

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 169, submitted earlier today by Senator THOMAS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 169) expressing the sense of Senate welcoming his holiness the Dalai Lama on his visit to the United States.

The Senate proceeded to consider the resolution.

Mr. THOMAS. Mr. President, I am today joined by the distinguished chairman of the Foreign Relations Committee Senator HELMS, the equally distinguished ranking minority member Senator PELL, and Senators MACK and D'AMATO to introduce a resolution welcoming the visit to the United States this week and next of His Holiness the Dalai Lama.

The story of the 14th Dalai Lama is one with which I believe we are all familiar. Exiled from his homeland along with over 100,000 of his fellow Tibetan citizens, repeatedly frustrated and rebuffed in his sincere efforts to resolve their differences with the Chinese Government, His Holiness has never wavered in his determination to bring freedom and the full panoply of human rights to his people. His commitment to nonviolence in pursuit of the goal, even in the face of consistent provocations, has never faltered and earned him the Nobel Peace Prize.

For 45 years since the forcible invasion and occupation of their country by the Chinese People's Liberation Army, Tibetans have been subjected to systematic abuses and human rights violations. Those 45 years have seen the deaths of tens of thousands of Tibetans, the destruction of thousands of their temples and monasteries, the imprisonment of their religious and political figures, the forced sinocization of

their country, and the systematic destruction of traditional Tibetan culture.

Despite hollow Chinese declarations to the contrary, the present state of human rights in Tibet is deplorable. The Chinese Government continues to arrest and imprison Tibetans solely for their religious beliefs or for the peaceful expression of political dissent. Yesterday, the Subcommittee on East Asian and Pacific Affairs which I chair held a hearing on Tibet. Witnesses presented ample evidence of these continuing abuses; Mr. Gendun Rinchen, a former political prisoner in Tibet, very recently escaped across the Himalayas into India and flew here this week to provide us with firsthand testimony on the plight of the Tibetan people.

Mr. President, the resolution is fairly self-explanatory. It extends the welcome of the Senate to His Holiness the Dalai Lama, urges the President to meet with His Holiness and to encourage the Chinese Government to sit down at the negotiating table with the Tibetan Government-in-exile, and reminds the Tibetan people that as they move forward in their struggle the Congress and the American people stand with them.

In closing, I note that one of the central tenets of Tibetans' Buddhist belief is that life and its sufferings are transitory; this has allowed them to remain remarkably restrained since the invasion. I sincerely hope that sometime soon the Chinese Government will see fit to sit down with His Holiness and negotiate an end to the present unacceptable and untenable situation so that the Tibetan people no longer have to be patient in their suffering.

Mr. President, I urge the adoption of the resolution.

Mr. SANTORUM. Mr. President, I ask unanimous consent the resolution be considered and agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements related to the resolution appear at the appropriate place in the RECORD.

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

The resolution (S. Res. 169) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas historically Tibet has demonstrated those attributes which under international law constitute statehood: it has had a defined territory and a permanent population; it has been under the control of its own government; and it has engaged in, or had the capacity to engage in, formal relations with other states;

Whereas beginning in 1949 Tibet was forcibly and coercively invaded and occupied by the People's Republic of China;

Whereas under the principles of international law Tibet is an occupied country and its true representatives continue to be His Holiness the Dalai Lama and the Tibetan Government-in-exile, which the Congress has recognized on several occasions;

Whereas the Tibetan people are historically, territorially, and culturally distinct from the Chinese population in the People's Republic of China and were forcibly incorporated into the People's Republic of China;

Whereas the Tibetan people are entitled to the right of self-determination as recognized in 1961 by the United Nations General Assembly in Resolution No. 1723;

Whereas instead of being afforded that right they have been subjected to repressive actions on the part of the Government of the People's Republic of China, which have resulted in the deaths of countless Tibetans, the destruction of over 6,000 temples and monasteries as well as much of Tibet's unique cultural and spiritual patrimony, the fight of the Dalai Lama and over 100,000 Tibetans from their homeland, the established in Tibet by the Chinese of a consistent and well-documented pattern of human rights abuses including numerous violations of the United Nations Declaration on Human Rights, and the settlement of thousands of Chinese in Tibet in an effort to reduce Tibetans to being a minority in their own land; and

Whereas this September His Holiness the Dalai Lama will be making his first extended visit to Washington, DC, since 1993; Now, therefore, be it

Resolved, That the Senate—

(1) warmly welcomes His Holiness the Dalai Lama to the United States;

(2) urges the President to meet with His Holiness the Dalai Lama during his visit to discuss substantive issues of interest to our two respective governments, and to continue to encourage the Government of the People's Republic of China to meet with the Dala Lama or his representatives to discuss a solution to the present impasse in their relations; and

(3) urges His Holiness the Dalia Lama to remind the Tibetan people that, as they move forward in their struggle toward preserving their culture and regaining their freedom, the Congress and the American people stand with them.

APPOINTMENT OF CONFEREES—H.R. 1530

The PRESIDING OFFICER. The Chair will appoint conferees on H.R. 1530.

The PRESIDING OFFICER (Mr. SMITH) appointed Mr. THURMOND, Mr. WARNER, Mr. COHEN, Mr. MCCAIN, Mr. LOTT, Mr. COATS, Mr. SMITH, Mr. KEMPTHORNE, Mrs. HUTCHISON, Mr. INHOFE, Mr. SANTORUM, Mr. NUNN, Mr. EXON, Mr. LEVIN, Mr. KENNEDY, Mr. BINGAMAN, Mr. GLENN, Mr. BYRD, Mr. ROBB, Mr. LIEBERMAN, and Mr. BRYAN conferees on the part of the Senate.

UNANIMOUS-CONSENT AGREEMENT

Mr. SANTORUM. Mr. President, I ask unanimous consent following the third rollcall vote on Monday, the Senate resume consideration of the Feinstein amendment, No. 2469, there be 30 minutes to be equally divided between Senators HUTCHISON and FEINSTEIN, and that the vote occur on or in relation to that amendment following the conclusion or yielding back of time.

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

ORDERS FOR MONDAY, SEPTEMBER 11, 1995

Mr. SANTORUM. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 a.m. on Monday, September 11, 1995, that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and that the Senate then immediately resume consideration of H.R. 4, the welfare reform bill.

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

SCHEDULE

Mr. SANTORUM. For the information of all Senators, the Senate will resume consideration of the welfare reform bill on Monday. Under a previous consent agreement, a number of amendments will be debated throughout the day with a series of consecutive rollcall votes beginning at 5 p.m., therefore Senators should be aware that the first rollcall vote will begin at 5 p.m. Monday. Also, for the information of my colleagues, a large number of amendments have been offered to the bill, as stated by the Senator from New York, and will need to be disposed of before passage. Therefore, the majority leader has indicated that Senators should anticipate late night sessions next week in order to complete action on the welfare reform bill.

THE FAMILY SELF-SUFFICIENCY ACT

Mr. SANTORUM. Mr. President, I ask unanimous consent we resume consideration of the welfare reform bill, H.R. 4.

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

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2678 TO AMENDMENT NO. 2280

Mr. SANTORUM. Mr. President, I send to the desk an amendment on behalf of the Senator from New York [Mr. D'AMATO]. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. D'AMATO, proposes an amendment numbered 2678 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(1) Except as provided in paragraph (2) of this subsection, in order for an eligible State to receive funds pursuant to title I of this

Act after April 1, 1996, the State shall enact legislation establishing a program fully conforming to the requirements of this Act by that date and effective on the date of discontinuance of the state's AFDC program, in accordance with section 112 of this act.

(2) In the case of a State whose legislature meets biennially, and does not have a regular session scheduled in calendar year 1996, the requirement contained in paragraph (1) of this subsection shall be effective no later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

Mr. SANTORUM. I ask unanimous consent the amendment be set aside.

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

AMENDMENTS NOS. 2679 AND 2680 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, I send to the desk an amendment on behalf of the Senator from Massachusetts [Mr. KERRY], and another for Mr. HARKIN, and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] for Mr. KERRY, proposes an amendment numbered 2679 and, for Mr. HARKIN, an amendment numbered 2680 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2679

(Purpose: To provide supplemental security income benefits to persons who are disabled by reason of drug or alcohol abuse, and for other purposes)

On page 124, beginning on line 16, strike all through page 127, line 2.

On page 127, line 3, strike "**SEC. 202.**" and insert "**SEC. 201.**".

On page 128, line 14, strike "**SEC. 203.**" and insert "**SEC. 202.**".

On page 129, line 7, strike "**SEC. 204.**" and insert "**SEC. 203.**".

On page 129, beginning on line 9, strike all through line 12, and insert:

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by adding at the end the following new paragraph:

On page 129, line 13, strike "(3)" and insert "(6)".

On page 131, line 6, strike "**SEC. 205.**" and insert "**SEC. 204.**".

On page 131, line 5, strike "Sections 201 and 202" and insert "Section 201".

On page 131, lines 7 and 8, strike "sections 201 and 202" and insert "section 201".

On page 131, line 21, strike "or 202".

On page 132, beginning on line 19, strike all through page 133, line 9.

On page 133, line 11, strike "sections 203 and 204" and insert "sections 202 and 203".

On page 133, lines 17 and 18, strike ", as amended by section 201(a),".

AMENDMENT NO. 2680

(Purpose: To assure continued taxpayer savings through competitive bidding in WIC)

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE REGARDING COMPETITIVE BIDDING FOR INFANT FORMULA.

(a) IN GENERAL.—The Senate finds that—

(1) the federal Supplemental Nutrition Program for Women, Infants and Children (WIC) is a proven success story, providing special nutrition and health assistance to at-risk pregnant women, infants and children;

(2) WIC has been shown to reduce the incidence of fetal death, low birthweight, infant mortality and anemia, to increase the nutritional and health status of pregnant women, infants and children and to improve the cognitive development of infants and children;

(3) research has shown that each dollar spent on WIC for pregnant women results in savings of $1.92 to $4.21 in Medicaid expenditures;

(4) because of funding limitations not all individuals eligible for WIC assistance are served by the program;

(5) infant formula is a significant item in the cost of WIC monthly food packages, amounting to approximately 26 percent of WIC food costs after subtracting manufacturer's rebates, but approximately 48 percent of food costs prior to applying rebates;

(6) rebates obtained through competitive bidding for infant formula have reduced the cost of infant formula for WIC participants by approximately $4.1 billion through the end of fiscal year 1994, allowing millions of additional pregnant women, infants and children to be served by WIC with the limited funds available;

(7) the Department of Agriculture has estimated that in fiscal year 1995 rebates obtained through competitive bidding for infant formula will total over $1 billion, which will enable WIC to serve approximately 1.6 million additional women, infants and children; and

(8) because of the very substantial cost savings involved, Congress enacted in 1989 legislation requiring that states administering the WIC program conduct competitive bidding for infant formula.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that any legislation enacted by Congress should not eliminate or in any way weaken the present competitive bidding requirements for the purchase of infant formula with respect to any program supported wholly or in part by federal funds.

Mr. MOYNIHAN. Mr. President, I ask the amendment be laid aside.

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

RECESS UNTIL 10 A.M., MONDAY, SEPTEMBER 11, 1995

Mr. SANTORUM. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 5:05 p.m., recessed until Monday, September 11, 1995, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate September 8, 1995:

STATE JUSTICE INSTITUTE

ROBERT NELSON BALDWIN, OF VIRGINIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE STATE JUSTICE INSTITUTE FOR A TERM EXPIRING SEPTEMBER 17, 1998. (REAPPOINTMENT)

DEPARTMENT OF THE TREASURY

JEFFREY R. SHAFER, OF NEW JERSEY, TO BE AN UNDER SECRETARY OF THE TREASURY, VICE LAWRENCE H. SUMMERS.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

MELISSA T. SKOLFIELD, OF LOUISIANA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE AVIS LAVELLE.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR PROMOTION IN THE NAVY OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

CIVIL ENGINEER CORPS

To be rear admiral

REAR ADM. (LH) DAVID J. NASH [redacted] U.S. NAVY.

THE FOLLOWING-NAMED SUPPLY CORPS OFFICERS, TO BE REAPPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(A):

LINE

To be lieutenant (junior grade)

ALBERT M. CARDEN [redacted]
TODD R. MUNSON [redacted]

LINE

To be ensign

LEE P. SISCO [redacted]

THE FOLLOWING-NAMED CIVIL ENGINEER CORPS OFFICER, TO BE REAPPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(A):

LINE

To be lieutenant (junior grade)

SEAN D. DONNELLY [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

LINE

To be lieutenant

MARK A. ADMIRAL [redacted]
KACY W. AINSWORTH [redacted]
TERRENCE R. ALLVORD [redacted]
DAVID L. AMISH [redacted]
SAUNDRA L. AMSDEN [redacted]
DAVID W. ANDREWS [redacted]
MARK G. ASTRELLA [redacted]
SUNG M. BAKER [redacted]
WILLIAM V. BANTA [redacted]
THEODORE E. BARNETT [redacted]
TERRY S. BARRETT [redacted]
ERIC J. BASU [redacted]
CHARLES E. BAXTER II [redacted]
ANDREW BELOBLOSKY [redacted]
SCOTT E. BERGSMA [redacted]
CHARLES S. BEST [redacted]
JAMES C. BETTY II [redacted]
RANDALL J. BIGGS [redacted]
CHARLES M. BILLY [redacted]
JAMES H. BLACK [redacted]
LISA I. BOARD [redacted]
JOSEPH D. BORGIA [redacted]
JON N. BRADY [redacted]
LAWRENCE C. BRAMAN [redacted]
RAYMOND J. BRENNAN, JR. [redacted]
HUGH P. BRIEN [redacted]
BRUCE W. BROSCH [redacted]
SCOTT R. BRUMMOND [redacted]
DAVID R. BUCHHOLZ [redacted]
JAMES G. BUCKLEY [redacted]
CHRISTOPHER D. BURTON [redacted]
JACQUELINE R. BUTLER [redacted]
RICHARD P. BYRNES, JR. [redacted]
TIMOTHY D. CARR [redacted]
MATTHEW W. CERO [redacted]
MICHAEL J. CHEETHAM [redacted]
SUNG W. CHOI [redacted]
LEDA M. CHONG [redacted]
SHANNON D. CHRISTOPHERSON [redacted]
DAVID A. CIMPRICH [redacted]
DAVID D. CLEMENT, JR. [redacted]
RANDALL D. CLENDENON [redacted]
JAMES P. CLINTON [redacted]
YVETTE COFRESIELLINI [redacted]
STEPHEN J. COMSTOCK [redacted]
GREGORY H. CONWAY [redacted]
MICHEL S. CONYAC [redacted]
GLENN C. COOPER [redacted]
ROBERT N. COOPER II [redacted]
MONSERRATE D. CORBETT [redacted]
BERNETTE A. CORBIN [redacted]
JERRY D. CORNETT, JR. [redacted]
WALTER J. COSTELLO [redacted]
DOUGLAS J. CRAGIN [redacted]
WILLIAM J. CRAWFORD [redacted]
WAYNE A. CROSS [redacted]
JUAN D. CUESTA [redacted]
DAVID P. CULLIGAN [redacted]
DONALD E. CZARAPATA [redacted]
FRANK J. CZOSEK [redacted]
ROBERT J. DAVID, JR. [redacted]
PATRICK A. DAY [redacted]

LA G. DE [redacted]
RANDALL R. DECKER [redacted]
CHRISTOPHER H. DELLOS [redacted]
BRAD S. DENNIS [redacted]
THOMAS A. DERMODY [redacted]
STEVEN R. DICKERSON [redacted]
MARK DIETTER [redacted]
ALAN A. DIGILIO [redacted]
WILLIAM J. DION [redacted]
MICHAEL J. DODICK [redacted]
RICHARD M. DOYLE [redacted]
LOWELL J. ELLIS [redacted]
JOHN P. ELSTAD [redacted]
ERIK E. ERWIN, 032–64–0827
PATRICK J. ETIENNE [redacted]
MARK J. EYRE [redacted]
GLENN D. FELDHUHN [redacted]
GREGORY P. FERNANDEZ [redacted]
KENNETH D. FILOR [redacted]
LISA M. FRANCHETTI [redacted]
CAROLYN S. FRANCIS [redacted]
RODNEY E. FREEMAN [redacted]
MICHAEL L. FULLER [redacted]
LAWRENCE F. GAUSE [redacted]
RAYMOND C. GAW [redacted]
JAMES A. GEARY [redacted]
CHRISTOPHER A. GILBERT [redacted]
TIMOTHY J. GILCHRIST [redacted]
CECILIA M. GONZALES [redacted]
ROBERT G. GRANT [redacted]
DE P. GRAVE [redacted]
ROBERT J. GRAY [redacted]
CONSTANCE M. GREENE [redacted]
JOHN L. GREER [redacted]
THOMAS B. GREWE [redacted]
RICHARD J. GRUENHAGEN [redacted]
RANCE HACKER [redacted]
ANDREW E. HAROLD, JR. [redacted]
RICHARD B. HENCKE [redacted]
BRIAN D. HENNESSY [redacted]
DAVID M. HESSEL [redacted]
DAVID A. HESTING [redacted]
GREGORY L. HICKS [redacted]
KYLE P. HIGGINS [redacted]
DARYL S. HORNE [redacted]
GREGORY W. HOWE [redacted]
JEFFREY Z. HUCKABEE [redacted]
DAVID C. HUGHES [redacted]
DEREK S. IKEHARA [redacted]
SCOTT D. IND [redacted]
RANDALL W. INGELS [redacted]
DESNEY W. ISZARD [redacted]
RICHARD J. JACKSTIS [redacted]
ANTHONY A. JOHNSON [redacted]
CLIFFORD T. JOHNSON [redacted]
EMERSON C. JOHNSON [redacted]
JOHN M. JONES [redacted]
MISTY A. JONESLONG [redacted]
BURKE R. KALTENBERGER [redacted]
TIMOTHY R. KAUNIKE [redacted]
CLIFFORD J. KEENEY [redacted]
BRIAN D. KELLY [redacted]
NINA R. KENMORE [redacted]
KAMERON K. KERNS [redacted]
MUHAMMAD M. KHAN [redacted]
ROBERT H. KNIGHT II [redacted]
SCOTT T. KORMIS [redacted]
KEN D. KOZEMCHAK [redacted]
ANDREW I. KRASNY [redacted]
LONN W. LARSON [redacted]
SHEILA A. LEE [redacted]
ANDREW Z. LEE [redacted]
ANDREAS LEINZ [redacted]
TRENTON S. LENNARD [redacted]
TERRY F. LINDBERG [redacted]
EDWARD A. LIZAK, JR. [redacted]
VICTOR J. LOSCHINKOHL [redacted]
RANDALL L. LOTT [redacted]
ERIC M. MALONE [redacted]
JOHN P. MALONEY [redacted]
STUART K. MARSHALL [redacted]
DAVID J. MARTAK [redacted]
PETER H. MATSON [redacted]
MICHAEL J. MCCABE [redacted]
IAN F. MCCALLUM [redacted]
THOMAS F. MCCANN, JR. [redacted]
MICHAEL C. MCCASSEY [redacted]
CHRISTOPHER S. MCCONNELL [redacted]
THOMAS F. MCGRATH [redacted]
DAVID G. MCKNEELY [redacted]
SCOTT S. MCQUILLEN [redacted]
KEVIN A. MCVADON [redacted]
FERMIN S. MENDEZ [redacted]
JACOB P. MERCIEZ [redacted]
GREGORY C. MERK [redacted]
JOHN A. MILLER [redacted]
RANDALL B. MILLER [redacted]
WILLIAM K. MIMS [redacted]
MICHAEL L. MOATS [redacted]
LINDSEY A. MOHLER [redacted]
ADAM J. MOORE [redacted]
JEFFREY W. MORTON [redacted]
JASON A. MOSER [redacted]
MITCHELL D. MUMMAW [redacted]
DEREK J. MURPHY [redacted]
TIMOTHY F. MURPHY, JR. [redacted]
ERIC V. NANARTOWICH [redacted]
ORLANDO E. NEGRON [redacted]
HENRY T. NILES, JR. [redacted]
DAVID H. NORMAN [redacted]
ROBERT R. OSTERHOUDT [redacted]
JAMIE R. OTTO [redacted]
LINDA D. OVERBY [redacted]
JOHN P. OVERTON [redacted]
TIMOTHY G. PAGE [redacted]
JOEL L. PAINE [redacted]
RACHEL H. PARDO [redacted]
BRADFORD T. PARKER [redacted]
HAROLD S. PARRISH [redacted]
JOHN E. PASCH III [redacted]
JAMES S. PATTERSON [redacted]
BRIAN K. PAUL [redacted]
ERIC A. PAYNE [redacted]
ROBERT S. PETERSON [redacted]
DAVID D. PHELPS [redacted]
RUSSEL H. PHELPS III [redacted]
ERIC R. PHIPPS [redacted]
DAVID P. PLATTE [redacted]
DALE W. POCKLINGTON [redacted]
JAMES W. POLJANEC [redacted]
JASON M. POST [redacted]
ANDREW K. POSTERT [redacted]
JANIE M. POWELL [redacted]
CHRISTOPHER L. PRATT [redacted]
GANDOLFO A. PRISINZANO [redacted]
MARK A. PROVITOLA [redacted]
JOHN A. PUCCIARELLI [redacted]
CHRISTOPHER M. RANKIN [redacted]
JOHN J. REESE [redacted]
DON A. REEVES, JR. [redacted]
ANDREW J. REINHART [redacted]
SCOTT J. REINHOLD [redacted]
MARY J. RIMMEL [redacted]
WILLIAM M. ROARK [redacted]
CHRISTOPHER L. ROSSING [redacted]
DARRELL G. RUBY [redacted]
PAUL RUCHLIN [redacted]
MARK B. RUDESILL [redacted]
MICHAEL S. RYAN [redacted]
BRIAN A. RYDELL [redacted]
ROMELDA C. SADIARIN [redacted]
DAVID W. SAMARA [redacted]
JON S. SCHACKMUTH [redacted]
MARK P. SCHENCK [redacted]
RODERICK SHANNON [redacted]
MICHAEL J.R. SHAUGHNESSY [redacted]
DENNIS P. SHELTON [redacted]
IVAN L. SHERMAN [redacted]
JAMES F. SHIELDS [redacted]
DAWN M. SHOOK [redacted]
MICHAEL L. SHUMBERGER [redacted]
KEVIN R. SIDENSTRICKER [redacted]
DONALD B. SIMMONS II [redacted]
GREGORY T. SIPPLE [redacted]
JAMES F. SKARBEK III [redacted]
JOHN C. SMAJDEK [redacted]
JODY C. SMITH [redacted]
CHERI A. SOLOMON [redacted]
WILLIAM R. SPEARMAN [redacted]
DOUGLAS H. STANFORD [redacted]
TAD F. STAPLETON [redacted]
LESLIE S. START [redacted]
RICHARD E. STEELE [redacted]
SCOTT P. STEFANSIC [redacted]
STEVEN R. STROBERGER [redacted]
SCOTT L. SULLIVAN [redacted]
ANDREW W. SWENSON [redacted]
DEREK L. TEACHOUT [redacted]
BRUCE J. THERIAULT [redacted]
DEBRA E. THOMPSON [redacted]
OTIS V. TOLBERT [redacted]
CHARLES J. TOLEDO [redacted]
NICHOLAS E. TRISKA [redacted]
MARK A. TUTHILL [redacted]
CHARON L. USTICK [redacted]
MICHAEL PETER VASKE [redacted]
STEPHEN J. VOGEL, JR. [redacted]
MARK D. WADDELL [redacted]
BERTRAM W. WAGNER [redacted]
BRIAN S. WAITE [redacted]
MICHAEL J. WEBER [redacted]
MICHAEL L. WIGGINS [redacted]
CARLTON B. WILSON [redacted]
JOHN H. WILTSE III [redacted]
STEPHEN M. WOOD [redacted]
GEORGE S. YATES [redacted]
MARK V. ZABOLOTNY [redacted]
BOYD T. ZBINDEN [redacted]
EDWARD C. ZEIGLER [redacted]

LINE

To be lieutenant (junior grade)

WILLIAM L. ANGERMANN [redacted]
DAVID A. ARNOVITZ [redacted]
ROBERT A. ARSENEAULT [redacted]
MARK O. BAILEY [redacted]
STEPHEN D. BARNETT [redacted]
JOEL A. BAUTISTA [redacted]
KIRK L. BECKETT [redacted]
JONATHAN K. BESCHLOSS [redacted]
STEPHEN R. BLASCH [redacted]
JAMES G. BOYLAND [redacted]
WILLIAM E. BUCKLEY [redacted]
ROSS S. BUDGE [redacted]
MATTHEW W. BURLINGAME [redacted]
ALEXANDER E. CARR [redacted]
JON C. CHEEK [redacted]
RICHARD S. CLARK, JR. [redacted]
WISDOM F. COLEMAN [redacted]
TIMOTHY M. COOPER [redacted]
CHRISTINE A. CORONADO [redacted]
B.P. COSTELLO, JR. [redacted]
JAMES D. COX [redacted]
ROBERT J. CROUCH [redacted]
MATTHEW J. CURRY [redacted]
EDGAR B. DAVIS [redacted]
MICHAEL P. DEGANUTTI [redacted]
TERENCE P. DERMODY [redacted]
LEONARD P. DILUDOVICO [redacted]
STEVEN J. DOHMAN [redacted]
MARK W. DOVER [redacted]
RICHARD S. DRAKE II [redacted]
FLOYD W. DUNN, JR. [redacted]
STEPHAN D. DUPOURQUE [redacted]
MICHAEL T. ECHOLS [redacted]
EDWARD R. FASSNACHT [redacted]
LISA D. FINKLEA [redacted]
BRADY FITZGERALD [redacted]
CHRISTOPHER P. FORDHAM [redacted]
DAVID R. FOSTER [redacted]
STEVEN D. FRANCIS [redacted]
MARC A. FRANZOS [redacted]
BRENT S. FREEMAN [redacted]
JOHN J. GALIK [redacted]
KEVIN M. GALLO [redacted]
DAVID M. GALLOWAY [redacted]
JEFFREY W. GARRISS [redacted]
MICHAEL J. GARVEY [redacted]
TODD R. GEERS [redacted]
LAWRENCE G. GETZ III [redacted]
KEVIN S. GILLAM [redacted]
KEVIN T. GRAF [redacted]
JULIE K. GRAHAM [redacted]
MATTHEW E. GREGOR [redacted]
DAVID K. HARDEN [redacted]
DAVID P. HARLEY [redacted]
JEFFREY S. HART [redacted]
DARREN S. HARVEY [redacted]
JON E. HAYDEL [redacted]
CHARLES J. HAYDEN III [redacted]
VIVIAN G. HENDERSON [redacted]
MARK D. HOLMES [redacted]
JENNIFER P. HORNE [redacted]
RUSS D. HORR [redacted]
KEITH J. HUGHES [redacted]
RODNEY J. HYRE [redacted]
HARUNA R. ISA [redacted]
THOMAS C. JAMES [redacted]
THOMAS J. JANKOWSKI [redacted]
ANDERSON JOHNSON II [redacted]
KENNETH A. JOHNSON, JR. [redacted]
STEPHEN C. JONES [redacted]
TIM A. JORDAN [redacted]
MARK A. JUNCO [redacted]
HALSEY D. KEATS [redacted]
WALLACE T. KESSLER [redacted]
ROCHUS S. KIRCHNER [redacted]
ANDREW C. KLAVON [redacted]
DONALD A. KNAUB [redacted]
PATRICK D. KREITZER [redacted]
SONYA LAUBSCHER [redacted]
MICHAEL T. LAVIGNE [redacted]
MARIE A. LEEDOM [redacted]
MICHAEL E. LEITER [redacted]
JEANPAUL G. LOVERA [redacted]
VINCENT M. LOWELL [redacted]
BRICE K. LUND [redacted]
RICHARD L. MARSHALL [redacted]
DUSTIN L. MARTIN [redacted]
MATTHEW J. MASON [redacted]
SEAN C. MAYBEE [redacted]
PAUL H. MCFARLAND [redacted]
GREGORY E. MCRAE [redacted]
CLAYTON W. MICHAELS [redacted]
JODY J. MILLER [redacted]
DENNIS J. MONAHAN [redacted]
BRIAN D. MORRILL [redacted]
JOHN M. MYERS [redacted]
NANCY A. NADEAU [redacted]
JOSHUA G. NEWSTEDER [redacted]
JAMES E. OGBURN [redacted]
JOSEPH R. OLSON [redacted]
VANESSA V. PADLA [redacted]
ERIC R. PERCIVAL [redacted]
THOMAS M. PERRY [redacted]
ROBERT E. POLING [redacted]
SABRA D. POLLER [redacted]
CLAUDIE A. PRESSLEY [redacted]
VICTORIA L. QUINN [redacted]
STEVE A. REYNA [redacted]
CHARLES E. RICH [redacted]
JAMES R. RIDGWAY III [redacted]
DENNIS R. RIEKE [redacted]
MATTHEW W. RISING [redacted]
JAMES W. ROBINSON, JR. [redacted]
THOMAS A. ROBSON [redacted]
MARK W. ROEMHILDT [redacted]
ANGELA W. ROGERS [redacted]
PATRICIA M. ROGERS [redacted]
PATRICK T. ROHAN [redacted]
LINDA L. ROUTSON [redacted]
FRANK J. RUBINO, JR. [redacted]
MICHAEL G. RYAN [redacted]
PAUL A. SADLER [redacted]
KEVIN R. SANDLIN [redacted]
DANIEL D. SANTOS [redacted]
KENNETH T. SCHLAG [redacted]
CHAD M. SCHNEIDER [redacted]
DOUGLAS L. SCOTT [redacted]
KEITH L. SELBY [redacted]
DAVID W. SHAW [redacted]
FRANK C. SHELLY [redacted]
JONATHAN D. SHERMAN [redacted]
SCOTT T. SHUMPERT [redacted]
WILLIE F. SIMS [redacted]

WALTER M. SLAUGHTER xxx-xx-x...
ANDREW F. SMITH xxx-xx-x...
RICHARD E. SMOAK xxx-xx-x...
LESLIE L. SPANHEIMER xxx-xx-x...
DANIEL K. STARK xxx-xx-x...
FORREST G. THOMPSON, JR xxx-xx-x...
JOHN J. TILI xxx-xx-x...
SCOTT K. TOPPEL xxx-xx-x...
FREDERICK J. TRAYERS III xxx-xx-xx...
BRADLEY W. UPTON xxx-xx-x...
MARCUS L. VALLOT xxx-xx-x...
ERIC R. VOSLER xxx-xx-x...
JOSEPH K. WAIWAIOLE xxx-xx-x...
SCOTT M. WHEELER xxx-xx-x...
VINCENT D. WILLIS xxx-xx-x...
STANLEY G. WILSON III xxx-xx-x...
JEFFREY L. WIPPLINGER xxx-xx-xx...
CHRISTOPHER S. WISEMAN xxx-xx-x...
TIMOTHY R. WORTHY xxx-xx-x...
KIRK R. WYMORE xxx-xx-x...
BURT J. YAROCH xxx-xx-x...
DAVID ZAK xxx-xx-x...
ELIZABETH F. ZARDESKASASHBY xxx-xx-x...

LINE

To be ensign

MICHAEL T. ADAMS xxx-xx-x...
PATRICK C. ANGLE xxx-xx-x...
WILLIAM S. BASS xxx-xx-x...
JASON B. BLITZ xxx-xx-x...
VICTOR A. BORDADORA xxx-xx-x...
MICHAEL J. CINQUE xxx-xx-x...
THOMAS M. COLEMAN xxx-xx-x...
ANTHONY C. CREGO xxx-xx-x...
SEAN A. DAVISON xxx-xx-x...
ZACHARY K. DUNHAM xxx-xx-x...
JAMES C. EVANS xxx-xx-x...
JOHN W. FOY xxx-xx-x...
SCOTT M. FRANZEN xxx-xx-x...
BRIAN K. FULLAN xxx-xx-x...
SAM R. GEIGER xxx-xx-x...
ERIC E. GEORGE xxx-xx-x...
BRIAN J. GRANGER xxx-xx-x...
JAMES M. GRIFFIN xxx-xx-x...
NED A. GRIFFITH xxx-xx-xx...
ROBERT L. GUERIN xxx-xx-x...
GENE M. GUTTROMSON xxx-xx-x...
CRAIG A. HANSON xxx-xx-x...
SCOTT A. HARVEY xxx-xx-x...
MARK A. HILTON xxx-xx-x...
JEFFREY E. JONES xxx-xx-xx...
ERIC J. KNIGHT xxx-xx-x...
MICHAEL W. KONDAS xxx-xx-x...
DEREK D. KRASSIN xxx-xx-x...
JOHN C. KWASNIEWSKI xxx-xx-x...
ANDY M. LEAL xxx-xx-x...
DAVID C. LEGLER xxx-xx-x...
MICHAEL J. LEONARI xxx-xx-x...
KENNETH L. MALPHURS xxx-xx-x...
RICHARD W. MEYER xxx-xx-x...
KEITH W. MIERTSCHIN xxx-xx-x...
LIEM Q. NGUYEN xxx-xx-x...
CARL J. OBERMEIER xxx-xx-x...
JOSEPH E. OSTIGUY xxx-xx-x...
ANDREI PERUMAL xxx-xx-x...
KENNETH S. RICCI xxx-xx-x...
JOHN C. ROBINSON xxx-xx-x...
RICHARD S. ROWE xxx-xx-x...
GREGORY P. SALLEE xxx-xx-xxxx
JAMES P. SHUNNEY xxx-xx-x...
WILLIAM E. SOLOMON III xxx-xx-x...
TROY P. SPILLMAN xxx-xx-x...
DINESH K. SURI xxx-xx-x...
MICHAEL R. TASKER xxx-xx-x...
RICHARD F. WEBB xxx-xx-x...
RUSSELL E. WOOD xxx-xx-x...
JAMES W. WOODWARD xxx-xx-x...
JAMES H. ZEIGLER xxx-xx-x...

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE MEDICAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL CORPS

To be commander

DAVONNE S. LOUP xxx-xx-x...
ROBERT D. PUDER xxx-xx-x...

MEDICAL CORPS

To be lieutenant commander

GILBERT E. BOSWELL xxx-xx-x...
ROBERT J. CHAMBERLAIN xxx-xx-x...
SUSAN L. CHITTUM xxx-xx-x...
GERALD A. COHEN xxx-xx-x...
EDWARD N. COHILL xxx-xx-x...
JAMES M. CRAVEN xxx-xx-x...
CHRISTOPHER CULP xxx-xx-x...
TERRANCE K. EGLAND xxx-xx-x...
JAMES C. HORSPOOL xxx-xx-x...
CHRISTOPHER J. JENNINGS xxx-xx-x...
KEVIN D. MOORE xxx-xx-x...
VERNON D. MORGAN xxx-xx-x...
FRANCIS O'CONNOR xxx-xx-x...
RICHARD C. OSMAN xxx-xx-x...
NEIL R. SEELEY xxx-xx-x...
HARRY A. TAYLOR, III xxx-xx-x...
STEVEN M. TEMERLIN xxx-xx-x...
JOHN B. TOURTELOT xxx-xx-x...
JON T. UMLAUF xxx-xx-x...

MEDICAL CORPS

To be lieutenant

ABHIK K. BISWAS xxx-xx-x...
STEPHEN W. BURGHER xxx-xx-x...
DAVID W. CLINE xxx-xx-x...
DAVID J. DAMSTRA xxx-xx-x...
ANN G. EGLAND xxx-xx-x...
KEVIN J. KEMPF xxx-xx-x...
ANDREW E. KORTZ xxx-xx-x...
GREGORY J. KUNZ xxx-xx-x...
DANIEL F. NOLTKAMPER xxx-xx-x...
ERIC RASMUSSEN xxx-xx-x...
WARD L. REED III xxx-xx-x...
JAMIE C. STARK xxx-xx-x...
DAVID J. TANZER xxx-xx-x...
SHARON V. WARD xxx-xx-x...

THE FOLLOWING-NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE SUPPLY CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(B):

SUPPLY CORPS

To be lieutenant (junior grade)

WESLEY E. BEADLE IV xxx-xx-x...
CHRISTOPHER T. BECK xxx-xx-x...
DAVID W. BORUSHKO xxx-xx-x...
GUZMAN F. CHARON xxx-xx-x...
ANTHONY J. HATOK, JR xxx-xx-x...
DON M. HODGDON xxx-xx-x...
DARRELL B. INGRAM xxx-xx-x...
STEVEN P. KACHILLA xxx-xx-x...
WILLIAM V. KRUG, JR xxx-xx-x...
WILLIAM J. PARRISH xxx-xx-x...
JOSEPH O. REOST xxx-xx-x...
LUTHER K. TOWNSEND, JR xxx-xx-x...
CHRISTOPHER P. YORK xxx-xx-x...
KEVIN B. ZALETSKY xxx-xx-x...

SUPPLY CORPS

To be ensign

SCOTT E. ARMENTROUT xxx-xx-x...
PAUL B. BRYANT xxx-xx-x...
CHAD B. BURKE xxx-xx-x...

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE SUPPLY CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

SUPPLY CORPS

To be lieutenant

PAUL D. ANTONIO xxx-xx-x...
TRACY L. ASKEW xxx-xx-x...
GEORGE D. BOWLINE xxx-xx-x...
STEVEN L. CAMPBELL xxx-xx-x...
BRAD W. CRUMP xxx-xx-x...
SHANE P. DANIELS, JR xxx-xx-x...
JAMES T. FRIEL xxx-xx-x...
THOMAS J. GORMAN, JR xxx-xx-x...
KEVIN L. JONES xxx-xx-x...

SUPPLY CORPS

To be lieutenant (junior grade)

MICHAEL G. TALLEY xxx-xx-x...

THE FOLLOWING-NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE CIVIL ENGINEER CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(B):

CIVIL ENGINEER CORPS

To be lieutenant

JAMES A. CHATFIELD II xxx-xx-x...
PAUL F. COTTER xxx-xx-x...
JOHN F. DORAN xxx-xx-x...
DAMON S. FETTERS xxx-xx-x...
JEFFREY D. HICKS xxx-xx-x...
KENNETH T. OGAWA xxx-xx-x...
KENNETH R. OSMUN xxx-xx-x...

CIVIL ENGINEER CORPS

To be lieutenant (junior grade)

JAMES B. BLANTON xxx-xx-x...
JAMES D. COLLIER xxx-xx-x...
THOMAS F. FULTON xxx-xx-x...

CIVIL ENGINEER CORPS

To be ensign

WILLIAM J. PIERCE xxx-xx-x...
ERIC D. VALERGA xxx-xx-x...
PHILLIP B. WINDUST xxx-xx-x...

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE CIVIL ENGINEER CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

CIVIL ENGINEER CORPS

To be lieutenant

ERIC M. AABY xxx-xx-x...
MICHAEL J. ANGERINOS xxx-xx-x...
JON V. CYBULSKI xxx-xx-x...
MARK S. HOCHBERG xxx-xx-x...
ANDREW J. HOLLAND xxx-xx-x...
KEVIN L. HUTSELL xxx-xx-x...
JOHN A. KLIEM xxx-xx-x...
STEPHEN G. KRAMER xxx-xx-x...
ERIC S. LEE xxx-xx-x...
JAMES PECOS xxx-xx-x...
DANIEL J. RAWN xxx-xx-x...
JOHN D. WHITE xxx-xx-x...
BARNEY S. WILLIAMS xxx-xx-x...
MICHAEL J. WILLIAMS xxx-xx-x...

CIVIL ENGINEER CORPS

To be lieutenant (junior grade)

JOHN W. CARSON III xxx-xx-x...
CHRISTOFER M. COLLINS xxx-xx-x...
CHRISTOPHER M. KNUDSEN xxx-xx-x...
MICHAEL H. SAMS xxx-xx-x...
ANDREW J. SCHULMAN xxx-xx-xx...
ALEX D. STITES xxx-xx-x...

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE JUDGE ADVOCATE GENERAL'S CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant

MELANIE A. ANDREWS xxx-xx-x...
CONNIE J. BULLOCK xxx-xx-x...
JAMES R. CRISFIELD, JR xxx-xx-xx...
PATRICIA M. KESSLER xxx-xx-x...
MATTHEW L. KRONISCH xxx-xx-x...
SCOTT J. LAURER xxx-xx-x...
STEVEN L. MILLER xxx-xx-x...
JOSEPH C. MISENTI, JR xxx-xx-xx...
GREGORY P. NOONE xxx-xx-x...
LINWOOD R. SCHWARTZ xxx-xx-x...
MICHAEL D. SUTTON xxx-xx-x...
PAULA J. YOUNES xxx-xx-x...

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE DENTAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

DENTAL CORPS

To be lieutenant commander

THOMAS L. DANOS xxx-xx-x...
VINCENT R. JONES xxx-xx-x...
RICHARD L. SZAL xxx-xx-x...

DENTAL CORPS

To be lieutenant

FELIX J. AGUTO xxx-xx-x...
SUSAN C. BON xxx-xx-x...
SIDNEY L. BOURGEOIS xxx-xx-x...
JEFFREY H. BRAIN xxx-xx-x...
RICK FREEDMAN xxx-xx-x...
PAUL E. GUTT xxx-xx-x...
HOLLY D. HATT xxx-xx-x...
STUART O. MILLER xxx-xx-x...
BRENT E. NEUBAUER xxx-xx-x...
MARGARET K. OROURKE xxx-xx-x...
JOSEPH F. PALERMO xxx-xx-x...
MARK F. ROBACK xxx-xx-x...
IVAN ROMAN xxx-xx-x...
CHRISTOPHER A. STEWART xxx-xx-x...
WILLIAM C. STOROE xxx-xx-x...
CURTIS M. WERKING xxx-xx-x...
PETER J. ZEHREN xxx-xx-x...

THE FOLLOWING-NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE MEDICAL SERVICE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL SERVICE CORPS

To be lieutenant

GUSTAVO GIERBER xxx-xx-x...
DOUGLAS G. HAWK xxx-xx-x...
TIMOTHY P. PADELFORD xxx-xx-x...
VERNON A. SANCHEZ xxx-xx-x...
ERIC S. SHERMAN xxx-xx-x...

MEDICAL SERVICE CORPS

To be ensign

MONIQUE M. GARCIA xxx-xx-x...

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE MEDICAL SERVICE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL SERVICE CORPS

To be lieutenant commander

ANNA H. STALCUP xxx-xx-x...
ALICE WHITLEY xxx-xx-x...

MEDICAL SERVICE CORPS

To be lieutenant

MARK J. BOURNE xxx-xx-x...
JOANNE M. CLEGG xxx-xx-x...
RAY V. COLLIER xxx-xx-x...
WALKER L. COMBS xxx-xx-x...
HUGH J. COX xxx-xx-x...
CATHI L. CULVER xxx-xx-x...
ROBERT C. DAVIS, JR xxx-xx-x...

CHRISTOPHER A. FOSTER [redacted]
DUWAYNE S. GRIEPENTROG [redacted]
PAUL F. HARPER [redacted]
WILLIAM L. HOWL IV [redacted]
DAVID A. JANCO [redacted]
DALLAS R. JONES [redacted]
IVES C. JONES [redacted]
DAVID J. KATSULES [redacted]
RAKESH LALL [redacted]
RICHARD G. MARTIN [redacted]
PHILBROOK S. MASON, JR. [redacted]
SCOTT A. MC CLELLAN [redacted]
DWAYNE R. MEEKER [redacted]
COLETTE A. MICHALETZ [redacted]
CHERYL A. NAVARRO [redacted]
STANLEY P. NIEWEGLOWSKI [redacted]
SCOTT A. OLIVOLO [redacted]
MATTHEW M. RAGON [redacted]
MARK L. RAMSEY [redacted]
MICHAEL D. REDDIX [redacted]
STEPHEN T. RICHARDSON [redacted]
CHRISTINE C. RIVERA [redacted]
DANIEL J. ROSENBAUM [redacted]
STEPHANIE M. SIMON [redacted]
NORMAN L. SKURDAL [redacted]
GENE SWEETNAM [redacted]
MLADEN K. VRANJICAN [redacted]
RICKY A. WENNING [redacted]
RICHARD M. WHITMORE [redacted]
CHRISTOPHER J. WHITNEY [redacted]
KELLY A. WILLIAMS [redacted]
YANCY C. YORK [redacted]

MEDICAL SERVICE CORPS

To be lieutenant (junior grade)

APOSTOLOS ARVANITIS [redacted]
JEREMY T. BELL [redacted]
TONI Y. COOPER [redacted]
TONYA A. HALL [redacted]
DANIEL J. HARDT [redacted]
JYUNG M. JACKSON [redacted]
JAMES E. JANKOWSKI [redacted]
JOSEPH S. JOHN, JR [redacted]
GAIL M. NORRIS [redacted]
RANDALL R. OWENS [redacted]
JAMES D. QUEENER [redacted]
MARK W. WERTZ [redacted]
SHARON E. WEST [redacted]
MARION J. WILLIAMS [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE NURSE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

NURSE CORPS

To be lieutenant

MARIA E. AGUILA [redacted]
MARK C. ALBRECHT [redacted]
MARGARET S. BEAUBIEN [redacted]
NANCY L. BENNETT [redacted]
JULIA E. BOND [redacted]
MELISSA A. BRANFORD [redacted]
TANYA L. BROWN [redacted]
PATRICIA A. CICHMINSKI [redacted]
KEVIN J. COOLONG [redacted]
JEAN B. FREEMAN [redacted]
TAMMY L. FRITZ [redacted]
MELVERN E. JOHN [redacted]
JOHN P. JORGENSEN [redacted]
TONJIA L. KELSCH [redacted]
ANTHONY L. KINGSBERRY [redacted]
KARL R. KOENIG [redacted]
SHELLEY J. KOLLAR [redacted]
THOMAS F. LEONARD [redacted]
SYLVIA A. LYON [redacted]
CHERYL L. MAUZY [redacted]
JOHN P. MAYE [redacted]
CATHY M. MC CRARY [redacted]
MAUREEN C. MILLER [redacted]
LINDA MOY [redacted]
SHARON A. MULLANEY [redacted]
ELIZABETH A. MURTHA [redacted]
ANGELA S. NIMMO [redacted]
LORI K. OLIVER [redacted]
DON S. RAYMUNDO [redacted]
MARK A. RUCH [redacted]
HARRY F. SMITH III [redacted]
CONSTANCE E. STAMATERIS [redacted]
KARL D. STOUT, JR. [redacted]
KAREN A. STOVER [redacted]
AMY M. TARBAY [redacted]
WILLIAM L. TENHAAF [redacted]
DEBRA A. TERRELL [redacted]
ROBYN C. WARD [redacted]
PERRY J. WEIN [redacted]
MARY E. WHITE [redacted]
YVONNE R. WILLIAMS [redacted]
JULIE L. WISE [redacted]
ALICE A. ZENGEL [redacted]

NURSE CORPS

To be lieutenant (junior grade)

CASEY S. ADAMS [redacted]
MARIA AGUSTIN [redacted]
TERRY M. ANDERSON [redacted]
PAUL M. BARFKNECHT [redacted]
PATRICIA D. BREITWIESER [redacted]
TRACY L. BROMMEL [redacted]
JEFFREY L. BROWDER [redacted]
DIANE CASSIN [redacted]
LISA L. CASTRO [redacted]
NEWTON J. CHALKER [redacted]
KARLA D. CHRISTIANSON [redacted]
MAX C. CORMIER [redacted]
VALERIE A. COVINGTON [redacted]
MARTHA A. CUTSHALL [redacted]
MARYANN C. DESPOSITO [redacted]
RAMONA M. DOMEN [redacted]
PATRICIA J. GREER [redacted]
CHRISTOPHER M. HANSEN [redacted]
MARY KELLY [redacted]
PAMELA L. KULICH [redacted]
DENNIS LEW [redacted]
CAREY L. MAY [redacted]
JANET L. MCGLOIN [redacted]
ADRIENNE M. MITCHELL [redacted]
BETH A. MOVINSKY [redacted]
MICHAEL W. PIKE [redacted]
CHERYL E. RAY [redacted]
MARK R. REUILLARD [redacted]
LISA S. REYNOLDS [redacted]
LAURA B. ROSENTHALL [redacted]
THOMAS N. SANTA, JR [redacted]
DARRYL C. SUDDUTH [redacted]
SAKAE A. SURALIK [redacted]
PATRICIA L. TAYLOR [redacted]
DEBORAH M. TERRIS [redacted]
SUSAN M. THUL [redacted]
ESCOBAR H. WILBON [redacted]
JENEVIEVE J. WILLIAMSON [redacted]

EXTENSIONS OF REMARKS

ON CONTINUED SUPPORT FOR THE DEFENSE DEPARTMENTS CIVIL-MILITARY COOPERATIVE PROGRAMS

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. JOHNSON of South Dakota. Mr. Speaker, I rise today to express my strong support for continued funding for the Civil-Military Cooperative Action Program [CMCAP] of the Office of Reserve Affairs at the Department of Defense, and to voice my strong opposition to the level of funding included for this important office in the House version of the fiscal year 1996 Department of Defense appropriations bill. Thankfully, the Senate chose to fund this Office at a level significantly higher than the funding included in the House bill and I plan to urge my colleagues in conference to accept the level of funding adopted by the Senate.

CMCAP, which provides training opportunities for our military personnel and allocates surplus materials to States and local communities, was initially authorized by Congress in 1993 as a means of enhancing military readiness for the Reserves, while helping to address important domestic needs at the same time. As we continue downsizing and reorganizing our national defense, I cannot emphasize strongly enough the importance of appropriate reallocation of surplus materials which result from base closures both at home and abroad.

The benefit of civil-military program cooperation can be readily seen in native American communities around the country and in my State of South Dakota. This year $6 million in excess equipment was distributed to 136 native American communities in 26 States. In South Dakota, much needed medical and construction equipment was delivered to communities on and off Indian reservations, including Rapid City, Eagle Butte, Sisseton, McLaughlin, Ft. Thompson, Flandreau, Lower Brule, Pine Ridge, Pierre, and Rosebud.

Federal expenditures for social programs continue to exceed investments for economic growth in Indian country. I feel strongly that the role of the Federal Government must be to encourage tribal self-sufficiency at every opportunity. I believe the Federal Government must prioritize programs which develop infrastructure on reservations and enhance economic growth for tribal communities.

I have been contacted by tribal organizations in my State regarding a CMCAP project currently being developed to repair and refurbish substandard housing on the Oglala and Rosebud Sioux Indian reservations. The project, Operation Walking Shield, would also provide recreational fields for youth risk prevention programs, transport excess medical equipment and supplies to Indian health centers, and employ local labor to work with military personnel in this important community development effort. Without continued funding for civil-military programs, Operation Walking Shield and other such projects critical to economic development in Indian communities will likely not proceed.

As I stated previously, I plan to contact the House conferees and urge their acceptance of the Senate funding for the CMCAP. As we downsize our military, I feel strongly that adequate funding for the cooperative programs maintained by this Office is critical to ensuring that excess equipment and materials are distributed to communities in need as efficiently as possible.

HONORING 50TH ANNIVERSARY OF KAISER PERMANENTE MEDICAL CARE PROGRAM

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. KIM. Mr. Speaker, I rise today to pay tribute to the Kaiser Permanente Medical Care Program on their 50th Anniversary.

Fifty years ago, as World War II came to an end and thousands of defense workers moved from the shipyards and steel mill operations of Henry J. Kaiser and found work in other areas, many asked that they be able to continue their membership in the pre-paid group practice health plan which had been established by Henry J. Kaiser and Dr. Sidney Garfield in California and Oregon.

As a result of community interest and need, the Kaiser Permanente Medical Care Program was opened to the public in 1945. In Southern California, the Kaiser Permanente Medical Care Program expanded from its initial site in Fontana, to the Los Angeles Harbor in 1950 and to metropolitan Los Angeles in 1951.

Once established in Southern California, the Kaiser Permanente Medical Care Program grew rapidly as more and more people were attracted to its integrated system, comprehensive benefits, high quality and affordability In the mid-1960s the Kaiser Permanente Medical Center Program was brought to Orange County and now provides quality health are to 190,000 people and employees in the Orange County region.

Now, after 50 years, the Southern California region of the Kaiser Permanente Medical Care Program now provides care to more than 2.1 million Southern California residents at 10 major medical centers and more than 90 medical office buildings, and is offered by more than 10,000 businesses between Bakersfield and San Diego.

Since its inception, Kaiser Permanente has become an acknowledged and respected leader in the provision of quality, affordable health care, as well as an innovator in clinical research and the delivery of care to large numbers of patients.

Relying on its founding principles of prepayment, comprehensive benefits, preventive care, group medical practice and integration of service and facilities, Kaiser Permanente has become a respected model for how affordable, high quality medical care can be provided.

After 50 years of providing care to the Southern California community, and having become the Nation's largest private health care provider with more than 6 million members in 16 States and the District of Columbia, it is indeed worthy to note the golden anniversary of the Kaiser Permanente Medical Care Program and its contributions to the health of our community and the Nation.

HONORING NINEL SEGAL

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. ACKERMAN. Mr. Speaker, a very special lady celebrated a very special birthday on September 3. She is Ninel Segal, an unpaid volunteer in the office of my friend and colleague, Congressman MICHAEL R. MCNULTY.

In the true American tradition, Ninel has devoted her life to helping people—as an educator and an administrator dedicated to securing employment for economically disadvantaged individuals in New York State's capital region.

Ninel has selflessly given her time and service to numerous organizations. She never fails to lend a helping hand when needed. A most charming person with a sharp intellect and a compassionate heart, she has an unusual capacity for bringing people together.

Mr. Speaker, on this happy occasion, it is my pleasure to ask all my colleagues in the House of Representatives to join me now in wishing Ninel Segal the happiest of birthdays—and many, many more to come.

HONORING SISTER MARY ANTIONETTE CAPPELLI

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Ms. DELAURO. Mr. Speaker, on Sunday, September 10, St. Brendan's School in New Haven, CT will pay tribute to the many accomplishments of Sister Mary Antoinette Cappelli, O.L.G. After 19 years as principal of St. Brendan's, Sister Mary will be leaving this month to begin her responsibilities as a counselor for the Sisters of Our Lady of the Garden.

As principal, Sister Mary devoted herself to bringing the best out of every student. As a result of her commitment to meeting the academic, social, and spiritual needs of her students, St. Brendan's quickly became a model of educational excellence nationwide. In 1990, St. Brendan's was selected as a Blue Ribbon School by the U.S. Department of Education for its academic excellence and commitment to parent involvement. St. Brendan's has received much praise over the years for its ability to meet the needs of a economically and racially diverse student body. I have had the pleasure of visiting St. Brendan's on several occasions, and have always been impressed by the infectious enthusiasm displayed by the staff and students. Sister Mary has created an atmosphere of caring and warmth that can be felt as soon as one enters the school.

Born and raised in Italy, Sister Mary first came to Connecticut in 1962. Before joining the staff of St. Brendan's she was instrumental in the opening of a Montessori School in Middletown and taught with distinction at Stonegate School in Durham. Sister Mary is a refreshing reminder of the difference that one educator can make in the life of a young student. For over three decades, she has captivated both students and their parents with her enthusiasm and commitment to excellence. She will always be remembered as an inspirational and well-loved role model by her students and faculty.

Mr. Speaker, I am proud to salute Sister Mary Antoinette Cappelli for her unshaking dedication to her school and her community. She leaves behind her a legacy of love that will never be forgotten.

IN HONOR OF HECTOR VALDES UPON HIS RETIREMENT FROM HUDSON COUNTY COMMUNITY COLLEGE AFTER 25 YEARS

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Hector C. Valdes Avellaneda. After 25 years at Hudson County Community College he is retiring from his position as assistant to the dean. Mr. Valdes is an exceptional person who has dedicated his talent and services to students for 37 years.

Hector Valdes received his bachelor of arts degree in accounting from the Professional School of Business and a B.A. in elementary teaching from the National School of Teachers in Matanzas, Cuba. He also attended Montclair State University and New York University from where he received a master of arts degree in education.

Mr. Valdes is another example of an immigrant success story. After being held as a political prisoner in Castro's jails, he immigrated to the United States in 1969. He worked hard and played by the rules and 5 years later he became a naturalized citizen. Very quickly, he began to make important contributions to his adopted land.

He began his teaching career working with students seeking their high school equivalency diplomas. Mr. Valdes later became a substitute teacher in the Union City school system. He went on to become a professor at Hudson County Community College and has risen through the ranks to serve in a variety of administrative positions. He served as an administrative assistant and was later appointed assistant to the dean.

Mr. Valdes helped develop and create academic programs to assist the large immigrant population living in Hudson county, because he realized that access to quality education is a key to success. The number of students who have benefited from his efforts is countless. Throughout his years at the college, he has been a wise counselor and advisor. Mr. Valdes will be sorely missed by his colleagues and students.

Hector Valdes's career is one of proud achievement and another example of the beautiful diversity of our Nation. His service to the community and student body of Hudson County Community College is second to none. Even though he is retiring he will always be remembered as a brilliant teacher and a true friend. Please join me in wishing Hector Valdes a happy retirement.

CONGRATULATING GUAM'S ATHLETES FOR EXCELLENCE, SEPTEMBER 8, 1995

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. UNDERWOOD. Mr. Speaker, as the saying goes, "the thrill of victory, the agony of defeat." In my home district of Guam, we have many noteworthy athletes who have thrilled us all.

In the recent South Pacific games, the people of Guam reached a new milestone. Our island competitors have earned more medals than ever before. So, I now rise to pay tribute to these athletes by placing their names in the CONGRESSIONAL RECORD.

In archery, our Team Guam hit the bull's eye with a bronze. In board sailing, Jon Iriarte and the Team Guam women sailed to bronze. In body building, Josephine Blas lifted to a bronze, Donnabelle Duque powered her way to a silver and Kenneth Rios and Roy Siongco jerked and cleaned to gold medals. In boxing, our Tana Meafou punched his way to the silver medal. In golf, Mae Quitugua, Josephine Calvo and Tessie Blair all drove, chipped and putted to the team bronze medals. In Karate Eleanor Minor chopped to two bronze medals. Robert Dacanay threw the competition for a silver, while Dean Aguon bowed and took two bronze medals. Joe Aguon also hit hard with a bronze. In surfing, our tag team of Mark Duenas, Joseph Voluptuary and Richard Napoleon rode to a bronze, while Rebecca Erin hung ten to a silver. Our swimmers, led by Derrick Bollinger crawled to gold three times, Clitia Clement floated to a bronze, while Patrick Sagas stroked his way to a gold and two silvers. In table tennis, our women's team of Debbie Feline, Donna Cents and Jug-Pa Lain paddled to a bronze. In ta won do, Sonny Chargualaf high kicked to a silver, Joe D. Q. Cruz did a round house to a bronze, while Lloyd Esteban made a sweep move to a bronze. In a triathlon, Tiffany Larschied surprised us all with her motor boat kicks and earned a bronze, while Triathlon Team of Larschied, Jay Donovan, Wil Yamamoto and Jeff Miller swam, ran and biked to another bronze. In weigh lifting, Manolito Molinos clean and jerked to a silver, while Edgar Molinos snatched to a bronze. In judo Atef Hussein picked up a gold and a silver, Walter Gray threw for a bronze. And finally, Marie Benito ran for a bronze in the women's marathon. Congratulations.

TRIBUTE TO CLARA K. MANGUS

HON. BILL ORTON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. ORTON. Mr. Speaker, today I would like to recognize a very special constituent of mine, Ms. Clara K. Mangus, who today celebrated her 105th birthday. Ms. Mangus, who immigrated to Carbon County, UT, from Greece when she was only 25, has been living independently until just a few months ago. The key to her longevity, claims Clara, is simple: hard work. Today Ms. Mangus was surrounded by much of her family, including her 7 children, 14 grandchildren, 27 great-grandchildren and 8 great-great-grandchildren. Again, I would like to wish Ms. Mangus a very happy birthday on this very special occasion.

HONORING ALBERT BARNES, JR.

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. KIM. Mr. Speaker, I rise today to pay tribute to Mr. Albert Barnes, Jr. who on August 24, 1995, retired from United Parcel Service culminating a 28-year career.

Al began his UPS career as a delivery driver in Dayton, OH in 1967, quickly rising to become an on-car supervisor, and in 1972 a center manager. Through his commitment to customer service and his dedication to excellence Al was promoted to feeder manager, package division manager, and also hub division manager. In 1975 Al joined the Arizona district as a division manager. In February 1989 Al was named southeast California district manager. Al was charged with the planning, and construction of United Parcel Service's largest west coast air hub that opened in Ontario, CA in 1992. Al has served on a number of special assignments and was a member of the UPS part-time people support committee.

In addition to his busy schedule with UPS, Al has always made time to get involved with the community, and has been active with many organizations in the Inland Empire including the board of directors of the Boys and Girls Club.

Under his direction, the southeast California district has achieved a leading role as a well-

respected corporate citizen in the community for its contributions to the betterment of the people of the Inland Empire.

I wish Al, and his wife Margaret, a long and enjoyable retirement together with their family: John, Mike, Ed, and Rebecca.

HONORING THE JEWISH WAR VETERANS ON ITS 100TH ANNIVERSARY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. ACKERMAN. Mr. Speaker, I rise today to join with my constituents and members of the New York State Department of the Jewish War Veterans, and with American veterans everywhere, to celebrate with pride and admiration the 100th anniversary of the Jewish War Veterans.

Formed in the post-Civil War era to help counter obstacles faced by Jewish soldiers who fought in that war, the JWV not only serves to support the concerns of the many veterans who fought for their country, but also acts as a service agency to foster social action and concern among all our citizens.

The organization has been made both dynamic and effective through a succession of dedicated and highly competent leaders. It is because of such dedicated Americans that members and supporters of the JWV will gather on the evening of Sunday, October 1, 1995, to rejoice in a century of dedication and achievement.

Allow me to briefly note the accomplishments of some outstanding New Yorkers who have proudly served as JMV national commanders.

Benjamin H. Chasin entered the service in 1942, rose to the rank of captain, and received numerous awards while serving in the Pacific theater. After many years of service in the reserves, he retired as a lieutenant colonel in 1970. Concurrently he rose through the ranks of the JWV, and served as national commander from 1957–58.

Ralph Plofsky entered the service in 1942 and saw action with the 10th and 77th Division. After his discharge in 1945, he again served his country on active duty in Korea. Discharged as a captain of the infantry in 1951, Commander Plofsky joined the White Plains Post of the JWV and in 1964 was the first Korean war veteran to be elected national commander of the JWV or any other veterans organization.

Jerome D. Cohen got his first taste of the military at age 10, when he served as a drummer in the Sons of the JWV. At 17, he enlisted in the Navy; among his many assignments was his service for 3 years as coxswain on General MacArthur's whaleboat on the U.S.S. *Nashville*. He was involved in the war in Asia, was wounded and received several citations, including the Purple Heart. After separation from the service, he began a distinguished law career. At age 22, he was elected commander of the Cohen-Lehman Post of the JWV. Demonstrating outstanding leadership abilities, he quickly rose in the JWV ranks, and in 1971 was elected national commander.

Another such distinguished commander, Nathan M. Goldberg, served in the U.S. Navy as an enlisted man and officer. He was released with the rank of ensign. He readily became active in the Albany Post of the JWV, served as its post commander and became involved in the JWV on a national level, becoming national commander in 1978. While he has served in a number of community-oriented posts in Albany, he has had major impact in his tenure as president of the National Jewish Military Museum in Washington, DC.

The distinguished past National Commander Stanley W. Zwaik served in this office from 1982–83. Initially a resident of Jamaica, NY, Commander Zwaik entered the Armed Forces in 1941 and received his commission as a second lieutenant in the military police. He was active in the South Pacific, New Guinea, and the Philippines. At the close of the war, he joined the reserves and retired in 1964 with the rank of lieutenant colonel. It was in 1946 that he joined the JWV and soon became a county commander. As his leadership talents became widely recognized, he was elevated to a number of State and then national posts, resulting in his elevation to the post of national commander.

Edwin Goldwasser, national commander, 1986–87, first became involved with the JWV in 1961 in Spring Valley, NY. A most dynamic leader, he became post commander in 1967. He moved into active leadership positions in the JWV, first in New York State and eventually on the national level. Utilizing the prestige and impact of the JWV, Commander Goldwasser has undertaken many compassionate and humane projects on behalf of JWV causes, both in the United States and internationally. One such mission led him to the Vatican to assist in locating an Israeli MIA, Zachary Baumel.

It was to the great honor of the JWV that Vice President Albert Gore invited Past National Commander Warren S. Dolny to accompany him as part of the U.S. delegation to the ceremonies commemorating the 50th anniversary of the Warsaw Ghetto uprising. Commander Dolny was also honored to be invited by the White House to attend the signing of the Israel-PLO peace accords. In 1951, Warren Dolny was drafted into the Marines. After discharge with the rank of sergeant, he became a member of the Fred Hecht Post in Spring Valley, NY. His unique leadership capabilities were quickly recognized, and he was elected post commander. Rising steadily in the ranks of the JWV, Dolny filled a variety of county, State, and national posts, culminating in his election as national commander in 1992.

Mr. Speaker, all Americans can be justly proud that our country has produced such men as these commanders of the Jewish War Veterans. I ask all my colleagues in the House of Representatives to join me now in paying tribute to these outstanding patriots, and in congratulating the members of the Jewish War Veterans on the 100th anniversary of this marvelous organization.

HONORING THE SLIFKA FAMILY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Ms. DELAURO. Mr. Speaker, on Sunday, September 10, 1995, many distinguished guests will gather in New Haven, CT, for the dedication of the Joseph Slifka Center for Jewish Life at Yale. This center, which commemorates and celebrates the vibrant history of Jewish life at the university, was made possible in part due to the generosity and vision of the Slifka Family. As a result of their magnanimous gift and the contributions of many other individuals, the Slifka Center will be a place for contemplation, historical study, and joyful exploration of the many facets of Jewish culture.

Joseph Slifka, who passed away 3 years ago, was a deeply caring and compassionate man who devoted himself to his family, his community, and his faith. A former real estate financier in Manhattan, Joseph Slifka always gave generously of his time and resources, including donations of modern art to museums in Jerusalem and New York. The Center for Jewish Life is a fitting tribute to a man who believed in the importance of tradition and the value of quiet reflection.

The creation of the Center for Jewish Life has, in all respects, been a labor of love, serving to knit together even more closely the Yale Jewish community. Indeed, the walls of the Slifka Center are inlaid with pieces of Jerusalem stone that have been carved with the names of those individuals whose tireless efforts helped make the center a reality. Designed and built in the spirit of inclusiveness, the Slifka Center welcomes all those who wish to explore and share their Jewish heritage. Both the Yale and New Haven communities will benefit greatly from the exciting social, cultural, religious, and educational programming that will soon be available at the center. In the words of Joseph Slifka's son, Alan, the Center for Jewish Life is "a true gift for God, for country, and for Yale." It is with great joy that I join Alan, his sister, Barbara, and his mother, Sylvia, for the ribbon-cutting ceremony this Sunday. I thank the university administration for their strong support, and the Hillel board of trustees and Rabbi James Ponet for their strong and devoted leadership. Thanks to their efforts, the dreams of individuals such as Joseph Slifka have been fulfilled.

TRIBUTE TO ELENA BASKIN

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. FARR. Mr. Speaker, I rise today to pay tribute to Elena Baskin, a wonderful woman, a prominent philanthropist, and a dear friend and constituent of mine who passed away Monday morning. Her humble beginnings in Kishinev, Romania, where she was poor and often went hungry, ingrained in her the desire to share her good fortune with others. Mrs.

Baskin and her husband Jack Baskin have played a prominent role in the organization and funding of services for the elderly, the poor, women, children, education, and the arts. Her acts of kindness and giving will live on in the community and in the hearts of all who knew her.

Born Elena Djatschenko on December 1, 1925, she lived without plumbing or electricity. Mrs. Baskin's parents were Russian and her father worked as a typesetter. The family moved to Chernovitz, now part of Ukraine, in 1935, where they resided until the outbreak of war in the region. They fled to Germany where Mrs. Baskin worked as a secretary with the U.S. Army in Berlin. In 1948, she immigrated to the United States and began work at Stanford University in the Hoover Library. Elena subsequently married Paul Baran and had a son, Nicholas.

She graduated from Stanford in 1960 with a master's degree and taught Russian at Gunn High School in Palo Alto when she met Jack Baskin. They were married in 1976. Mr. Baskin became a successful developer, and Mr. and Mrs. Baskin went on to share their good fortune with others.

Mr. Baskin has said that perhaps his wife's proudest accomplishment was the founding of the Live Oak Senior Center in Santa Cruz. The center opened in 1977 and serves about 1,000 meals a day. She was also instrumental in establishing the Battered Women's Assistance Program, the Mondanaro-Baskin Center for Women and Children, the Schools Plus public schools matching-funds program and the Cabrillo College of Child Care Center. The Baskin name can be found on numerous buildings, endowments, programs, and contributions throughout the region.

For many years Mrs. Baskin served on the Santa Cruz County Seniors Commission and contributed to Stanford University and U.C. Santa Cruz, where a computer engineering center and student art studios proudly carry the Baskin name. Mr. and Mrs. Baskin were named Santa Cruz Chamber of Commerce Woman and Man of the Year in 1986. Mrs. Baskin remained active in her later years. Enthralled by ballroom dancing and ice skating, she also continued to skate and ice dance several times a week.

Mrs. Baskin was diagnosed with cancer just 3½ weeks before she passed away. She chose to refuse treatment, wishing quality time with her family, rather than quantity. She is survived by her husband, Jack Baskin of Santa Cruz; her mother, Valentina Djatschenko of Santa Cruz; her son, Nicholas Baran of Sandpoint, ID; two stepdaughters, Elaine Baskin of Palo Alto and Marianne Gabriel of Watsonville; two grandchildren; and four step grandchildren. While Mrs. Elena Baskin will be greatly missed by those who knew her, her acts will continue to be an inspiration to us all.

TRIBUTE TO OFFICER JOSEPH ALU AND DETECTIVE JIM O'HARA

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. DEUTSCH. Mr. Speaker, today I pay tribute to two outstanding police officers, Officer Joseph Alu and Detective Jim O'Hara, whose heroism and sacrifice demonstrates a commitment far beyond the call of duty.

On July 25, Detective O'Hara and Officer Alu responded to a call that a man had taken two teen-age girls hostage. The officers, responding to the girls' screams for help, entered the bedroom where the man was holding the girls hostage. As they opened the door, the man detonated the bomb which scorched the gasoline soaked room, instantly killing both himself and the girls. The officers, trapped in the room when the bomb went off, survived, but suffered severe burns.

Both officers were airlifted to Jackson Memorial Hospital in Miami, the area's principal burn treatment center. Over one quarter of Officer Alu's body was covered with severe burns, and he was listed in critical condition. Detective O'Hara fared much worse.

Over 80 percent of Mr. O'Hara's body was covered with third degree burns, and he had a gunshot wound in his thigh. He is still in the hospital today and still in critical condition. His wife, who gave birth to their son just 6 days after the explosion, spends as much time at O'Hara's bedside as the hospital allows, and his entire family has held prayer vigils at the hospital.

However, Mr. Speaker, there was an even greater tragedy brought to light by this one incident. Because the officers were forced to retire, the Plantation Police Department would not cover their medical expenses. The policy, at the time of this accident, was that the department didn't pay the medical expenses of those who retired—even those who were forced to retire because of injuries suffered on the job. This is a policy which is not uncommon in many communities across the country. In light of this tragedy, Plantation changed its policy retroactively to include the two officers. It shouldn't take similar events to cause other communities to do the same.

We need legislation in this country which protects those who risk their lives everyday to fight the war on crime, or fight fires, or fight to save others lives. We need laws which protect our valiant men and women on the front lines. When they go down in the line of duty, we have an obligation to provide for their long-term care. These two officers risked everything when they tried to save the lives of two young girls from a madman, how can we ask others to do the same if we won't stand behind them?

HONORING MILTON S. HERSHEY

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. KIM. Mr. Speaker, I rise today to pay tribute to Mr. Milton S. Hershey, a great American who today is being honored on a new 32-cent stamp.

Milton Hershey was the founder of the Milton Hershey School and what has become Hershey Foods Corporation. Hershey's business success allowed him to practice an extensive philanthropy. He and his wife, Catherine, established among other things, a school for orphan boys that today is known as the Milton Hershey School and provides a home and no-cost education for more than 1,100 disadvantaged boys and girls.

The legacy of Milton S. Hershey lives on through the work of some 7,000 alumni of the Milton Hershey School. These alumni are located throughout the world, as well as in my district—California's 41st Congressional District, and have gone on to successful careers in law, business, sports, and journalism to name but a few. It was these alumni who deserve credit for a successful letter writing campaign to the Citizen's Stamp Advisory Committee for the Milton S. Hershey stamp. The Hershey stamp marks the 50th anniversary of Hershey's death and the 86th anniversary of the Milton Hershey School.

Hershey joins an elite rank of Americans such as Jack London, Sinclair Lewis, Pearl Buck, and former U.S. Chief Justice Earl Warren in being honored with a postal stamp.

This distinctive occasion stands as a tribute to a truly wonderful and philanthropic American, and it is indeed worthy to note this achievement.

HONORING MARLENE POST

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. ACKERMAN. Mr. Speaker, I rise today to celebrate with the members of the Long Island Division of Israel Bonds as they gather at the Woodbury Jewish Center in Nassau County, NY, to honor Marlene Post as the recipient of the Jerusalem 3000 Award.

Marlene Post, the National President of Hadassah, emerged from college with a strong sense of dedication and social concern to begin a career as a nursing educator in a variety of health-care institutions. Today, she serves in an exemplary fashion on a number of advisory boards in the field, such as the New York State Commission for the Disabled; the Israel-based Association of Organizations of Persons With Disabilities, which she chairs; and the Israel Sport Center for the Disabled, where she is a national vice president.

Marlene Post has distinguished herself by providing more than 25 years of inspiring service to Hadassah. During her tenure as Hadassah's national treasurer, the organization raised over $80 million for its service program. Before that, Ms. Post served Hadassah in a variety of important positions: National Chairperson of Hadassah's Membership, Organization and Outreach Departments; National Chairperson of Young Judea, Hadassah's youth organization; and National Convention Chairperson in 1989 and 1990.

In addition, she has served as the chairperson of the Long Island Israel Bond campaign and currently serves on its advisory board.

Mr. Speaker, under her brilliant leadership in these various roles, Marlene Post has extended the services of Hadassah to thousands of needy individuals, and has helped Hadassah intensify its programs that serve our youth, as well as those dedicated to American and Israeli women's issues.

I ask my colleagues to join with me now in paying tribute to Marlene Post, and in thanking her for her many years of dedicated service.

IN HONOR OF SIMON KONOVER

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Ms. DELAURO. Mr. Speaker, today I have the pleasure of joining Israel Bonds and more than 80 other community leaders from Connecticut who have come to Washington to honor Simon Konover. Mr. Konover has been chosen to receive the New Life Award, an award given to Holocaust survivors. The New Life Award honors those who have built a new existence for themselves after having endured the tragedies of the Holocaust. A small statue of a silver fist grasping the flame of freedom, the New Life Award recognizes the indomitable human spirit of Holocaust survivors and remember the 6 million Jews who perished in Nazi labor camps. On this 50th anniversary year of the liberation of Europe, it is fitting that the award be presented to Simon Konover, who emerged from the dark shadows of his own Holocaust experience, to forge a bright future for himself, his family, and the Jewish people.

Simon Konover has dedicated his life to the cultural renewal of the Jewish people and the State of Israel. A tireless community servant and a good friend, I can think of no better person to receive Israel Bond's New Life Award. Simon, his wife Doris, and their four children reside in Hartford, where they attend Beth El Temple. Simon has volunteered much of his time toward the betterment of the Jewish community. Simon's tremendous motivation stems from his personal Holocaust experience.

A survivor of the labor camps in Poland and Siberia, who also fought in the battle of Stalingrad, Simon has championed numerous Jewish and civic causes. He is the past president of the Jewish Federation of Greater Hartford, the Greater Hartford Israel Bond Campaign, and the Connecticut Society of Yad Vashem, an honorary life member of the Greater Hartford Jewish Community and the Hebrew Home and Hospital. Simon held the national vice-chairmanship of the United Jewish Appeal in 1987–88, is an overseer at the Jewish Theological Seminary, a director of American Organization for Rehabilitation and Training for immigrants from Israel, and a member of the Israel Bond's President's Club. As a founder of the Holocaust museum, Simon raised and contributed a significant amount of money to complete this much needed historical archive for people from all over the world.

I would like to extend my warmest congratulations to Simon Konover for his endurance and his perseverance on behalf of the Jewish community and the people of Israel. This well deserved award could only be presented to a man like Simon Konover who has constantly worked to enhance the lives of the Jewish community and the people of Israel.

THE ARMY PUBLICATION CENTER IN BALTIMORE, MD

HON. ROBERT L. EHRLICH, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. EHRLICH. Mr. Speaker, House Joint Resolution 102, the recommendation to disapprove of the BRAC list, places me—like many of my colleagues—in the difficult position of supporting an important process, which I respect, while disapproving the circumstances and final decision involving the closure of the Army Publications Center in Baltimore, MD. It is easy to understand why the concept of the BRAC Commission was designed to allow an independent body to render decisions that Congress must completely accept or reject. I echo many of my colleagues who have praised the BRAC process, while disapproving of closing specific bases. However, as a legislator that prefers to deal with the facts, let me make the following observations:

The Army Publications Center falls below the BRAC threshold and does not need the Commission's approval or disapproval for closure. Simply stated, the Publications Center did not belong on the BRAC list.

When it came time for voting, the Commission based its decision on the Army's erroneous justifications and inaccurate statements. The Army supplied the commissioners with misleading data which the Publication Center and I consistently refuted. In the end, the Army, so determined to close the Baltimore Center and consolidate operations to St. Louis, convinced enough commissioners this highly technological, extremely efficient center located in Middle River, MD, was in need of closure.

When my base realized it was slated for closure, the employees did not criticize or complain. Instead, they offered real solutions to achieve true savings for the Department of Defense while increasing military readiness. They Army, however, would not consider this commonsense approach of evaluating and consolidating all DOD publications centers.

Summarily, I reject the argument that the Baltimore Publications Center, winner of Vice President GORE's hammer award and the Army's communities of excellence award, is a base worthy of such closure. This superior center, with its hardworking employees, served our troops with pride during the Persian Gulf war. A center, such as the one located in Baltimore, should be judged on its merits, not Washington politics. So I find myself in the unenviable position of voting against this resolution, but with serious reservations and feelings of disappointment. Disappointments for the employees of the Baltimore Center that worked tirelessly for something they believed in and disappointment in a process where facts and individual merit should have carried the day.

TRIBUTE TO BOBBY MORAVEC

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. VISCLOSKY. Mr. Speaker, it is my great pleasure to rise today and call your attention to Bobby Moravec of Calumet Township, IN. Bobby's story serves as an inspiration to residents of Indiana's First Congressional District, as well as all Americans. This year, Bobby, who has Down's Syndrome, competed in the Special Olympic World Games against over 700 athletes from 143 countries around the world. Bobby succeeded in winning a bronze medal for the shot put and a fifth place ribbon for the softball throw. Bobby also placed sixth in the 50-meter race.

Bobby, a student at Merrillville High School, was nominated for the World Games, the largest sporting event in the world, by Laura Smith, treasurer for the Special Olympics group sponsored by the Northwest Indiana Special Education Co-op in Crown Point, IN. Because Bobby had won a gold medal in last year's Indiana State games, he was then chosen to advance to the World Games as an athlete on the 10-member Indiana track and field team.

Bobby has been active in the Regional Special Olympic games for 9 years and the State Special Olympic games for 5 years. He has earned four gold, six silver and one bronze medal for events ranging from the 50-meter race, the softball throw, basketball, the standing long jump, the shot put, and skiing.

Bobby trains 3 days a week at Merrillville High School. His vigorous training schedule includes a day of weight lifting, walking and running around the track, and practicing the shot put and softball throw. According to Bobby's parents, Ed and Marge Moravec, his coach, Maxine Urbanczyk of Merrillville, IN, was there at each training session to prepare him for the World Games. Ed and Marge add that she gave him encouragement when he needed it and praise when he deserved it. They say that the Special Olympics needs more coaches like Maxine.

When Bobby cannot be found in the training room, he may be participating in the other activities that he loves so much. Bobby may be fishing, playing on the Challenger softball and basketball team, or bowling. During football season, Bobby can be found at Andrean High School football games, where he has been the ball boy for the last 3 years.

Mr. Speaker, I ask that you and my other colleagues congratulate and commend Bobby for his hard work and dedication to succeed, not only in the Special Olympic World Games, but in his everyday life. In a world where success doesn't come easy, Bobby has proven to be an exception to the rule.

VIVIEN NORMAN RETIRES; AIDE TO FOUR CONGRESSMEN

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. WALSH. Mr. Speaker, Vivien Norman, the mainstay of my district office in Auburn, NY, and my ear to ground in all of Cayuga County in upstate New York, is as much a part of the fabric of Cayuga County as any officeholder, past or present, any businessman or woman, any farmer or merchant, any industrialist, prison guard, or health care professional. In many of our minds, she is the person to call to confirm news, flesh out a rumor, recall details or to set up a meeting. In our hearts, she is intelligent, friendly, uniquely humorous, and eminently dependable.

She is retiring now, at a young but wise age. Her history in service to four Congressmen, including my father, William F. Walsh, is a story of helping people. I am as proud to have been associated with her as I am sad to see her go.

Because of her experience, I have been able to run an efficient office on the western border of my district from the very first day. Because of her local knowledge, I have had an intense education—of the area, its people, and its unique strengths and needs. I was able to hit the ground running in Auburn after reapportionment included about half the city of Auburn in my new district in 1992. Even in a confusing situation wherein three congressional districts were designated parts of the city, Vivien provided leadership for all of us, and never forgot that the needs of constituents come first.

My wife DeDe and I have found Vivien and her husband Paul Norman, also an active public servant over the years, to be genuinely caring people who are in their private lives every bit as civic-minded as they appear in public.

We will miss them. We wish them well in this new and exciting phase of their lives. And we hope that all the good Vivien has done for others comes back to her 100-fold.

MEAN-SPIRITED CAMPAIGNS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. JACOBS. Mr. Speaker, our colleague, the Honorable Richard Lugar, has, in the following Indianapolis Star article of late August 1995, stated a truth that badly needs stating in this late 20th Century political atmosphere of incivility.

Those candidates who denounce and demean bring about a deadly contest of hate. In so doing, they serve their country not well.

REPUBLICAN CAMPAIGNS MISGUIDED, LUGAR SAYS

HOOSIER DECLARES THAT COMPETITORS' EXPLOITATION OF VOTERS' EMOTIONS IS THE WRONG WAY TO GET TO THE WHITE HOUSE

(By Mary Beth Schneider)

Maybe it was the local crowd of die-hard supporters.

Maybe it was the natural result of six months on the campaign trail, honing his message and his delivery.

Maybe it was just that Sen. Richard G. Lugar, R-Ind., has heard one acid-tongued speech too many from some of his competitors for the Republican nomination for president.

Whatever the reason, Lugar came home to Indianapolis on Monday and delivered the kind of speech that his critics say he can't—sometimes funny, often fervent, and with a point aimed right at the hearts of voters who tell pollsters repeatedly that they are sick of attack-dog politics.

In no uncertain terms, Lugar rejected the exploitation of "wedge issues" that candidates like Sen. Phil Gramm, Pat Buchanan and Gov. Pete Wilson have found can boost their poll numbers.

"We do have a dogfight out there," Lugar said of the presidential campaign. But the battle, as he described it, seemed not just a fight for higher poll numbers for himself, but a fight for the soul of the Republican Party.

Speaking at a luncheon honoring an organization he helped form to boost the political careers and involvement of women, the Richard G. Lugar Excellence in Public Service Luncheon, Lugar described the typical GOP candidate forum for the several hundred Hoosiers.

One candidate, he said, boasts of being the most conservative, with a happy record of killing bills offered by "commies, socialists, radicals."

That diatribe, Lugar said, is topped by the next candidate, who says he is really the most conservative and brags, "You can't find anyone meaner or nastier."

These candidates—he didn't name them; he didn't have to—talk about immigration and affirmative action. Those are legitimate issues for debate, Lugar said, "but that's not their purpose in raising them."

EMOTIONS EXPLOITED

Candidates and anyone else who can read a poll know Americans are deeply worried that this country is on the wrong track; and some are making political hay by exploiting that fear and exacerbating division, he indicated.

He cited meatpacking workers in Iowa, who worry about their stagnant wages and are ripe for the pitch by some candidates that illegal immigrants are siphoning away the jobs and income.

Instead of discussing real problems and real solutions, discussions that inevitably involve boring and tedious complexities, those candidates call for walls on U.S. borders or a freeze on immigration, Lugar said.

"Raw meat," he said. "Raw emotion for people who sense the political system is not working well for them."

FIGHTING FOR WHAT'S RIGHT

He spoke with passion in favor of affirmative action—the type of affirmative action where someone works to open opportunities because that is right and not because it is the law.

Looking at the crowd there to honor this women's political network he had helped form, Lugar said some would suggest women shouldn't need or get a helping hand up in politics.

But it was right, Lugar indicated, to "jump-start" the opening of political opportunities for women.

He noted the minority scholarship program he began. "Isn't that affirmative action?

Yet, some Republican candidates boast of racing to the White House to dismantle affirmative action.

"What kind of a party, what kind of an idea is that?" Lugar said. "I tell you—that's the nature of this campaign."

STANDS UP FOR INCLUSION

It's a campaign that is "extremely misguided, mean-spirited and nasty," he said, but "some Republicans think that's the road to the White House."

Instead, Lugar said, it is the road to defeat.

Republicans should stand for an opportunity for all Americans to reach "the starting line of life" with better education, health care and inclusion in society.

"To solve problems, we must deal with them constructively," he said. "That is my campaign. . . . It has to be a constructive process that reaches out to all Americans."

THE EXCELLENT WORK OF ROFEH INTERNATIONAL

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. FRANK of Massachusetts. Mr. Speaker, for several years now I've had the very distinct honor of sharing with my colleagues a description of the excellent work done by ROFEH International, sponsored by the New England Chassidic Center, at Beacon Street in Brookline, MA. Both of these important institutions are led by Grand Rabbi Levi Horowitz, known reverently by many as the Bostoner Rebbe. In addition to maintaining a vibrant and important institution for Jewish worship, Rebbe Horowitz and his colleagues do excellent work in the field of health. The Rebbe himself is recognized as an authority in the field of medical ethics, and he and those who work with him do a great deal to help support first rate medical care and to make it widely available to people who would otherwise not be able to benefit from it. This year, on November 12, Rebbe Horowitz and many others will join in a dinner in which they celebrate the important work that they do, and honor those who have played a major role in that work.

Two men in particular will be honored for the work they have done through ROFEH to benefit others. The 1955 Man of the Year is Milton B. Gray, who has a long family relationship, and is a staunch supporter of the New England Chassidic Center.

Mr. Milton B. Gray was born in Fort Kent, ME, and moved to Dorchester, MA, at an early age, where he attended the Boston public schools, graduating from Boston English High. He attended Northeastern University for 1 year after which he enrolled at the Bentley School of Accounting, evening branch, graduating in 1941.

Mr. Milton B. Gray worked part time through junior high, school and college in a variety of endeavors, ranging from selling soda in the stands at Braves Field and Fenway Park, to employment at the firm of Morse and Nizel, CPA and with the U.S. Navy Department in Quincy, MA. In 1943, he enlisted in the U.S. Navy, and was assigned to the South Pacific. In 1948, he became a partner in the firm of Gray, Gray, and Gray, CPA.

Mr. Gray is a member of the Massachusetts Society of CPA; the American Society of CPA;

Life member of the Temple Emeth's board, and past president of their Parents Teachers Association; Life member Massachusetts Cystic Fibrosis Foundation and past board member. In 1970 he was instrumental in the organization of Chug Aliyah working with David Roizenblit, the Israeli shalliach, at that time.

Milton and Shirley Gray, originally from Bridgeport, CT have been married for 49 years and have three married children and nine grandchildren.

Joining Mr. Gray as an honoree is Dr. John E. Hall who will receive the coveted Harry Andler Memorial Award.

Dr. John E. Hall was born in Saskatoon, SK, Canada. He attended the University of Saskatchewan, McGill University, and received his F.R.C.S. from the Royal College of Surgeons, Canada; and his F.A.C.S. from the American College of Surgeons.

Dr. Hall is one of the world's leading orthopaedic surgeons. He is the former orthopaedic surgeon-in-chief, Children's Hospital, Boston, MA; Associate in Orthopaedics, Brigham and Women's Hospital in Boston, MA; associate in orthopaedics, New England Baptist Hospital, Boston, MA, Dr. Hall is professor of orthopaedic surgery, Harvard Medical School, Boston, MA.

Dr. Hall holds and has held such positions as associate surgery, University of Toronto; president of medical staff, Ontario Crippled Children's Center, Ontario; chairman, medical advisory board, Prosthetic Research and Development Unit, Ontario Crippled Children's Center, Ontario; appointed chief of division of orthopaedic surgery, Hospital for Sick Children, Toronto; and chief of clinical services, department of orthopaedic surgery, Children's Hospital Medical Center, Boston.

Dr. Hall is a member of the Canadian Orthopaedic Association; the Pediatric Orthopaedic Society; Examiner for the American Board of Orthopaedic Surgery; he is past president of the Pediatric Orthopaedic Society and of the Medical Staff, Children's Hospital, Boston, MA.

Dr. Hall is author and co-author of over 100 articles that have been published in leading medical journals and books.

Dr. Hall lives in Brookline, MA with his wife Frances and is a devoted father of 7 children.

Mr. Speaker, I am proud to share with my colleagues and the country the record of this excellent organization and the biographies of the two men they so justly honor.

"THE CASE OF CHINA VS. CHINA", AN ESSAY BY RYAN DAI

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. CRANE Mr. Speaker, a constituent of mine, Ryan Dai, recently took part in Faces of China, a national high school essay contest sponsored by Friends of Free China. Contestants were asked to write a 3,000 word essay on the theme "Should Taiwan be Admitted to the United Nations?" Ryan wrote an excellent essay entitled, "The Case of China vs. China" and was awarded a $1,500 scholarship to the college or university of his choice. The conclusions drawn from his fine work reflect my own opinions regarding the admittance of the Republic of China into the United Nations. This strong independent nation, the antithesis of the People's Republic of China has from its inception deviated from the Communist principles upon which its Red Brother resides. As a strong supporter of the ROC, I recommend this essay to my colleagues and congratulate Ryan Dai on his fine work.

THE CASE OF CHINA VS. CHINA

The United Nations Charter states that one of its main objectives is "to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion."[1] Well, if this is the case, then the United Nations has not been living up to this promise. Ever since the General Assembly of the United Nations decided to replace the "China seat" in 1971 with a representative from the People's Republic of China (communist China), the Republic of China has been denied any participation in global activities held by the UN that benefit humanity. The motive behind this change was the United States' strategy of allying with communist China in order to curb the Soviet Union during the Cold War.[2] Not only that, but the UN passed this resolution to oversimplify the problem of having "two different Chinas." In reality, the decision to change representation has done nothing to solve this problem. Communist China has never taken control of the Republic of China. Without ever receiving help from communist China, the ROC has become a strong, independent nation with a thriving economy, a democratic government, and a bright future. Why is it that the UN could afford to have two representatives for Germany and another two for Korea? Despite being excluded from the UN, the Republic of China has of their own free will lived up to the standards the UN wishes to pursue.

In 1948, the United Nations passed the "Universal Declaration of Human Rights" and in 1966, the "International Covenant on Civil and Political Rights."[3] Both stress that every person has the right to partake in political, cultural, and economic activities. The ROC's government, much like the United States, unquestionably demonstrates these qualities. Dr. Sun Yat-sen, the founding father of the ROC, believed in "Three Principles of the People"—nationalism, democracy, and social well-being, which form the basis of the Republic of China's constitution.[4] The ROC has lifted martial law, certified new political parties, terminated censorship, and recently held its first free election (in 1991).[5] Unlike the People's Republic of China, which forbids any type of free election and strictly enforces censorship. How can it be possible to represent the ROC fairly with communist China taking charge at the UN? The two nations have entirely opposite view points on government. If given the chance to represent themselves in the UN, the ROC has the opportunity to show other countries that currently have political conflicts, the effectiveness of having a well-organized government that is just to everyone.

A prosperous economy certainly plays an important role in the development of any nation. Not only that, a gratifying economy enriches relationships with other countries as well. The Republic of China is no stranger to a thriving economy. Known as one of the "four little dragons" of Asia, the Republic of China is an economic powerhouse which holds the largest or second largest foreign exchange reserves in the world.[6] They are the United States' fifth largest trading nation and the thirteenth largest trading nation in the world.[7] The citizens of ROC alone have bought more than twice the amount of American goods than the People's Republic of China since January of 1994.[8] The ROC's strong economy and trade relations all add up to one thing—the stability of employment. This "little dragon" purchases more than $16 billion in U.S. exports and supports more than 300,000 American jobs each year.[9] The ROC has the opportunity to expand trade and help increase the prosperity of other countries if given the opportunity to participate in the UN.

Furthermore, the Republic of China has been lending a helping hand to the world community for the past thirty years. The island nation has sent more than 12,000 agricultural technicians to numerous countries.[10] These agricultural teams have helped developing countries progress in their agricultural base while introducing modern farming techniques.[11] The ROC has established the International Economic Cooperation Development Fund to share nation-building and technical experience to countries needing guidance in their economies. Training has been given by the ROC to almost 8,500 agricultural technicians and 44,000 agriculturists around the world.[12] Also, the ROC assisted the United States by donating $600,000 to help the people of the Midwest during the devastating Mississippi River flooding.[13] Unfortunately, the ROC has not been able to participate in UN sponsored organizations such as UNICEF, the World Bank, and the World Health Organization.[14] As a result, the Republic of China has not been able to further its aid to the global community. Granting the ROC a position in the UN opens the door to another willing participant who can help strengthen the UN's goal of assisting nations in crises.

Why the Republic of China has been denied membership to the United Nations seems so puzzling. The twenty-one million inhabitants of this nation have followed and stood by the standards of the UN for the past twenty-three years. Despite being excluded from the United Nations, the Republic of China has consummated many ambitions that have helped the world. From the nation's per capita income exceeding $10,000 (twenty-fifth in the world), and its determined will to create an orderly democratic society for its people, the Republic of China serves as an example to all nations what hard work and determination can accomplish.[15] The future withholds nothing but promise if the ROC is admitted into the United Nations. The twenty-one million people of the ROC have made some outstanding accomplishments just by themselves. Government spokesman for the Republic of China, Dr. Jason Hu commented, "The ROC does not want to keep its success to itself. We would be more than pleased to do our part in promoting the global economy by sharing our...experiences with other nations."[16] To the one hundred eighty-four member nations in the UN, it appears that having the Republic of China partake in the United Nations can do no harm but help reach the goal.

The ROC also wishes to obtain a seat in the UN to work on unification between the "two

Footnotes at end of article.

Chinas" and resolve conflicts between the two nations, not to create a segregation. An obvious and reasonable approach to help resolve the ROC's representation conflict is to invite Red China to take seat at a table and discuss the problem. The two nations' reasons and statements on this situation hold no significance at this point, unless the two hold a formal discussion face to face with each other. A conference involving the ROC, the People's Republic of China, UN officials, and representatives from other nations serves only as a preparatory stepping stone in reaching some sort of compromise or plan of action. To reach a solution, an understanding between the ROC and Red China must be established, and this understanding cannot exist without solid communication. Red China must understand that "talk" does not necessarily mean "immediate action." The Republic of China has been ignored for too long. It is time for this nation to have a seat in the United Nations and regain its membership to the global community it once helped establish.

NOTES

[1] Frederick F. Chien, *The Case for Participation of the Republic of China in the United Nations* (Taipei, Taiwan: Union Press Ltd., 1994), 8.

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[3] Chien, 8–9.

[4] J.J. Nerbonne, *Taiwan: Guide to Taipei and All Taiwan* (New York, NY: IBD Ltd., 1985), 12.

[5] Don Feber, "Taiwan Deserves Better Than it Gets," *Boston Herald*, 24 January 1994, 21.

[6] Shaung Jeff Yao, "Taiwan Seeks Recognition for its Rise," *St. Louis Post-Dispatch*, 26 November 1993, 42.

[7] Shaung Jeff Yao, "Republic of China of Taiwan Deserves U.N. Membership," *Town Courier*, 16 July 1994, 23.

[8] Shaung Jeff Yao, "U.N. Call for Taiwan Overdue," *The Blade*, 30 August 1994, 4.

[9] Brett C. Lippencott, "Taiwan Deserves Better than Current Short Shrift from U.S.," *Star Tribune*, 25 August 1994, 10.

[10] Yao, "Taiwan Seeks Recognition for its Rise," 42.

[11] *Ibid.*

[12] *Ibid.*

[13] Shaung Jeff Yao, "Taiwan Has Come a Long Way, Deserves Seat in the U.N.," *The Capital Times*, 19 October 1994, 19.

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[16] Feber, 21.

PERSONAL EXPLANATION

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mrs. MALONEY. Mr. Speaker, this week I was privileged to attend the United Nations' Fourth World Conference on Women as a congressional observer. Consequently, I missed several votes. If I had been present, I would have voted as follows:

Roll Call No.:

	Vote
636	No
637	Yes
638	No
639	Yes
640	Yes
641	Yes
642	No
643	Yes
644	Yes
645	Yes
646	No
647	No
648	Yes