HOUSE OF REPRESENTATIVES—*Thursday, December 21, 1995*

CONFERENCE REPORT ON H.R. 4, PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY ACT OF 1995

Mr. ARCHER submitted the following conference report and statement on Wednesday, December 20, 1995, on the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence:

CONFERENCE REPORT (H. REPT. 104-430)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4), to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Personal Responsibility and Work Opportunity Act of 1995".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Sec. 101. Findings.
Sec. 102. Reference to Social Security Act.
Sec. 103. Block grants to States.
Sec. 104. Services provided by charitable, religious, or private organizations.
Sec. 105. Census data on grandparents as primary caregivers for their grandchildren.
Sec. 106. Report on data processing.
Sec. 107. Study on alternative outcomes measures.
Sec. 108. Conforming amendments to the Social Security Act.
Sec. 109. Conforming amendments to the Food Stamp Act of 1977 and related provisions.
Sec. 110. Conforming amendments to other laws.
Sec. 111. Development of prototype of counterfeit-resistant social security card required.
Sec. 112. Disclosure of receipt of Federal funds.
Sec. 113. Modifications to the job opportunities for certain low-income individuals program.
Sec. 114. Medicaid eligibility under title IV of the Social Security Act.
Sec. 115. Secretarial submission of legislative proposal for technical and conforming amendments.
Sec. 116. Effective date; transition rule.

TITLE II—SUPPLEMENTAL SECURITY INCOME

Sec. 200. Reference to Social Security Act.

Subtitle A—Eligibility Restrictions

Sec. 201. 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.
Sec. 202. Denial of SSI benefits for fugitive felons and probation and parole violators.

Subtitle B—Benefits for Disabled Children

Sec. 211. Definition and eligibility rules.
Sec. 212. Eligibility redeterminations and continuing disability reviews.
Sec. 213. Additional accountability requirements.
Sec. 214. Reduction in cash benefits payable to institutionalized individuals whose medical costs are covered by private insurance.
Sec. 215. Regulations.

Subtitle C—State Supplementation Programs

Sec. 221. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

Subtitle D—Studies Regarding Supplemental Security Income Program

Sec. 231. Annual report on the supplemental security income program.
Sec. 232. Study of disability determination process.
Sec. 233. Study by General Accounting Office.

Subtitle E—National Commission on the Future of Disability

Sec. 241. Establishment.
Sec. 242. Duties of the Commission.
Sec. 243. Membership.
Sec. 244. Staff and support services.
Sec. 245. Powers of Commission.
Sec. 246. Reports.
Sec. 247. Termination.
Sec. 248. Authorization of appropriations.

Subtitle F—Retirement Age Eligibility

Sec. 251. Eligibility for supplemental security income benefits based on social security retirement age.

TITLE III—CHILD SUPPORT

Sec. 300. Reference to Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

Sec. 301. State obligation to provide child support enforcement services.
Sec. 302. Distribution of child support collections.
Sec. 303. Privacy safeguards.
Sec. 304. Rights to notification and hearings.

Subtitle B—Locate and Case Tracking

Sec. 311. State case registry.
Sec. 312. Collection and disbursement of support payments.
Sec. 313. State directory of new hires.
Sec. 314. Amendments concerning income withholding.
Sec. 315. Locator information from interstate networks.
Sec. 316. Expansion of the Federal parent locator service.
Sec. 317. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

Sec. 321. Adoption of uniform State laws.
Sec. 322. Improvements to full faith and credit for child support orders.
Sec. 323. Administrative enforcement in interstate cases.
Sec. 324. Use of forms in interstate enforcement.
Sec. 325. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

Sec. 331. State laws concerning paternity establishment.
Sec. 332. Outreach for voluntary paternity establishment.
Sec. 333. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

Sec. 341. Performance-based incentives and penalties.
Sec. 342. Federal and State reviews and audits.
Sec. 343. Required reporting procedures.
Sec. 344. Automated data processing requirements.
Sec. 345. Technical assistance.
Sec. 346. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

Sec. 351. Simplified process for review and adjustment of child support orders.
Sec. 352. Furnishing consumer reports for certain purposes relating to child support.
Sec. 353. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

Subtitle G—Enforcement of Support Orders

Sec. 361. Internal Revenue Service collection of arrearages.
Sec. 362. Authority to collect support from Federal employees.
Sec. 363. Enforcement of child support obligations of members of the Armed Forces.
Sec. 364. Voiding of fraudulent transfers.
Sec. 365. Work requirement for persons owing past-due child support.
Sec. 366. Definition of support order.
Sec. 367. Reporting arrearages to credit bureaus.
Sec. 368. Liens.
Sec. 369. State law authorizing suspension of licenses.
Sec. 370. Denial of passports for nonpayment of child support.
Sec. 371. International child support enforcement.
Sec. 372. Financial institution data matches.
Sec. 373. Enforcement of orders against paternal or maternal grandparents in cases of minor parents.
Sec. 374. Nondischargeability in bankruptcy of certain debts for the support of a child.

Subtitle H—Medical Support

Sec. 376. Correction to ERISA definition of medical child support order.
Sec. 377. Enforcement of orders for health care coverage.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents
Sec. 381. Grants to States for access and visitation programs.
Subtitle J—Effect of Enactment
Sec. 391. Effective dates.
TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS
Sec. 400. Statements of national policy concerning welfare and immigration.
Subtitle A—Eligibility for Federal Benefits
Sec. 401. Aliens who are not qualified aliens ineligible for Federal public benefits.
Sec. 402. Limited eligibility of certain qualified aliens for certain Federal programs.
Sec. 403. Five-year limited eligibility of qualified aliens for Federal means-tested public benefit.
Sec. 404. Notification and information reporting.
Subtitle B—Eligibility for State and Local Public Benefits Programs
Sec. 411. Aliens who are not qualified aliens or nonimmigrants ineligible for State and local public benefits.
Sec. 412. State authority to limit eligibility of qualified aliens for State public benefits.
Subtitle C—Attribution of Income and Affidavits of Support
Sec. 421. Federal attribution of sponsor's income and resources to alien.
Sec. 422. Authority for States to provide for attribution of sponsors income and resources to the alien with respect to State programs.
Sec. 423. Requirements for sponsor's affidavit of support.
Sec. 424. Cosignature of alien student loans.
Subtitle D—General Provisions
Sec. 431. Definitions.
Sec. 432. Reapplication for SSI benefits.
Sec. 433. Verification of eligibility for Federal public benefits.
Sec. 434. Statutory construction.
Sec. 435. Communication between State and local government agencies, and the Immigration and Naturalization Service.
Sec. 436. Qualifying quarters.
Subtitle E—Conforming Amendments
Sec. 441. Conforming amendments relating to assisted housing.
TITLE V—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS
Sec. 501. Reductions.
Sec. 502. Reductions in Federal bureaucracy.
Sec. 503. Reducing personnel in Washington, D.C. Area.
TITLE VI—REFORM OF PUBLIC HOUSING
Sec. 601. Failure to comply with other welfare and public assistance programs.
Sec. 602. Fraud under means-tested welfare and public assistance programs.
Sec. 603. Effective date.
TITLE VII—CHILD PROTECTION BLOCK GRANT PROGRAM AND FOSTER CARE AND ADOPTION ASSISTANCE
Subtitle A—Block Grants to States for the Protection of Children and Matching Payments for Foster Care and Adoption Assistance
Sec. 701. Establishment of program.
Sec. 702. Conforming amendments.
Sec. 703. Transfer and amendment to foster care protection requirement.
Sec. 704. Effective date; transition rule.
Sec. 705. Sense of the Congress regarding timely adoption of children.
Subtitle B—Child and Family Services Block Grant
Sec. 751. Child and family services block grant.
Sec. 752. Reauthorizations.
Sec. 753. Repeals.
TITLE VIII—CHILD CARE
Sec. 801. Short title and references.
Sec. 802. Goals.
Sec. 803. Authorization of appropriations.
Sec. 804. Lead agency.
Sec. 805. Application and plan.
Sec. 806. Limitation on State allotments.
Sec. 807. Activities to improve the quality of child care.
Sec. 808. Repeal of early childhood development and before- and after-school care requirement.
Sec. 809. Administration and enforcement.
Sec. 810. Payments.
Sec. 811. Annual report and audits.
Sec. 812. Report by the Secretary.
Sec. 813. Allotments.
Sec. 814. Definitions.
Sec. 815. Repeals.
TITLE IX—CHILD NUTRITION PROGRAMS
Subtitle A—National School Lunch Act
Sec. 901. State disbursement to schools.
Sec. 902. Nutritional and other program requirements.
Sec. 903. Free and reduced price policy statement.
Sec. 904. Special assistance.
Sec. 905. Miscellaneous provisions and definitions.
Sec. 906. Summer food service program for children.
Sec. 907. Commodity distribution.
Sec. 908. Child care food program.
Sec. 909. Pilot projects.
Sec. 910. Reduction of paperwork.
Sec. 911. Information on income eligibility.
Sec. 912. Nutrition guidance for child nutrition programs.
Sec. 913. Information clearinghouse.
Sec. 914. School nutrition optional block grant demonstration program.
Subtitle B—Child Nutrition Act of 1966
Sec. 921. Special milk program.
Sec. 922. Free and reduced price policy statement.
Sec. 923. School breakfast program authorization.
Sec. 924. State administrative expenses.
Sec. 925. Regulations.
Sec. 926. Prohibitions.
Sec. 927. Miscellaneous provisions and definitions.
Sec. 928. Accounts and records.
Sec. 929. Special supplemental nutrition program for women, infants, and children.
Sec. 930. Cash grants for nutrition education.
Sec. 931. Nutrition education and training.
Sec. 932. Breastfeeding promotion program.
TITLE X—FOOD STAMPS AND COMMODITY DISTRIBUTION
Sec. 1001. Short title.
Subtitle A—Food Stamp Program
Sec. 1011. Definition of certification period.
Sec. 1012. Definition of coupon.
Sec. 1013. Treatment of children living at home.
Sec. 1014. Optional additional criteria for separate household determinations.
Sec. 1015. Adjustment of thrifty food plan.
Sec. 1016. Definition of homeless individual.
Sec. 1017. State option for eligibility standards.
Sec. 1018. Earnings of students.
Sec. 1019. Energy assistance.
Sec. 1020. Deductions from income.
Sec. 1021. Vehicle allowance.
Sec. 1022. Vendor payments for transitional housing counted as income.
Sec. 1023. Doubled penalties for violating food stamp program requirements.
Sec. 1024. Disqualification of convicted individuals.
Sec. 1025. Disqualification.
Sec. 1026. Caretaker exemption.
Sec. 1027. Employment and training.
Sec. 1028. Comparable treatment for disqualification.
Sec. 1029. Disqualification for receipt of multiple food stamp benefits.
Sec. 1030. Disqualification of fleeing felons.
Sec. 1031. Cooperation with child support agencies.
Sec. 1032. Disqualification relating to child support arrears.
Sec. 1033. Work requirement.
Sec. 1034. Encourage electronic benefit transfer systems.
Sec. 1035. Value of minimum allotment.
Sec. 1036. Benefits on recertification.
Sec. 1037. Optional combined allotment for expedited households.
Sec. 1038. Failure to comply with other means-tested public assistance programs.
Sec. 1039. Allotments for households residing in centers.
Sec. 1040. Condition precedent for approval of retail food stores and wholesale food concerns.
Sec. 1041. Authority to establish authorization periods.
Sec. 1042. Information for verifying eligibility for authorization.
Sec. 1043. Waiting period for stores that fail to meet authorization criteria.
Sec. 1044. Operation of food stamp offices.
Sec. 1045. State employee and training standards.
Sec. 1046. Exchange of law enforcement information.
Sec. 1047. Expedited coupon service.
Sec. 1048. Withdrawing fair hearing requests.
Sec. 1049. Income, eligibility, and immigration status verification systems.
Sec. 1050. Disqualification of retailers who intentionally submit falsified applications.
Sec. 1051. Disqualification of retailers who are disqualified under the WIC program.
Sec. 1052. Collection of overissuances.
Sec. 1053. Authority to suspend stores violating program requirements pending administrative and judicial review.
Sec. 1054. Expanded criminal forfeiture for violations.
Sec. 1055. Limitation of Federal match.
Sec. 1056. Standards for administration.
Sec. 1057. Work supplementation or support program.
Sec. 1058. Waiver authority.
Sec. 1059. Authorization of pilot projects.
Sec. 1060. Response to waivers.
Sec. 1061. Employment initiatives program.
Sec. 1062. Adjustable food stamp cap.
Sec. 1063. Reauthorization of Puerto Rico nutrition assistance program.
Sec. 1064. Simplified food stamp program.
Sec. 1065. State food assistance block grant.
Sec. 1066. American Samoa.
Sec. 1067. Assistance for community food projects.
Subtitle B—Commodity Distribution Programs
Sec. 1071. Commodity distribution program; commodity supplemental food program.
Sec. 1072. Emergency food assistance program.
Sec. 1073. Food bank demonstration project.
Sec. 1074. Hunger prevention programs.
Sec. 1075. Report on entitlement commodity processing.
Sec. 1076. National commodity processing.

TITLE XI—MISCELLANEOUS

Subtitle A—General Provisions

Sec. 1101. Expenditure of Federal funds in accordance with laws and procedures applicable to expenditure of State funds.
Sec. 1102. Elimination of housing assistance with respect to fugitive felons and probation and parole violators.
Sec. 1103. Sense of the Senate regarding enterprise zones.
Sec. 1104. Sense of the Senate regarding the inability of the non-custodial parent to pay child support.
Sec. 1105. Food stamp eligibility.
Sec. 1106. Establishing national goals to prevent teenage pregnancies.
Sec. 1107. Sense of the Senate regarding enforcement of statutory rape laws.
Sec. 1108. Sanctioning for testing positive for controlled substances.
Sec. 1109. Abstinence education.
Sec. 1110. Provisions to encourage electronic benefit transfer systems.
Sec. 1111. Reduction in block grants to States for social services.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 101. 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 well-being 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 (in this section 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 times more 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 ⅓ 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 2-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 part A of title IV of the Social Security Act (as amended by section 103 of this Act) is intended to address the crisis.

SEC. 102. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this title 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.

SEC. 103. BLOCK GRANTS TO STATES.

Part A of title IV (42 U.S.C. 601 et seq.) is amended to read as follows:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

"SEC. 401. PURPOSE.

"(a) IN GENERAL.—The purpose of this part is to increase the flexibility of States in operating a program designed to—

"(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

"(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

"(4) encourage the formation and maintenance of two-parent families.

"(b) NO INDIVIDUAL ENTITLEMENT.—This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part.

"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, during the 2-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—

"(A) GENERAL PROVISIONS.—A written document that outlines how the State intends to do the following:

"(i) Conduct a program, designed to serve all political subdivisions in the State, that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.

"(ii) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months (whether or not consecutive), whichever is earlier.

"(iii) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.

"(iv) Take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under the program attributable to funds provided by the Federal Government.

"(v) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy ratio of the State (as defined in section 403(a)(2)(B)) for calendar years 1996 through 2005.

"(B) SPECIAL PROVISIONS.—

"(i) The document shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.

"(ii) The document shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.

"(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 OF THE ADMINISTRATION OF THE PROGRAM.—A certification by the chief executive officer of the State specifying which State agency or agencies will administer and supervise the program referred to in paragraph (1) for the fiscal year, which shall include assurances that local governments and private sector organizations—

"(A) have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and

"(B) have had at least 60 days to submit comments on the plan and the design of such services.

"(5) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.—A certification by the chief executive officer of the State that, during the fiscal year, the State will provide each Indian who is a member of an Indian tribe in the State that does not have a tribal family assistance plan approved under section 412 with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

"(b) PUBLIC AVAILABILITY OF STATE PLAN SUMMARY.—The State shall make available to the public a summary of any plan submitted by the State under this section.

"SEC. 403. GRANTS TO STATES.

"(a) GRANTS.—

"(1) FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary, for each of fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 a grant in an amount equal to the State family assistance grant.

"(B) STATE FAMILY ASSISTANCE GRANT DEFINED.—As used in this part, the term 'State family assistance grant' means the greatest of—

"(i) 1/3 of the total amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect));

"(ii)(I) the total amount required to be paid to the State under former section 403 for fiscal year 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect)); plus

"(II) an amount equal to 85 percent of the amount (if any) by which the total amount required to be paid to the State under former section 403(a)(5) for emergency assistance for fiscal year 1995 exceeds the total amount required to be paid to the State under former section 403(a)(5) for fiscal year 1994, if, during fiscal year 1994, the Secretary approved under former section 402 an amendment to the former State plan with respect to the provision of emergency assistance in the context of family preservation; or

"(iii) 4/3 of the total amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for the 1st 3 quarters of fiscal year 1995 (other than with respect to amounts expended by the State under the State plan approved under part F (as so in effect) or for child care under subsection (g) or (i) of former section 402 (as so in effect)), plus the total amount required to be paid to the State for fiscal year 1995 under former section 403(l) (as so in effect).

"(C) TOTAL AMOUNT REQUIRED TO BE PAID TO THE STATE UNDER FORMER SECTION 403 DEFINED.—As used in this part, the term 'total amount required to be paid to the State under former section 403' means, with respect to a fiscal year—

"(i) in the case of a State to which section 1108 does not apply, the sum of—

"(I) the Federal share of maintenance assistance expenditures for the fiscal year, before reduction pursuant to subparagraph (B) or (C) of section 403(b)(2) (as in effect on September 30, 1995), as reported by the State on ACF Form 231;

"(II) the Federal share of administrative expenditures (including administrative expenditures for the development of management information systems) for the fiscal year, as reported by the State on ACF Form 231;

"(III) the Federal share of emergency assistance expenditures for the fiscal year, as reported by the State on ACF Form 231;

"(IV) the Federal share of expenditures for the fiscal year with respect to child care pursuant to subsections (g) and (i) of former section 402 (as in effect on September 30, 1995), as reported by the State on ACF Form 231; and

"(V) the aggregate amount required to be paid to the State for the fiscal year with respect to the State program operated under part F (as in effect on September 30, 1995), as determined by the Secretary, including additional obligations or reductions in obligations made after the close of the fiscal year; and

"(ii) in the case of a State to which section 1108 applies, the lesser of—

"(I) the sum described in clause (i); or

"(II) the total amount certified by the Secretary under former section 403 (as in effect during the fiscal year) with respect to the territory.

"(D) INFORMATION TO BE USED IN DETERMINING AMOUNTS.—

"(i) FOR FISCAL YEARS 1992 AND 1993.—

"(I) In determining the amounts described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of April 28, 1995.

"(II) In determining the amount described in subparagraph (C)(i)(V) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of January 6, 1995.

"(ii) FOR FISCAL YEAR 1994.—In determining the amounts described in subparagraph (C)(i) for any State for fiscal year 1994, the Secretary shall use information available as of April 28, 1995.

"(iii) FOR FISCAL YEAR 1995.—

"(I) In determining the amount described in subparagraph (B)(ii)(II) for any State for fiscal year 1995, the Secretary shall use the information which was reported by the States and estimates made by the States with respect to emergency assistance expenditures and was available as of August 11, 1995.

"(I) In determining the amounts described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for fiscal year 1995, the Secretary shall use information available as of October 2, 1995.

"(II) In determining the amount described in subparagraph (C)(i)(V) for any State for fiscal year 1995, the Secretary shall use information available as of October 5, 1995.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 such sums as are necessary for grants under this paragraph.

"(2) GRANT TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

"(A) IN GENERAL.—In addition to any grant under paragraph (1), each eligible State shall be entitled to receive from the Secretary for fiscal year 1998 or any succeeding fiscal year, a grant in an amount equal to the State family assistance grant multiplied by—

"(i) 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 fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

"(ii) 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 fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(B) ILLEGITIMACY RATIO.—As used in this paragraph, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(i) 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

"(ii) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(C) DISREGARD OF CHANGES IN DATA DUE TO CHANGED REPORTING METHODS.—For purposes of subparagraph (A), the Secretary shall disregard—

"(i) any difference between the illegitimacy ratio of a State for a fiscal year and the illegitimacy ratio of the State for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate the illegitimacy ratio; and

"(ii) any difference between the rate of induced pregnancy terminations in a State for a fiscal year and such rate for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate such rate.

"(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal year 1998 and for each succeeding fiscal year such sums as are necessary for grants under this paragraph.

"(3) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—Each qualifying State shall, subject to subparagraph (F), be entitled to receive from the Secretary—

"(i) for fiscal year 1997 a grant in an amount equal 2.5 percent of the total amount required to

be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(ii) for each of fiscal years 1998, 1999, and 2000, a grant in an amount equal to the sum of—

"(I) the amount (if any) required to be paid to the State under this paragraph for the immediately preceding fiscal year; and

"(II) 2.5 percent of the sum of—

"(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(bb) the amount (if any) required to be paid to the State under this paragraph for the fiscal year preceding the fiscal year for which the grant is to be made.

"(B) PRESERVATION OF GRANT WITHOUT INCREASES FOR STATES FAILING TO REMAIN QUALIFYING STATES.—Each State that is not a qualifying State for a fiscal year specified in subparagraph (A)(ii) but was a qualifying State for a prior fiscal year shall, subject to subparagraph (F), be entitled to receive from the Secretary for the specified fiscal year, a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year for which the State was a qualifying State.

"(C) QUALIFYING STATE.—

"(i) IN GENERAL.—For purposes of this paragraph, a State is a qualifying State for a fiscal year if—

"(I) the level of welfare spending per poor person by the State for the immediately preceding fiscal year is less than the national average level of State welfare spending per poor person for such preceding fiscal year; and

"(II) the population growth rate of the State (as determined by the Bureau of the Census for the most recent fiscal year for which information is available exceeds the average population growth rate for all States (as so determined) for such most recent fiscal year.

"(ii) STATE MUST QUALIFY IN FISCAL YEAR 1997.—Notwithstanding clause (i), a State shall not be a qualifying State for any fiscal year after 1997 by reason of clause (i) if the State is not a qualifying State for fiscal year 1997 by reason of clause (i).

"(iii) CERTAIN STATES DEEMED QUALIFYING STATES.—For purposes of this paragraph, a State is deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if—

"(I) the level of welfare spending per poor person by the State for fiscal year 1996 is less than 35 percent of the national average level of State welfare spending per poor person for fiscal year 1996; or

"(II) the population of the State increased by more than 10 percent from April 1, 1990 to July 1, 1994, as determined by the Bureau of the Census.

"(D) DEFINITIONS.—As used in this paragraph:

"(i) LEVEL OF WELFARE SPENDING PER POOR PERSON.—The term 'level of State welfare spending per poor person' means, with respect to a State and a fiscal year—

"(I) the sum of—

"(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(bb) the amount (if any) paid to the State under this paragraph for the immediately preceding fiscal year; divided by

"(II) the number of individuals, according to the 1990 decennial census, who were residents of the State and whose income was below the poverty line.

"(ii) NATIONAL AVERAGE LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'national average level of State welfare spending per poor person' means, with respect to a fiscal year, an amount equal to—

"(I) the total amount required to be paid to the States under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; divided by

"(II) the number of individuals, according to the 1990 decennial census, who were residents of any State and whose income was below the poverty line.

"(iii) STATE.—The term 'State' means each of the 50 States of the United States and the District of Columbia.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1997, 1998, 1999, and 2000 such sums as are necessary for grants under this paragraph, in a total amount not to exceed $800,000,000.

"(F) GRANTS REDUCED PRO RATA IF INSUFFICIENT APPROPRIATIONS.—If the amount appropriated pursuant to this paragraph for a fiscal year is less than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall be reduced by a percentage equal to the amount so appropriated divided by such total amount.

"(G) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this paragraph after fiscal year 2000.

"(b) 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' (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 appropriated for fiscal years 1997, 1998, 1999, 2000, and 2001 such sums as are necessary for payment to the Fund in a total amount not to exceed $1,000,000,000.

"(3) GRANTS.—From amounts appropriated pursuant to paragraph (2), the Secretary of the Treasury shall pay to each eligible State for a fiscal year an amount equal to the lesser of—

"(A) the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as in effect on September 30, 1995) of the amount (if any) by which the expenditures of the State in the fiscal year under the State program funded under this part exceed the historic State expenditures (as defined in section 409(a)(7)(B)(iii)) for the State with respect to the fiscal year; or

"(B) 20 percent of the State family assistance grant for the fiscal year.

"(4) ELIGIBLE STATE.—For purposes of this subsection, a State is an eligible State for a fiscal year, if—

"(A) the average rate of total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published equals or exceeds 6.5 percent;

"(B) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period equals or exceeds 110 percent of such average rate for either (or both) of the corresponding 3-month periods ending in the 2 preceding calendar years; and

"(C) the total amount expended by the State during the fiscal year under the State program funded under this part is not less than 100 percent of the level of historic State expenditures (as defined in section 409(a)(7)(B)(iii)) with respect to the fiscal year.

"(5) STATE.—As used in this subsection, the term 'State' means each of the 50 States of the United States and the District of Columbia.

"(6) PAYMENT PRIORITY.—The Secretary shall make payments under paragraph (3) in the order in which the Secretary receives claims for such payments.

"(7) ANNUAL REPORTS.—The Secretary of the Treasury shall annually report to the Congress on the status of the Fund.

"(8) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this subsection after fiscal year 2001.

"SEC. 404. USE OF GRANTS.

"(a) GENERAL RULES.—Subject to this part, a State to which a grant is made under section 403 may use the grant—

"(1) in any manner that is reasonably calculated to accomplish the purpose of this part, including to provide low income households with assistance in meeting home heating and cooling costs; or

"(2) in any manner that the State was authorized to use amounts received under part A or F, as such parts were in effect on September 30, 1995.

"(b) LIMITATION ON USE OF GRANT FOR ADMINISTRATIVE PURPOSES.—

"(1) LIMITATION.—A State to which a grant is made under section 403 shall not expend more than 15 percent of the grant for administrative purposes.

"(2) EXCEPTION.—Paragraph (1) shall not apply to the use of a grant for information technology and computerization needed for tracking or monitoring required by or under this part.

"(c) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State operating a program funded under this part may apply to a family the rules (including benefit amounts) of the program funded 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.

"(d) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

"(1) IN GENERAL.—A State may use not more than 30 percent of the amount of the grant made to the State under section 403 for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

"(A) Part B of this title.

"(B) Title XX of this Act.

"(C) The Child Care and Development Block Grant Act of 1990.

"(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 or described 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.

"(e) 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 funded under this part.

"(f) AUTHORITY TO OPERATE EMPLOYMENT PLACEMENT PROGRAM.—A State to which a grant is made under section 403 may use 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.

"(g) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—A State to which a grant is made under section 403 is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose.

"SEC. 405. ADMINISTRATIVE PROVISIONS.

"(a) QUARTERLY.—The Secretary shall pay each grant payable to a State under section 403 in quarterly installments.

"(b) NOTIFICATION.—Not later than 3 months before the payment of any such quarterly installment to a State, the Secretary shall notify the State of the amount of any reduction determined under section 412(a)(1)(B) with respect to the State.

"(c) COMPUTATION AND CERTIFICATION OF PAYMENTS TO STATES.—

"(1) COMPUTATION.—The Secretary shall estimate the amount to be paid to each eligible State for each quarter under this part, such estimate to be based on a report filed by the State containing an estimate by the State of the total sum to be expended by the State in the quarter under the State program funded under this part and such other information as the Secretary may find necessary.

"(2) CERTIFICATION.—The Secretary of Health and Human Services shall certify to the Secretary of the Treasury the amount estimated under paragraph (1) with respect to a State, reduced or increased to the extent of any overpayment or underpayment which the Secretary of Health and Human Services determines was made under this part to the State for any prior quarter and with respect to which adjustment has not been made under this paragraph.

"(d) PAYMENT METHOD.—Upon receipt of a certification under subsection (c)(2) with respect to a State, the Secretary of the Treasury shall, through the Fiscal Service of the Department of the Treasury and before 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.

"(e) COLLECTION OF STATE OVERPAYMENTS TO FAMILIES FROM FEDERAL TAX REFUNDS.—

"(1) IN GENERAL.—Upon receiving notice from the Secretary of Health and Human Services that a State agency administering a program funded under this part has notified the Secretary that a named individual has been overpaid under the State program funded 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 the individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is so 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.

"(2) REGULATIONS.—The Secretary of the Treasury shall issue regulations, after review by the Secretary of Health and Human services, that provide—

"(A) that a State may only submit under paragraph (1) requests for collection of overpayments with respect to individuals—

"(i) who are no longer receiving assistance under the State program funded under this part;

"(ii) 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

"(iii) 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;

"(B) 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 paragraph (1); and

"(C) the procedures that the State and the Secretary of the Treasury will follow in carrying out this subsection which, to the maximum extent feasible and consistent with the provisions of this subsection, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.

"SEC. 406. FEDERAL LOANS FOR STATE WELFARE PROGRAMS.

"(a) LOAN AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall make loans to any loan-eligible State, for a period to maturity of not more than 3 years.

"(2) LOAN-ELIGIBLE STATE.—As used in paragraph (1), the term 'loan-eligible State' means a State against which a penalty has not been imposed under section 409(a)(1).

"(b) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under this section at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

"(c) USE OF LOAN.—A State shall use a loan made to the State under this section only for any purpose for which grant amounts received by the State under section 403(a) may be used, including—

"(1) welfare anti-fraud activities; and

"(2) 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 412.

"(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO A STATE.—The cumulative dollar amount of all loans made to a State under this section during fiscal years 1997 through 2001 shall not exceed 10 percent of the State family assistance grant.

"(e) LIMITATION ON TOTAL AMOUNT OF OUTSTANDING LOANS.—The total dollar amount of loans outstanding under this section may not exceed $1,700,000,000.

"(f) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as may be necessary for the cost of loans under this section.

"SEC. 407. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—

"(1) ALL FAMILIES.—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 table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	15
1997	20
1998	25
1999	30
2000	35
2001	40
2002 or thereafter	50.

"(2) 2-PARENT FAMILIES.—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 table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	50
1997	75
1998	75
1999 or thereafter	90.

"(b) CALCULATION OF PARTICIPATION RATES.—

"(1) 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 number of families receiving assistance under the State program funded under this part that include an adult who is engaged in work for the month; divided by

"(ii) the amount by which—

"(I) the number of families receiving such assistance during the month that include an adult receiving such assistance; exceeds

"(II) the number of families receiving such assistance that are subject in such month to a penalty described in subsection (e)(1) but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive).

"(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 shall be calculated by use of the formula set forth in paragraph (1)(B), except that in the formula the term 'number of 2-parent families' shall be substituted for the term 'number of families' each place such latter term appears.

"(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 (as in effect on September 30, 1995) during fiscal year 1995.

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 the State program operated under the State plan approved under part A (as such plan and such part were in effect on September 30, 1995). Such regulations shall place the burden on the Secretary to prove that such families were diverted as a direct result of differences in such eligibility criteria.

"(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 412.

"(5) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may, at its option, not require an individual who is a single custodial parent caring for a child who has not attained 12 months of age to engage in work and may disregard such an individual in determining the participation rates under subsection (a).

"(c) ENGAGED IN WORK.—

"(1) ALL FAMILIES.—For purposes of subsection (b)(1)(B)(i), a recipient is engaged in

work for a month in a fiscal year if the recipient is participating in such activities 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 an activity described in paragraph (1), (2), (3), (4), (5), (7), or (8) of subsection (d) (or, in the case of the first 4 weeks for which the recipient is required pursuant to this section to participate in work activities, an activity described in subsection (d)(6)):

"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)(B)(i), an adult is engaged in work for a month in a fiscal year if the adult is making progress in such activities for at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (7), or (8) of subsection (d) (or, in the case of the first 4 weeks for which the recipient is required pursuant to this section to participate in work activities, an activity described in subsection (d)(6)).

"(3) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(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.

"(d) WORK ACTIVITIES DEFINED.—As used in this section, the term 'work activities' means—

"(1) unsubsidized employment;

"(2) subsidized private sector employment;

"(3) subsidized public sector employment;

"(4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

"(5) on-the-job training;

"(6) job search and job readiness assistance;

"(7) community service programs;

"(8) vocational educational training (not to exceed 12 months with respect to any individual);

"(9) job skills training directly related to employment;

"(10) education directly related to employment, in the case of a recipient who has not attained 20 years of age, and has not received a high school diploma or a certificate of high school equivalency; and

"(11) satisfactory attendance at secondary school, in the case of a recipient who—

"(A) has not completed secondary school; and

"(B) is a dependent child, or a head of household who has not attained 20 years of age.

"(e) 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 in accordance with this section, the State 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 funded under this part based on a refusal of an adult to work if the adult is a single custodial parent caring for a child who has not attained 6 years of age, and the adult proves that the adult has a demonstrated inability (as determined by the State) to obtain needed child care, for 1 or more of the following reasons:

"(A) Unavailability of appropriate child care within a reasonable distance from 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.

"(f) NONDISPLACEMENT IN WORK ACTIVITIES.—

"(1) IN GENERAL.—Subject to paragraph (2), an adult in a family receiving assistance under a State program funded under this part attributable to funds provided by the Federal Government may fill a vacant employment position in order to engage in a work activity described in subsection (d).

"(2) NO FILLING OF CERTAIN VACANCIES.—No adult in a work activity described in subsection (d) which is funded, in whole or in part, by funds provided by the Federal Government shall be employed or assigned—

"(A) when any other individual is on layoff from the same or any substantially equivalent job; or

"(B) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with an adult described in paragraph (1).

"(3) NO PREEMPTION.—Nothing in this subsection shall preempt or supersede any provision of State or local law that provides greater protection for employees from displacement.

"(g) 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.

"(h) SENSE OF THE CONGRESS THAT STATES SHOULD IMPOSE CERTAIN REQUIREMENTS ON NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

"SEC. 408. PROHIBITIONS; REQUIREMENTS.

"(a) IN GENERAL.—

"(1) NO ASSISTANCE FOR FAMILIES WITHOUT A MINOR CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family, unless the family includes—

"(A) a minor child who resides with a custodial parent or other adult caretaker relative of the child; or

"(B) a pregnant individual.

"(2) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(A) GENERAL RULE.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash benefits for a minor child who is born to—

"(i) a recipient of assistance under the program operated under this part; or

"(ii) a person who received such assistance at any time during the 10-month period ending with the birth of the child.

"(B) EXCEPTION FOR CHILDREN BORN INTO FAMILIES WITH NO OTHER CHILDREN.—Subparagraph (A) shall not apply to a minor child who is born into a family that does not include any other children.

"(C) EXCEPTION FOR VOUCHERS.—Subparagraph (A) 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.

"(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.

"(E) STATE ELECTION TO OPT OUT.—Subparagraph (A) shall not apply to a State if State law specifically exempts the State program funded under this part from the application of subparagraph (A).

"(F) SUBSTITUTION OF FAMILY CAPS IN EFFECT UNDER WAIVERS.—Subparagraph (A) shall not apply to a State—

"(i) if, as of the date of the enactment of this part, there is in effect a waiver approved by the Secretary under section 1115 which permits the State to deny aid under the State plan approved under part A of this title (as in effect without regard to the amendments made by title I of the Personal Responsibility and Work Opportunity Act of 1995) to a family by reason of the birth of a child to a family member otherwise eligible for such aid; and

"(ii) for so long as the State continues to implement such policy under the State program funded under this part, under rules prescribed by the State.

"(3) REDUCTION OR ELIMINATION OF ASSISTANCE FOR NONCOOPERATION IN CHILD SUPPORT.—If the agency responsible for administering the State plan approved under part D determines that an individual is not cooperating with the State in establishing, modifying, or enforcing a support order with respect to a child of the individual, then the State—

"(A) shall deduct from the assistance that would otherwise be provided to the family of the individual under the State program funded under this part the share of such assistance attributable to the individual; and

"(B) may deny the family any assistance under the State program.

"(4) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so provided to the family, which accrue (or have accrued) before the date the family leaves the program, which assignment, on and after the date the family leaves the program, shall not apply with respect to any support (other than support collected pursuant to section 464) which accrued before the family received such assistance and which the State has not collected by—

"(i) September 30, 2000, if the assignment is executed on or after October 1, 1997, and before October 1, 2000; or

"(ii) the date the family leaves the program, if the assignment is executed on or after October 1, 2000.

"(B) LIMITATION.—A State to which a grant is made under section 403 shall not require, as a condition of providing assistance to any family under the State program funded under this part, that a member of the family assign to the State any rights to support described in subparagraph

(A) which accrue after the date the family leaves the program, except to the extent necessary to enable the State to comply with section 457.

"(5) NO ASSISTANCE FOR TEENAGE PARENTS WHO DO NOT ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—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 who has not attained 18 years of age, is not married, has a minor child at least 12 weeks of age in his or her care, and has not successfully completed a high-school education (or its equivalent), if the individual does not participate in—

"(A) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(B) an alternative educational or training program that has been approved by the State.

"(6) NO ASSISTANCE FOR TEENAGE PARENTS NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

"(A) IN GENERAL.—

"(i) REQUIREMENT.—Except as provided in subparagraph (B), 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 clause (ii) of this subparagraph if the individual and the minor child referred to in clause (ii)(II) do not reside in a place of residence maintained by a parent, legal guardian, or other adult relative of the individual as such parent's, guardian's, or adult relative's own home.

"(ii) INDIVIDUAL DESCRIBED.— For purposes of clause (i), an individual described in this clause is an individual who—

"(I) has not attained 18 years of age; and

"(II) is not married, and has a minor child in his or her care.

"(B) EXCEPTION.—

"(i) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in clause (ii), the State agency referred to in section 402(a)(4) shall provide, or assist the individual in locating, a second chance home, maternity home, or other 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 the minor child referred to in subparagraph (A)(ii)(II) reside in such living arrangement as a condition of the continued receipt of assistance under the State program funded under this part attributable to funds provided by the Federal Government (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual is described in this clause if the individual is described in subparagraph (A)(ii), and—

"(I) the individual has no parent, legal guardian or other appropriate adult relative described in subclause (II) of his or her own who is living or whose whereabouts are known;

"(II) no living parent, legal guardian, or other appropriate adult relative, who would otherwise meet applicable State criteria to act as the individual's legal guardian, of such individual allows the individual to live in the home of such parent, guardian, or relative;

"(III) the State agency determines that—

"(aa) the individual or the minor child referred to in subparagraph (A)(ii)(II) is being or has been subjected to serious physical or emotional harm, sexual abuse, or exploitation in the residence of the individual's own parent or legal guardian; or

"(bb) substantial evidence exists of an act or failure to act that presents an imminent or serious harm if the individual and the minor child lived in the same residence with the individual's own parent or legal guardian; or

"(IV) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of subparagraph (A) with respect to the individual or the minor child.

"(iii) SECOND-CHANCE HOME.—For purposes of this subparagraph, the term 'second-chance home' means an entity that provides individuals described in clause (ii) 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.

"(7) NO MEDICAL SERVICES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide medical services.

"(B) EXCEPTION FOR FAMILY PLANNING SERVICES.—As used in subparagraph (A), the term 'medical services' does not include family planning services.

"(8) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide cash assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government, for 60 months (whether or not consecutive) after the date the State program funded under this part commences.

"(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part, the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

"(i) a minor child; and

"(ii) not the head of a household or married to the head of a household.

"(C) HARDSHIP EXCEPTION.—

"(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

"(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

"(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

"(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

"(II) sexual abuse;

"(III) sexual activity involving a dependent child;

"(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities;

"(V) threats of, or attempts at, physical or sexual abuse;

"(VI) mental abuse; or

"(VII) neglect or deprivation of medical care.

"(D) RULE OF INTERPRETATION.—Subparagraph (A) shall not be interpreted to require any State to provide assistance to any individual for any period of time under the State program funded under this part.

"(9) 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.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash assistance to an individual 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.

"(10) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(A) 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 any individual who is—

"(i) 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

"(ii) violating a condition of probation or parole imposed under Federal or State law.

"(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(i) the recipient—

"(I) is described in subparagraph (A); or

"(II) has information that is necessary for the officer to conduct the official duties of the officer; and

"(ii) the location or apprehension of the recipient is within such official duties.

"(11) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 90 consecutive days as the State may provide for in the State plan submitted pursuant to section 402.

"(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

"(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under

this part of the absence of the minor child from the home for the period specified in or provided for pursuant to subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

"(12) INCOME SECURITY PAYMENTS NOT TO BE DISREGARDED IN DETERMINING THE AMOUNT OF ASSISTANCE TO BE PROVIDED TO A FAMILY.—If a State to which a grant is made under section 403 uses any part of the grant to provide assistance for any individual who is receiving a payment under a State plan for old-age assistance approved under section 2, a State program funded under part B that provides cash payments for foster care, or the supplemental security income program under title XVI, then the State shall not disregard the payment in determining the amount of assistance to be provided under the State program funded under this part, from funds provided by the Federal Government, to the family of which the individual is a member.

"(b) ALIENS.—For special rules relating to the treatment of aliens, see section 402 of the Personal Responsibility and Work Opportunity Act of 1995.

"SEC. 409. PENALTIES.

"(a) IN GENERAL.—Subject to this section:

"(1) USE OF GRANT IN VIOLATION OF THIS PART.—

"(A) GENERAL PENALTY.—If an audit conducted under chapter 75 of title 31, United States Code, finds that an amount paid to a State under section 403 for a fiscal year has been used in violation of this part, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter by the amount so used.

"(B) ENHANCED PENALTY FOR INTENTIONAL VIOLATIONS.—If the State does not prove to the satisfaction of the Secretary that the State did not intend to use the amount in violation of this part, the Secretary shall further reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter by an amount equal to 5 percent of the State family assistance grant.

"(2) FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State has not, within 1 month after the end of a fiscal quarter, submitted the report required by section 411(a) for the quarter year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 4 percent of the State family assistance grant.

"(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 quarter if the State submits the report before the end of the immediately succeeding fiscal quarter.

"(3) FAILURE TO SATISFY MINIMUM PARTICIPATION RATES.—

"(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has failed to comply with section 407(a) for the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 5 percent of the State family assistance grant.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) based on the degree of noncompliance.

"(4) 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 the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 2 percent of the State family assistance grant.

"(5) 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 the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year (without regard to this section) by not more than 5 percent.

"(6) 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 406 within the period of maturity applicable to the loan, plus any interest owed on the loan, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter (without regard to this section) by the outstanding loan amount, plus the interest owed on the outstanding amount. The Secretary shall not forgive any outstanding loan amount or interest owed on the outstanding amount.

"(7) FAILURE OF ANY STATE TO MAINTAIN CERTAIN LEVEL OF HISTORIC EFFORT.—

"(A) IN GENERAL.—The Secretary shall reduce the grant payable to the State under section 403(a)(1) for fiscal year 1997, 1998, 1999, 2000, or 2001 by the amount (if any) by which qualified State expenditures for the then immediately preceding fiscal year is less than the applicable percentage of historic State expenditures with respect to the fiscal year.

"(B) DEFINITIONS.—As used in this paragraph:

"(i) QUALIFIED STATE EXPENDITURES.—

"(I) IN GENERAL.—The term 'qualified State expenditures' means, with respect to a State and a fiscal year, the total expenditures by the State during the fiscal year, under all State programs, for any of the following with respect to eligible families:

"(aa) Cash assistance.

"(bb) Child care assistance.

"(cc) Educational activities designed to increase self-sufficiency, job training, and work.

"(dd) Administrative costs.

"(ee) Any other use of funds allowable under section 404(a)(1).

"(II) EXCLUSION OF TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—Such term does not include funding supplanted by transfers from other State and local programs.

"(III) ELIGIBLE FAMILIES.—As used in subclause (I), the term 'eligible families' means families eligible for assistance under the State program funded under this part, and families who would be eligible for such assistance but for the application of paragraph (2) or (8) of section 408(a) of this Act or section 402 of the Personal Responsibility and Work Opportunity Act of 1995.

"(ii) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means—

"(I) for fiscal year 1996, 75 percent; and

"(II) for fiscal years 1997, 1998, 1999, and 2000, 75 percent reduced (if appropriate) in accordance with subparagraph (C)(iii).

"(iii) HISTORIC STATE EXPENDITURES.—The term 'historic State expenditures' means, with respect to a State and a fiscal year specified in subparagraph (A), the lesser of—

"(I) the expenditures by the State under parts A and F (as in effect during fiscal year 1994) for fiscal year 1994; or

"(II) the amount which bears the same ratio to the amount described in subclause (I) as—

"(aa) the State family assistance grant for the fiscal year immediately preceding the fiscal year specified in subparagraph (A), plus the total amount required to be paid to the State under former section 403 for fiscal year 1994 with respect to amounts expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994); bears to

"(bb) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994.

Such term does not include any expenditures under the State plan approved under part A (as so in effect) on behalf of individuals covered by a tribal family assistance plan approved under section 412, as determined by the Secretary.

"(iv) EXPENDITURES BY THE STATE.—The term 'expenditures by the State' does not include—

"(I) any expenditures from amounts made available by the Federal Government;

"(II) State funds expended for the medicaid program under title XIX; or

"(III) any State funds which are used to match Federal funds or are expended as a condition of receiving Federal funds under Federal programs other than under this title.

"(C) APPLICABLE PERCENTAGE REDUCED FOR STATES WITH BEST OR MOST IMPROVED PERFORMANCE IN CERTAIN AREAS.—

"(i) SCORING OF STATE PERFORMANCE.—Beginning with fiscal year 1997, the Secretary shall assign to each State a score that represents the performance of the State for the fiscal year in each category described in clause (ii).

"(ii) CATEGORIES.—The categories described in this clause are the following:

"(I) Increasing the number of families that received assistance under a State program funded under this part in the fiscal year, and that, during the fiscal year, become ineligible for such assistance as a result of unsubsidized employment.

"(II) Reducing the percentage of families that, within 18 months after becoming ineligible for assistance under the State program funded under this part, become eligible for such assistance.

"(III) Increasing the average earnings of families that receive assistance under this part.

"(IV) Reducing the percentage of children in the State that receive assistance under the State program funded under this part.

"(iii) REDUCTION OF MAINTENANCE OF EFFORT THRESHOLD.—

"(I) REDUCTION FOR STATES WITH 5 GREATEST SCORES IN EACH CATEGORY OF PERFORMANCE.—The applicable percentage for a State for a fiscal year shall be reduced by 2 percentage points, with respect to each category described in clause (ii) for which the score assigned to the State under clause (i) for the immediately preceding fiscal year is 1 of the 5 highest scores so assigned to States.

"(II) REDUCTION FOR STATES WITH 5 GREATEST IMPROVEMENT IN SCORES IN EACH CATEGORY OF PERFORMANCE.—The applicable percentage for a State for a fiscal year shall be reduced by 2 percentage points for a State for a fiscal year, with respect to each category described in clause (ii) for which the difference between the score assigned to the State under clause (i) for the immediately preceding fiscal year and the score so assigned to the State for the 2nd preceding fiscal year is 1 of the 5 greatest such differences.

"(III) LIMITATION ON REDUCTION.—The applicable percentage for a State for a fiscal year may not be reduced by more than 8 percentage points pursuant to this clause.

"(8) SUBSTANTIAL NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH REQUIREMENTS OF PART D.—

"(A) IN GENERAL.—If a State program operated under part D is found as a result of a review conducted under section 452(a)(4) not to have complied substantially with the requirements of such part for any quarter, and the Secretary determines that the program is not complying substantially with such requirements at the time the finding is made, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the quarter and each subsequent quarter that ends before the 1st quarter throughout which the program is found not to be in substantial compliance with such requirements by—

"(i) not less than 1 nor more than 2 percent;

"(ii) not less than 2 nor more than 3 percent, if the finding is the 2nd consecutive such finding made as a result of such a review; or

"(iii) not less than 3 nor more than 5 percent, if the finding is the 3rd or a subsequent consecutive such finding made as a result of such a review.

"(B) DISREGARD OF NONCOMPLIANCE WHICH IS OF A TECHNICAL NATURE.—For purposes of subparagraph (A) and section 452(a)(4), a State which is not in full compliance with the requirements of this part shall be determined to be in substantial compliance with such requirements only if the Secretary determines that any noncompliance with such requirements is of a technical nature which does not adversely affect the performance of the State's program operated under part D.

"(9) FAILURE OF STATE RECEIVING AMOUNTS FROM CONTINGENCY FUND TO MAINTAIN 100 PERCENT OF HISTORIC EFFORT.—If, at the end of any fiscal year during which amounts from the Contingency Fund for State Welfare Programs have been paid to a State, the Secretary finds that the State has failed, during the fiscal year, to expend under the State program funded under this part an amount equal to at least 100 percent of the level of historic State expenditures (as defined in paragraph (7)(B)(iii) of this subsection) with respect to the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by the total of the amounts so paid to the State.

"(10) FAILURE TO EXPEND ADDITIONAL STATE FUNDS TO REPLACE GRANT REDUCTIONS.—If the grant payable to a State under section 403(a)(1) for a fiscal year is reduced by reason of this subsection, the State shall, during the immediately succeeding fiscal year, expend under the State program funded under this part an amount equal to the total amount of such reductions.

"(b) REASONABLE CAUSE EXCEPTION.—

"(1) IN GENERAL.—The Secretary may not impose a penalty on a State under subsection (a) with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

"(2) EXCEPTION.—Paragraph (1) of this subsection shall not apply to any penalty under subsection (a)(7).

"(c) CORRECTIVE COMPLIANCE PLAN.—

"(1) IN GENERAL.—

"(A) NOTIFICATION OF VIOLATION.—Before imposing a penalty against a State under subsection (a) with respect to a violation of this part, the Secretary shall notify the State of the violation and allow the State the opportunity to enter into a corrective compliance plan in accordance with this subsection which outlines how the State will correct the violation and how the State will insure continuing compliance with this part.

"(B) 60-DAY PERIOD TO PROPOSE A CORRECTIVE COMPLIANCE PLAN.—During the 60-day period that begins on the date the State receives a notice provided under subparagraph (A) with respect to a violation, the State may submit to the Federal Government a corrective compliance plan to correct the violation.

"(C) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives a corrective compliance plan submitted by a State in accordance with subparagraph (B), the Secretary may consult with the State on modifications to the plan.

"(D) ACCEPTANCE OF PLAN.— A corrective compliance plan submitted by a State in accordance with subparagraph (B) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

"(2) EFFECT OF CORRECTING VIOLATION.—The Secretary may not impose any penalty under subsection (a) with respect to any violation covered by a State corrective compliance plan accepted by the Secretary if the State corrects the violation pursuant to the plan.

"(3) EFFECT OF FAILING TO CORRECT VIOLATION.—The Secretary shall assess some or all of a penalty imposed on a State under subsection (a) with respect to a violation if the State does not, in a timely manner, correct the violation pursuant to a State corrective compliance plan accepted by the Secretary.

"(d) LIMITATION ON AMOUNT OF PENALTY.—

"(1) 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.

"(2) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that paragraph (1) of this subsection prevents the Secretary from recovering during a fiscal year the full amount of penalties imposed on a State under subsection (a) of this section for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year.

"SEC. 410. APPEAL OF ADVERSE DECISION.

"(a) IN GENERAL.—Within 5 days after the date the Secretary takes any adverse action under this part with respect to a State, the Secretary shall notify the chief executive officer of the State of the adverse action, including any action with respect to the State plan submitted under section 402 or the imposition of a penalty under section 409.

"(b) ADMINISTRATIVE REVIEW.—

"(1) IN GENERAL.—Within 60 days after the date a State receives notice under subsection (a) of an adverse action, the State may appeal the action, in whole or in part, to the Departmental Appeals Board established in the Department of Health and Human Services (in this section referred to as the 'Board') by filing an appeal with the Board.

"(2) PROCEDURAL RULES.—The Board shall consider an appeal filed by a State under paragraph (1) on the basis of such documentation as the State may submit and as the Board may require to support the final decision of the Board. In deciding whether to uphold an adverse action or any portion of such an action, the Board shall conduct a thorough review of the issues and take into account all relevant evidence. The Board shall make a final determination with respect to an appeal filed under paragraph (1) not less than 60 days after the date the appeal is filed.

"(c) JUDICIAL REVIEW OF ADVERSE DECISION.—

"(1) IN GENERAL.—Within 90 days after the date of a final decision by the Board under this section with respect to an adverse action taken against a State, the State may obtain judicial review of the final decision (and the findings incorporated into the final decision) by filing an action in—

"(A) the district court of the United States for the judicial district in which the principal or headquarters office of the State agency is located; or

"(B) the United States District Court for the District of Columbia.

"(2) PROCEDURAL RULES.—The district court in which an action is filed under paragraph (1) shall review the final decision of the Board on the record established in the administrative proceeding, in accordance with the standards of review prescribed by subparagraphs (A) through (E) of section 706(2) of title 5, United States Code. The review shall be on the basis of the documents and supporting data submitted to the Board.

"SEC. 411. DATA COLLECTION AND REPORTING.

"(a) QUARTERLY REPORTS BY STATES.—

"(1) GENERAL REPORTING REQUIREMENT.—

"(A) CONTENTS OF REPORT.—Beginning July 1, 1996, each State shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the following disaggregated case record information on the families receiving assistance under the State program funded under this part:

"(i) The county of residence of the family.

"(ii) Whether a child receiving such assistance or an adult in the family is disabled.

"(iii) The ages of the members of such families.

"(iv) The number of individuals in the family, and the relation of each family member to the youngest child in the family.

"(v) The employment status and earnings of the employed adult in the family.

"(vi) The marital status of the adults in the family, including whether such adults have never married, are widowed, or are divorced.

"(vii) The race and educational status of each adult in the family.

"(viii) The race and educational status of each child in the family.

"(ix) Whether the family received subsidized housing, medical assistance under the State plan approved under title XIX, food stamps, or subsidized child care, and if the latter 2, the amount received.

"(x) The number of months that the family has received each type of assistance under the program.

"(xi) If the adults participated in, and the number of hours per week of participation in, the following activities:

"(I) Education.

"(II) Subsidized private sector employment.

"(III) Unsubsidized employment.

"(IV) Public sector employment, work experience, or community service.

"(V) Job search.

"(VI) Job skills training or on-the-job training.

"(VII) Vocational education.

"(xii) Information necessary to calculate participation rates under section 407.

"(xiii) The type and amount of assistance received under the program, including the amount of and reason for any reduction of assistance (including sanctions).

"(xiv) From a sample of closed cases, whether the family left the program, and if so, whether the family left due to—

"(I) employment;

"(II) marriage;

"(III) the prohibition set forth in section 408(a)(8);

"(IV) sanction; or

"(V) State policy.

"(xv) Any amount of unearned income received by any member of the family.

"(xvi) The citizenship of the members of the family.

"(B) USE OF ESTIMATES.—

"(i) AUTHORITY.—A State may comply with subparagraph (A) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods approved by the Secretary.

"(ii) 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 the performance of State programs funded under this part. The Secretary may develop and implement procedures for verifying the quality of data submitted by the States.

"(2) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the percentage of the funds paid to the State under this part for the quarter that are used to cover administrative costs or overhead.

"(3) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the total amount expended by the State during the quarter on programs for needy families.

"(4) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by paragraph (1) for a fiscal quarter shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 407(d)) during the quarter.

"(5) REPORT ON TRANSITIONAL SERVICES.—The report required by paragraph (1) for a fiscal quarter shall include the total amount expended by the State during the quarter to provide transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

"(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to define the data elements with respect to which reports are required by this subsection.

"(b) ANNUAL REPORTS TO THE CONGRESS BY THE SECRETARY.—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 407(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;

"(2) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

"(3) the characteristics of each State program funded under this part; and

"(4) the trends in employment and earnings of needy families with minor children living at home.

"SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

"(a) GRANTS FOR INDIAN TRIBES.—

"(1) TRIBAL FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—For each of fiscal years 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 subparagraph (B), and shall reduce the grant payable under section 403(a)(1) to any State in which lies the service area or areas of the Indian tribe by that portion of the amount so determined that is attributable to expenditures by the State.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount equal to the total amount of the Federal payments to a State or States under section 403 (as in effect during such fiscal year) for fiscal year 1994 attributable to expenditures (other than child care expenditures) by the State or States under parts A and F (as so in effect) for fiscal year 1994 for Indian families residing in the service area or areas identified by the Indian tribe pursuant to subsection (b)(1)(C) of this section.

"(ii) USE OF STATE SUBMITTED DATA.—

"(I) IN GENERAL.—The Secretary shall use State submitted data to make each determination under clause (i).

"(II) DISAGREEMENT WITH DETERMINATION.—If an Indian tribe or tribal organization disagrees with State submitted data described under subclause (I), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under clause (i) and the Secretary may consider such information before making such determination.

"(2) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—

"(A) 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 the Indian tribe in fiscal year 1994 under section 482(i) (as in effect during fiscal year 1994).

"(B) ELIGIBLE INDIAN TRIBE.—For purposes of subparagraph (A), 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 fiscal year 1995).

"(C) USE OF GRANT.—Each Indian tribe to which a grant is made under this paragraph shall use the grant for the purpose of operating a program to make work activities available to members of the Indian tribe.

"(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $7,638,474 for each fiscal year specified in subparagraph (A) for grants under subparagraph (A).

"(b) 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 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 tribal family assistance plan by the participating Indian tribes of an intertribal consortium.

"(c) 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 the 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 407(d).

"(d) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(e) 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.).

"(f) PENALTIES.—

"(1) Subsections (a)(1), (a)(6), and (b) of section 409, shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such subsections apply to a State.

"(2) Section 409(a)(3) shall apply to an Indian tribe with an approved tribal assistance plan by substituting 'meet minimum work participation requirements established under section 412(c)' for 'comply with section 407(a)'.

"(g) DATA COLLECTION AND REPORTING.—Section 411 shall apply to an Indian tribe with an approved tribal family assistance plan.

"(h) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section, and except as provided in paragraph (2), an Indian tribe in the State of Alaska that receives a tribal family assistance grant under this section shall use the grant to operate a program in accordance with requirements comparable to the requirements applicable to the program of the State of Alaska funded under this part. Comparability of programs shall be established on the basis of program criteria developed by the Secretary in consultation with the State of Alaska and such Indian tribes.

"(2) WAIVER.—An Indian tribe described in paragraph (1) may apply to the appropriate State authority to receive a waiver of the requirement of paragraph (1).

"SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(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. The Secretary shall also conduct research on the costs and benefits of State activities under section 409.

"(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 living at home 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.

"(c) 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.

"(d) 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 placing recipients of assistance under the State program funded under this part into long-term private sector jobs, reducing the overall welfare caseload, and, when a practicable method for calculating this information becomes available, diverting individuals from formally applying to the State program and receiving assistance. In ranking States under this subsection, the Secretary shall take into account the average number of minor children living at home in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

"(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.

"(e) ANNUAL RANKING OF STATES AND REVIEW OF ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—

"(1) ANNUAL RANKING OF STATES.—

"(A) IN GENERAL.—The Secretary shall annually rank States to which grants are made under section 403 based on the following ranking factors:

"(i) ABSOLUTE OUT-OF-WEDLOCK RATIOS.—The ratio represented by—

"(I) the total number of out-of-wedlock births in families receiving assistance under the State program under this part in the State for the most recent fiscal year for which information is available; over

"(II) the total number of births in families receiving assistance under the State program under this part in the State for such year.

"(ii) NET CHANGES IN THE OUT-OF-WEDLOCK RATIO.—The difference between the ratio described in subparagraph (A)(i) with respect to a State for the most recent fiscal year for which such information is available and the ratio with respect to the State for the immediately preceding year.

"(2) ANNUAL REVIEW.—The Secretary shall review the programs of the 5 States most recently ranked highest under paragraph (1) and the 5 States most recently ranked the lowest under paragraph (1).

"(f) STATE-INITIATED EVALUATIONS.—A State shall be eligible to receive funding to evaluate the State program funded under this part if—

"(1) the State submits a proposal to the Secretary for the 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 contributes to the cost of the evaluation, from non-Federal sources, an amount equal to at least 10 percent of the cost of the evaluation.

"(g) FUNDING OF STUDIES AND DEMONSTRATIONS.—

"(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $15,000,000 for each fiscal year specified in section 403(a)(1) for the purpose of paying—

"(A) the cost of conducting the research described in subsection (a);

"(B) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under subsection (b);

"(C) the Federal share of any State-initiated study approved under subsection (f); and

"(D) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to this part, that are in effect or approved under section 1115 as of September 30, 1995, and are continued after such date.

"(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).

"SEC. 414. 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 Personal Responsibility and 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 birth, 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, there are appropriated $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 for payment to the Bureau of the Census to carry out subsection (a).

"SEC. 415. WAIVERS.

"(a) CONTINUATION OF WAIVERS.—

"(1) WAIVERS IN EFFECT ON DATE OF ENACTMENT OF WELFARE REFORM.—Except as provided in paragraph (3), 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 (as in effect on September 30, 1995) is in effect as of the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995, the amendments made by such Act 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 waiver.

"(2) WAIVERS GRANTED SUBSEQUENTLY.—Except as provided in paragraph (3), 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 (as in effect on September 30, 1995) is submitted to the Secretary before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995 and approved by the Secretary before the effective date of this title, and the State demonstrates to the satisfaction of the Secretary that the waiver will not result in Federal expenditures under title IV of this Act (as in effect without regard to the amendments made by the Personal Responsibility and Work Opportunity Act of 1995) that are greater than would occur in the absence of the waiver, such amendments 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 waiver.

"(3) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall be entitled to payment under section 403 for the fiscal year, 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 the waiver.

"(3) HOLD HARMLESS PROVISION.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, 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 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 Personal Responsibility and 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 the waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of the waiver.

"(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A State may elect to continue 1 or more individual waivers described in subsection (a).

"SEC. 416. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

"The programs under this part and part D 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. 417. LIMITATION ON FEDERAL AUTHORITY.

"No officer or employee of the Federal Government may regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part.

"SEC. 418. DEFINITIONS.

"As used in this part:

"(1) ADULT.—The term 'adult' means an individual who is not a minor child.

"(2) MINOR CHILD.—The term 'minor child' means an individual who—

"(A) has not attained 18 years of age; or

"(B) 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).

"(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.—

"(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) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—The term 'Indian tribe' means, with respect to the State of Alaska, only the Metlakatla Indian Community of the Annette Islands Reserve and the following Alaska Native regional nonprofit 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.

"(xii) Copper River Native Association.

"(5) STATE.—Except as otherwise specifically provided, the term 'State' means the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.".

SEC. 104. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) IN GENERAL.—

(1) STATE OPTIONS.—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 103 of this Act).

(B) Any other program established or modified under title I, II, or VI of this Act, 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 States to contract with religious organizations, or to allow religious organizations to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other nongovernmental 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.—In the event a State exercises its authority under subsection (a), 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) so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution. Except as provided in subsection (k), 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.—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), 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; or

(B) 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) within a reasonable period of time after the date of such objection with assistance from an alternative provider that is accessible to the individual and 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) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1a) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a)(2).

(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.—Any party which seeks to enforce its rights under this section may assert a civil action for injunctive relief exclusively in an appropriate State court against the entity or agency that allegedly commits such violation.

(j) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided directly to institutions or organizations to provide services and administer programs under subsection (a)(1)(A) shall be expended for sectarian worship, instruction, or proselytization.

(k) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of a State constitution or State statute that prohibits or restricts the expenditure of State funds in or by religious organizations.

SEC. 105. CENSUS DATA ON GRANDPARENTS AS PRIMARY CAREGIVERS FOR THEIR GRANDCHILDREN.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce, in carrying out section 141 of title 13, United States Code, shall expand the data collection efforts of the Bureau of the Census (in this section referred to as the "Bureau") to enable the Bureau to collect statistically significant data, in connection with its decennial census and its mid-decade census, concerning the growing trend of grandparents who are the primary caregivers for their grandchildren.

(b) EXPANDED CENSUS QUESTION.—In carrying out subsection (a), the Secretary of Commerce shall expand the Bureau's census question that details households which include both grandparents and their grandchildren. The expanded question shall be formulated to distinguish between the following households:

(1) A household in which a grandparent temporarily provides a home for a grandchild for a period of weeks or months during periods of parental distress.

(2) A household in which a grandparent provides a home for a grandchild and serves as the primary caregiver for the grandchild.

SEC. 106. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs of 2 or more States.

(b) PREFERRED CONTENTS.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 107. STUDY ON ALTERNATIVE OUTCOMES MEASURES.

(a) STUDY.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of the States in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 407 of the Social Security Act. 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 and a preliminary assessment of the effects of section 409(a)(7)(C) of such Act.

(b) 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 required by subsection (a).

SEC. 108. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence

and Program Improvements Act of 1994, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV or" before "an agency operating"; and

(B) by striking "A or D of title IV of this Act" and inserting "D of such title".

(2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is amended by inserting "under a State program funded under" before "part A of title IV".

(b) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A";

(B) by striking "such aid" and inserting "such assistance"; and

(C) by striking "under section 402(a)(26) or" and inserting "pursuant to section 408(a)(4) or under section".

(3) Section 452(a)(10)(F) (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking "aid under a State plan approved" and inserting "assistance under a State program funded"; and

(B) by striking "in accordance with the standards referred to in section 402(a)(26)(B)(ii)" and inserting "by the State".

(4) Section 452(b) (42 U.S.C. 652(b)) is amended in the first sentence by striking "aid under the State plan approved under part A" and inserting "assistance under the State program funded under part A".

(5) Section 452(d)(3)(B)(i) (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking "1115(c)" and inserting "1115(b)".

(6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking "aid is being paid under the State's plan approved under part A or E" and inserting "assistance is being provided under the State program funded under part A".

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking "aid was being paid under the State's plan approved under part A or E" and inserting "assistance was being provided under the State program funded under part A".

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking "who is a dependent child" and inserting "with respect to whom assistance is being provided under the State program funded under part A";

(B) by inserting "by the State agency administering the State plan approved under this part" after "found"; and

(C) by striking "under section 402(a)(26)" and inserting "with the State in establishing paternity".

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking "under section 402(a)(26)" and inserting "pursuant to section 408(a)(4)".

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking "aid under part A of this title" and inserting "assistance under a State program funded under part A".

(11) Section 454(5)(A) (42 U.S.C. 654(5)(A))) is amended—

(A) by striking "under section 402(a)(26)" and inserting "pursuant to section 408(a)(4)"; and

(B) by striking "; except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;" and inserting a comma.

(12) Section 454(6)(D) (42 U.S.C. 654(6)(D)) is amended by striking "aid under a State plan approved" and inserting "assistance under a State program funded".

(13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is amended by striking "under section 402(a)(26)".

(14) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "402(a)(26)" and inserting "408(a)(4)".

(15) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded".

(16) Section 469(a) (42 U.S.C. 669(a)) is amended—

(A) by striking "aid under plans approved" and inserting "assistance under State programs funded"; and

(B) by striking "such aid" and inserting "such assistance".

(c) REPEAL OF PART F OF TITLE IV.—Part F of title IV (42 U.S.C. 681–687) is repealed.

(d) AMENDMENT TO TITLE X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(e) AMENDMENTS TO TITLE XI.—

(1) Section 1108 (42 U.S.C. 1308) is amended—

(A) by redesignating subsection (c) as subsection (g);

(B) by striking all that precedes subsection (c) and inserting the following:

"SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE VIRGIN ISLANDS, GUAM, AND AMERICAN SAMOA; LIMITATION ON TOTAL PAYMENTS.

"(a) LIMITATION ON TOTAL PAYMENTS TO EACH TERRITORY.—Notwithstanding any other provision of this Act, the total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, under parts A and B of title IV, and under subsection (b) of this section, for payment to any territory for a fiscal year shall not exceed the ceiling amount for the territory for the fiscal year.

"(b) ENTITLEMENT TO MATCHING GRANT.—

"(1) IN GENERAL.—Each territory shall be entitled to receive from the Secretary for each fiscal year a grant in an amount equal to 75 percent of the amount (if any) by which—

"(A) the total expenditures of the territory during the fiscal year under the territory programs funded under parts A and B of title IV; exceeds

"(B) the sum of—

"(i) the total amount required to be paid to the territory (other than with respect to child care) under former section 403 (as in effect on September 30, 1995) for fiscal year 1995, which shall be determined by applying subparagraphs (C) and (D) of section 403(a)(1) to the territory;

"(ii) the total amount required to be paid to the territory under former section 434 (as so in effect) for fiscal year 1995; and

"(iii) the total amount expended by the territory during fiscal year 1995 pursuant to parts A, B, and F of title IV (as so in effect), other than for child care.

"(2) USE OF GRANT.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

"(c) DEFINITIONS.—As used in this section:

"(1) TERRITORY.—The term 'territory' means Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(2) CEILING AMOUNT.—The term 'ceiling amount' means, with respect to a territory and a fiscal year, the mandatory ceiling amount with respect to the territory plus the discretionary ceiling amount with respect to the territory, reduced for the fiscal year in accordance with subsection (f).

"(3) MANDATORY CEILING AMOUNT.—The term 'mandatory ceiling amount' means—

"(A) $105,538,000 with respect to for Puerto Rico;

"(B) $4,902,000 with respect to Guam;

"(C) $3,742,000 with respect to the Virgin Islands; and

"(D) $1,122,000 with respect to American Samoa.

"(4) DISCRETIONARY CEILING AMOUNT.—The term 'discretionary ceiling amount' means, with respect to a territory and a fiscal year, the total amount appropriated pursuant to subsection (d)(3) for the fiscal year for payment to the territory.

"(5) TOTAL AMOUNT EXPENDED BY THE TERRITORY.—The term 'total amount expended by the territory'—

"(A) does not include expenditures during the fiscal year from amounts made available by the Federal Government; and

"(B) when used with respect to fiscal year 1995, also does not include—

"(i) expenditures during fiscal year 1995 under subsection (g) or (i) of section 402 (as in effect on September 30, 1995); or

"(ii) any expenditures during fiscal year 1995 for which the territory (but for section 1108, as in effect on September 30, 1995) would have received reimbursement from the Federal Government.

"(d) DISCRETIONARY GRANTS.—

"(1) IN GENERAL.—The Secretary shall make a grant to each territory for any fiscal year in the amount appropriated pursuant to paragraph (3) for the fiscal year for payment to the territory.

"(2) USE OF GRANT.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

"(3) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—For grants under paragraph (1), there are authorized to be appropriated to the Secretary for each fiscal year—

"(A) $7,951,000 for payment to Puerto Rico;

"(B) $345,000 for payment to Guam;

"(C) $275,000 for payment to the Virgin Islands; and

"(D) $190,000 for payment to American Samoa.

"(e) AUTHORITY TO TRANSFER FUNDS AMONG PROGRAMS.—Notwithstanding any other provision of this Act, any territory to which an amount is paid under any provision of law specified in subsection (a) may use part or all of the amount to carry out any program operated by the territory, or funded, under any other such provision of law.

"(f) MAINTENANCE OF EFFORT.—The ceiling amount with respect to a territory shall be reduced for a fiscal year by an amount equal to the amount (if any) by which—

"(1) the total amount expended by the territory under all programs of the territory operated pursuant to the provisions of law specified in subsection (a) (as such provisions were in effect for fiscal year 1995) for fiscal year 1995; exceeds

"(2) the total amount expended by the territory under all programs of the territory that are funded under the provisions of law specified in subsection (a) for the fiscal year that immediately precedes the fiscal year referred to in the matter preceding paragraph (1).'"; and

(C) by striking subsections (d) and (e).

(2) Section 1109 (42 U.S.C. 1309) is amended by striking "or part A of title IV,".

(3) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "403,";

(iii) by striking the period at the end and inserting ", and"; and

(iv) by adding at the end the following new subparagraph:

"(B) costs of such project which would not otherwise be a permissible use of funds under

part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part."; and

(B) in subsection (c)(3), by striking "under the program of aid to families with dependent children" and inserting "part A of such title".

(4) Section 1116 (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking "or part A of title IV,"; and

(B) in subsection (a)(3), by striking "404,".

(5) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking "403(a),";

(B) by striking "and part A of title IV,"; and

(C) by striking ", and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV".

(6) Section 1119 (42 U.S.C. 1319) is amended—

(A) by striking "or part A of title IV"; and

(B) by striking "403(a),".

(7) Section 1133(a) (42 U.S.C. 1320b–3(a)) is amended by striking "or part A of title IV,".

(8) Section 1136 (42 U.S.C. 1320b–6) is repealed.

(9) Section 1137 (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) any State program funded under part A of title IV of this Act;"; and

(B) in subsection (d)(1)(B)—

(i) by striking "In this subsection—" and all that follows through "(ii) in" and inserting "In this subsection, in";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(f) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11), as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972 (42 U.S.C. 1382 note), is amended by striking "aid under the State plan approved" and inserting "assistance under a State program funded".

(h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: "(A) a State program funded under part A of title IV,".

(i) AMENDMENT TO TITLE XIX.—Section 1902(j) (42 U.S.C. 1396a(j)) is amended by striking "1108(c)" and inserting "1108(g)".

SEC. 109. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking "plan approved" and all that follows through "title IV of the Social Security Act" and inserting "program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)";

(2) in subsection (d)—

(A) in paragraph (5), by striking "assistance to families with dependent children" and inserting "assistance under a State program funded"; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking "plan approved under part A of title IV of such Act (42 U.S.C. 601 et seq.)" and inserting "program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)"; and

(4) by striking subsection (m).

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

(1) in subsection (c)(5), by striking "the State plan approved" and inserting "the State program funded"; and

(2) in subsection (e)(6), by striking "aid to families with dependent children" and inserting "benefits under a State program funded".

(c) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4)) is amended by striking "State plans under the Aid to Families with Dependent Children Program under" and inserting "State programs funded under part A of".

(d) Section 17 of such Act (7 U.S.C. 2026) is amended—

(1) in the first sentence of subsection (b)(1)(A), by striking "to aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "or are receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)"; and

(2) in subsection (b)(3), by adding at the end the following new subparagraph:

"(I) The Secretary may not grant a waiver under this paragraph on or after October 1, 1995. Any reference in this paragraph to a provision of title IV of the Social Security Act shall be deemed to be a reference to such provision as in effect on September 30, 1995.";

(e) Section 20 of such Act (7 U.S.C. 2029) is amended—

(1) in subsection (a)(2)(B) by striking "operating—" and all that follows through "(ii) any other" and inserting "operating any"; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(b)(1) A household" and inserting "(b) A household"; and

(ii) in subparagraph (B), by striking "training program" and inserting "activity";

(B) by striking paragraph (2); and

(C) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively.

(f) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–186; 7 U.S.C. 612c note) is amended by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(g) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(C)(ii)(II)—

(i) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(ii) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii)—

(I) by striking "an AFDC assistance unit (under the aid to families with dependent children program authorized" and inserting "a family (under the State program funded"; and

(II) by striking ", in a State" and all that follows through "9902(2)))" and inserting "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(ii) in subparagraph (B), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(2) in subsection (d)(2)(C)—

(A) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(B) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

(h) Section 17(d)(2)(A)(ii)(II) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(A)(ii)(II)) is amended—

(1) by striking "program for aid to families with dependent children established" and inserting "State program funded"; and

(2) by inserting before the semicolon the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

SEC. 110. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a; Public Law 94–566; 90 Stat. 2689) is amended to read as follows:

"(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

"(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)), or

"(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.".

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

(f) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

(g) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded"; and

(2) in subsection (c), by striking "aid to families with dependent children in the State under a State plan approved" and inserting "assistance in the State under a State program funded".

(h) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 404C(c)(3) (20 U.S.C. 1070a–23(c)(3)), by striking "(Aid to Families with Dependent Children)"; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(i) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking "the program for aid to dependent children" and inserting "the State program funded";

(2) in section 232(b)(2)(B) (20 U.S.C. 2341a(b)(2)(B)), by striking "the program for aid to families with dependent children" and inserting "the State program funded"; and

(3) in section 521(14)(B)(iii) (20 U.S.C. 2471(14)(B)(iii)), by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(j) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking "Aid to Families with Dependent Children Program" and inserting "State program funded under part A of title IV of the Social Security Act";

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking "the program of aid to families with dependent children under a State plan approved under" and inserting "a State program funded under part A of"; and

(3) in section 5203(b)(2) (20 U.S.C. 7233(b)(2))—

(A) in subparagraph (A)(xi), by striking "Aid to Families with Dependent Children benefits" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(B) in subparagraph (B)(viii), by striking "Aid to Families with Dependent Children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act".

(k) Chapter VII of title I of Public Law 99–88 (25 U.S.C. 13d–1) is amended to read as follows: "Provided further, That general assistance payments made by the Bureau of Indian Affairs shall be made—

"(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

"(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act,

except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment.".

(l) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.";

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking "eligibility for aid or services," and all that follows through "children approved" and inserting "eligibility for assistance, or the amount of such assistance, under a State program funded";

(3) in section 6103(l)(7)(D)(i) (26 U.S.C. 6103(l)(7)(D)(i)), by striking "aid to families with dependent children provided under a State plan approved" and inserting "a State program funded";

(4) in section 6103(l)(10) (26 U.S.C. 6103(l)(10))—

(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.";

(5) in section 6103(p)(4) (26 U.S.C. 6103(p)(4)), in the matter preceding subparagraph (A)—

(A) by striking "(5), (10)" and inserting "(5)"; and

(B) by striking "(9), or (12)" and inserting "(9), (10), or (12)";

(6) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking "(relating to aid to families with dependent children)";

(7) in section 6402 (26 U.S.C. 6402)—

(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 405(e) of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act).."; and

(8) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act".

(m) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking "State plan approved under part A of title IV" and inserting "State program funded under part A of title IV".

(n) The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) in section 4(29)(A)(i) (29 U.S.C. 1503(29)(A)(i)), by striking "(42 U.S.C. 601 et seq.)";

(2) in section 106(b)(6)(C) (29 U.S.C. 1516(b)(6)(C)), by striking "State aid to families with dependent children records," and inserting "records collected under the State program funded under part A of title IV of the Social Security Act,";

(3) in section 121(b)(2) (29 U.S.C. 1531(b)(2))—

(A) by striking "the JOBS program" and inserting "the work activities required under title IV of the Social Security Act"; and

(B) by striking the second sentence;

(4) in section 123(c) (29 U.S.C. 1533(c))—

(A) in paragraph (1)(E), by repealing clause (vi); and

(B) in paragraph (2)(D), by repealing clause (v);

(5) in section 203(b)(3) (29 U.S.C. 1603(b)(3)), by striking ", including recipients under the JOBS program";

(6) in subparagraphs (A) and (B) of section 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by striking "(such as the JOBS program)" each place it appears;

(7) in section 205(a) (29 U.S.C. 1605(a)), by striking paragraph (4) and inserting the following:

"(4) the portions of title IV of the Social Security Act relating to work activities;";

(8) in section 253 (29 U.S.C. 1632)—

(A) in subsection (b)(2), by repealing subparagraph (C); and

(B) in paragraphs (1)(B) and (2)(B) of subsection (c), by striking "the JOBS program or" each place it appears;

(9) in section 264 (29 U.S.C. 1644)—

(A) in subparagraphs (A) and (B) of subsection (b)(1), by striking "(such as the JOBS program)" each place it appears; and

(B) in subparagraphs (A) and (B) of subsection (d)(3), by striking "and the JOBS program" each place it appears;

(10) in section 265(b) (29 U.S.C. 1645(b)), by striking paragraph (6) and inserting the following:

"(6) the portion of title IV of the Social Security Act relating to work activities;";

(11) in the second sentence of section 429(e) (29 U.S.C. 1699(e)), by striking "and shall be in an amount that does not exceed the maximum amount that may be provided by the State pursuant to section 402(g)(1)(C) of the Social Security Act (42 U.S.C. 602(g)(1)(C))";

(12) in section 454(c) (29 U.S.C. 1734(c)), by striking "JOBS and";

(13) in section 455(b) (29 U.S.C. 1735(b)), by striking "the JOBS program,";

(14) in section 501(1) (29 U.S.C. 1791(1)), by striking "aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act";

(15) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded";

(16) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded"; and

(17) in section 701(b)(2)(A) (29 U.S.C. 1792(b)(2)(A))—

(A) in clause (v), by striking the semicolon and inserting "; and"; and

(B) by striking clause (vi).

(o) Section 3803(c)(2)(C)(iv) of title 31, United States Code, is amended to read as follows:

"(iv) assistance under a State program funded under part A of title IV of the Social Security Act".

(p) Section 2605(b)(2)(A)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i)) is amended to read as follows:

"(i) assistance under the State program funded under part A of title IV of the Social Security Act;".

(q) Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraphs (B) and (C).

(r) The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

(1) in the first section 255(h) (2 U.S.C. 905(h)), by striking "Aid to families with dependent children (75–0412–0–1–609);" and inserting "Block grants to States for temporary assistance for needy families;"; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (l) as subsection (k).

(s) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking "aid under a State plan approved under" each place it appears and inserting "assistance under a State program funded under";

(2) in section 245A(h) (8 U.S.C. 1255a(h))—

(A) in paragraph (1)(A)(i), by striking "program of aid to families with dependent children" and inserting "State program of assistance"; and

(B) in paragraph (2)(B), by striking "aid to families with dependent children" and inserting

"assistance under a State program funded under part A of title IV of the Social Security Act"; and

(3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking "State plan approved" and inserting "State program funded".

(t) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking "program of aid to families with dependent children under a State plan approved" and inserting "State program of assistance funded".

(u) Section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 92; 25 U.S.C. 639) is repealed.

(v) Subparagraph (E) of section 213(d)(6) of the School-To-Work Opportunities Act of 1994 (20 U.S.C. 6143(d)(6)) is amended to read as follows:

"(E) part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) relating to work activities;".

(w) 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 404(e), 464, or 1137 of the Social Security Act.".

SEC. 111. DEVELOPMENT OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (in this section referred to as the "Commissioner") shall, in accordance with 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 enable the Commissioner to comply with 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.—The Commissioner shall submit copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) 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 after the date of the enactment of this Act.

SEC. 112. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.

(a) IN GENERAL.—Whenever an organization that accepts Federal funds under this Act or the amendments made by this Act makes any communication that in any way intends to promote public support or opposition to any policy of a Federal, State, or local government through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, such communication shall state the following: "This was prepared and paid for by an organization that accepts taxpayer dollars.".

(b) FAILURE TO COMPLY.—If an organization makes any communication described in subsection (a) and fails to provide the statement required by that subsection, such organization shall be ineligible to receive Federal funds under this Act or the amendments made by this Act.

(c) DEFINITION.—For purposes of this section, the term "organization" means an organization described in section 501(c) of the Internal Revenue Code of 1986.

(d) EFFECTIVE DATES.—This section shall take effect—

(1) with respect to printed communications 1 year after the date of enactment of this Act; and

(2) with respect to any other communication on the date of enactment of this Act.

SEC. 113. MODIFICATIONS TO THE JOB OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.

Section 505 of the Family Support Act of 1988 (42 U.S.C. 1315 note) is amended—

(1) in the heading, by striking "**DEMONSTRATION**";

(2) by striking "demonstration" each place such term appears;

(3) in subsection (a), by striking "in each of fiscal years" and all that follows through "10" and inserting "shall enter into agreements with";

(4) in subsection (b)(3), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under the program funded part A of title IV of the Social Security Act of the State in which the individual resides";

(5) in subsection (c)—

(A) in paragraph (1)(C), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under a State program funded part A of title IV of the Social Security Act";

(B) in paragraph (2), by striking "aid to families with dependent children under title IV of such Act" and inserting "assistance under a State program funded part A of title IV of the Social Security Act";

(6) in subsection (d), by striking "job opportunities and basic skills training program (as provided for under title IV of the Social Security Act)" and inserting "the State program funded under part A of title IV of the Social Security Act"; and

(7) by striking subsections (e) through (g) and inserting the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of conducting projects under this section, there is authorized to be appropriated an amount not to exceed $25,000,000 for any fiscal year.".

SEC. 114. MEDICAID ELIGIBILITY UNDER TITLE IV OF THE SOCIAL SECURITY ACT.

(a) IN GENERAL.—Section 1902(a)(10)(A) (42 U.S.C. 1396a(a)(10)(A)) is amended—

(1) in clause (i), by amending subclause (I) to read as follows:

"(I) who are receiving a foster care maintenance payment described in section 423(b)(1)(A) or an adoption assistance payment described in section 423(b)(1)(B),"; and

(2) in clause (ii)—

(A) by striking "or" at the end of subclause (XI),

(B) by adding "or" at the end of subclause (XII), and

(C) by adding at the end the following new subclause:

"(XIII) to individuals (which may include individuals who receive payment under any plan of the State approved under title I, X, XIV, or XVI, or a program funded under part A of title IV of this Act, as amended by the Personal Responsibility and Work Opportunity Act of 1995, and other similar individuals) who meet such eligibility criteria as the State establishes, so long as the State demonstrates to the satisfaction of the Secretary that the application of such criteria does not result in Federal expenditures under this title that are greater than the Federal expenditures that would have been made under this title if such Act had not been enacted,".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to medical assistance for items and services furnished on or after the date of the enactment of this Act.

SEC. 115. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services and the Commissioner of Social Security, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal proposing such technical and conforming amendments as are necessary to bring the law into conformity with the policy embodied in this title.

SEC. 116. EFFECTIVE DATE; TRANSITION RULE.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1996.

(b) TRANSITION RULES.—

(1) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—

(A) IN GENERAL.—If, within 3 months after the date of the enactment of this Act, the Secretary of Health and Human Services receives from a State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 103 of this Act), this title and the amendments made by this title (except section 409(a)(7) of the Social Security Act, as added by the amendment made by such section 103) shall also apply with respect to the State during the period that begins on the date of such receipt and ends on September 30, 1996, except that the State shall be considered an eligible State for fiscal year 1996 for purposes of part A of title IV of the Social Security Act (as in effect pursuant to the amendment made by such section 103).

(B) LIMITATIONS ON FEDERAL OBLIGATIONS.—

(i) UNDER AFDC PROGRAM.—If the Secretary receives from a State the plan referred to in subparagraph (A), the total obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State after the date of the enactment of this Act shall not exceed an amount equal to—

(I) the State family assistance grant (as defined in section 403(a)(1)(B) of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act)); minus

(II) any obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State during the period that begins on October 1, 1995, and ends on the day before the date of the enactment of this Act.

(ii) UNDER TEMPORARY FAMILY ASSISTANCE PROGRAM.—Notwithstanding section 403(a)(1) of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act), the total obligations of the Federal Government to a State under such section 403(a)(1) for fiscal year 1996 after the termination of the State AFDC program shall not exceed an amount equal to—

(I) the amount described in clause (i)(I) of this subparagraph; minus

(II) any obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State on or after October 1, 1995.

"(iii) CHILD CARE OBLIGATIONS EXCLUDED IN DETERMINING FEDERAL AFDC OBLIGATIONS.—As used in this subparagraph, the term "obligations of the Federal Government to the State under part A of title IV of the Social Security Act" does not include any obligation of the Federal Government with respect to child care expenditures by the State.

(C) SUBMISSION OF STATE PLAN FOR FISCAL YEAR 1996 DEEMED ACCEPTANCE OF GRANT LIMITATIONS AND FORMULA.—The submission of a plan by a State pursuant to subparagraph (A) is deemed to constitute the State's acceptance of the grant reductions under subparagraph (B)(ii) (including the formula for computing the amount of the reduction).

(D) DEFINITIONS.—As used in this paragraph:

(i) STATE AFDC PROGRAM.—The term "State AFDC program" means the State program under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995).

"(ii) STATE.—The term "State" means the 50 States and the District of Columbia.

(2) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this title shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this title under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

(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 with respect to State expenditures under a State plan approved under part A of title IV of the Social Security Act (as in effect before the effective date of this Act) with respect to assistance or services provided on or before September 30, 1995, shall be treated as claims with respect to expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. Each State shall complete the filing of all claims under the State plan (as so in effect) no later than September 30, 1997. The head of each Federal department shall—

(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs under such State plans; 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 from funds authorized by this title.

(4) CONTINUANCE IN OFFICE OF ASSISTANT SECRETARY FOR FAMILY SUPPORT.—The individual who, on the day before the effective date of this title, is serving as Assistant Secretary for Family Support within the Department of Health and Human Services shall, until a successor is appointed to such position—

(A) continue to serve in such position; and

(B) except as otherwise provided by law—

(i) continue to perform the functions of the Assistant Secretary for Family Support under section 417 of the Social Security Act (as in effect before such effective date); and

(ii) have the powers and duties of the Assistant Secretary for Family Support under section 416 of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act).

TITLE II—SUPPLEMENTAL SECURITY INCOME

SEC. 200. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this title 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.

Subtitle A—Eligibility Restrictions

SEC. 201. 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.

(a) IN GENERAL.—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 the purposes of this title 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 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 this title.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 202. 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 inserting after paragraph (3) the following new paragraph:

"(4) A person shall not be considered 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 1611(e) (42 U.S.C. 1382(e)), as amended by subsection (a), is amended by inserting after paragraph (4) the following new paragraph:

"(5) 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, Social Security number, and photograph (if applicable) of any recipient of benefits under this title, if the officer furnishes the Commissioner with the name of the recipient and notifies the Commissioner that—

"(A) the recipient—

"(i) is described in subparagraph (A) or (B) of paragraph (4); 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 the officer's official duties.".

(c) EFFECTIVE DATE.—The amendments made by this section 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)), as amended by section 201(a), 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 (I) as subparagraphs (D) through (J), 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. Notwithstanding the preceding sentence, no individual under the age of 18 who engages in substantial gainful activity (determined in accordance with regulations prescribed pursuant to subparagraph (E)) may be considered to be disabled."; 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) MEDICAL IMPROVEMENT REVIEW STANDARD AS IT APPLIES TO INDIVIDUALS UNDER THE AGE OF 18.—Section 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—

(1) by redesignating subclauses (I) and (II) of clauses (i) and (ii) of subparagraph (B) as items (aa) and (bb), respectively;

(2) by redesignating clauses (i) and (ii) of subparagraphs (A) and (B) as subclauses (I) and (II), respectively;

(3) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and by moving their left hand margin 2 ems to the right;

(4) by inserting before clause (i) (as redesignated by paragraph (3)) the following:

"(A) in the case of an individual who is age 18 or older—";

(5) at the end of subparagraph (A)(iii) (as redesignated by paragraphs (3) and (4)), by striking the period and inserting "; or";

(6) by inserting after and below subparagraph (A)(iii) (as so redesignated) the following:

"(B) in the case of an individual who is under the age of 18—

"(i) substantial evidence which demonstrates that there has been medical improvement in the individual's impairment or combination of impairments, and that such impairment or combination of impairments no longer results in marked and severe functional limitations; or

"(ii) substantial evidence which demonstrates that, as determined on the basis of new or improved diagnostic techniques or evaluations, the individual's impairment or combination of impairments, is not as disabling as it was considered to be at the time of the most recent prior decision that the individual was under a disability or continued to be under a disability, and

such impairment or combination of impairments does not result in marked or severe functional limitations; or";

(7) by redesignating subparagraph (D) as subparagraph (C) and by inserting in such subparagraph "in the case of any individual," before "substantial evidence"; and

(8) in the first sentence following subparagraph (C) (as redesignated by paragraph (7)), by—

(A) inserting "(i)" before "to restore"; and

(B) inserting ", or (ii) in the case of an individual under the age of 18, to eliminate or improve the individual's impairment or combination of impairments so that it no longer results in marked and severe functional limitations" immediately before the period.

(d) AMOUNT OF BENEFITS.—Section 1611(b) (42 U.S.C. 1382(b)) is amended by adding at the end the following new paragraph:

"(3)(A) Except with respect to individuals described in subparagraph (B), the benefit under this title for an individual described in section 1614(a)(3)(C) shall be payable at a rate equal to 75 percent of the rate otherwise determined under this subsection.

"(B) An individual is described in this subparagraph if such individual is described in section 1614(a)(3)(C), and—

"(i) in the case of such an individual under the age of 6, such individual has a medical impairment that severely limits the individual's ability to function in a manner appropriate to individuals of the same age and who without special personal assistance would require specialized care outside the home; or

"(ii) in the case of such an individual who has attained the age of 6, such individual requires personal care assistance with—

"(I) at least 2 activities of daily living;

"(II) continual 24-hour supervision or monitoring to avoid causing injury or harm to self or others; or

"(III) the administration of medical treatment; and

who without such assistance would require full-time or part-time specialized care outside the home.

"(C)(i) For purposes of subparagraph (B), the term 'specialized care' means medical care beyond routine administration of medication.

"(ii) For purposes of subparagraph (B)(ii)—

"(I) the term 'personal care assistance' means at least hands-on and stand-by assistance, supervision, or cueing; and

"(II) the term 'activities of daily living' means eating, toileting, dressing, bathing, and mobility.".

(e) EFFECTIVE DATES, ETC.—

(1) EFFECTIVE DATES.—

(A) IN GENERAL.—The provisions of, and amendments made by, subsections (a), (b), and (c) shall apply to applicants for benefits under title XVI of the Social Security Act 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 provisions and amendments.

(B) ELIGIBILITY RULES.—The amendments made by subsection (d) shall apply to—

(i) applicants for benefits under title XVI of the Social Security Act for months beginning on or after January 1, 1997; and

(ii) with respect to continuing disability reviews of eligibility for benefits under such title occurring on or after such date.

(2) 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 by reason of 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 provisions of, or amendments made by, subsections (a), (b), and (c). With respect to any redetermination 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;

(iii) the Commissioner shall give such redetermination priority over all continuing eligibility reviews and other reviews under such title; and

(iv) such redetermination shall be counted as a review or redetermination otherwise required to be made under section 208 of the Social Security Independence and Program Improvements Act of 1994 or any other provision of title XVI of the Social Security Act.

(B) GRANDFATHER PROVISION.—The provisions of, and amendments made by, subsections (a), (b), and (c), 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.

(3) REPORT.—The Commissioner of Social Security shall report to the Congress regarding the progress made in implementing the provisions of, and amendments made by, this section on child disability evaluations not later than 180 days after the date of the enactment of this Act.

(4) REGULATIONS.—The Commissioner of Social Security shall submit for review to the committees of jurisdiction in the Congress any final regulation pertaining to the eligibility of individuals under age 18 for benefits under title XVI of the Social Security Act at least 45 days before the effective date of such regulation. The submission under this paragraph shall include supporting documentation providing a cost analysis, workload impact, and projections as to how the regulation will effect the future number of recipients under such title.

(5) APPROPRIATIONS.—

(A) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are authorized to be appropriated and are hereby appropriated, to remain available without fiscal year limitation, $200,000,000 for fiscal year 1996, $75,000,000 for fiscal year 1997, and $25,000,000 for fiscal year 1998, for the Commissioner of Social Security to utilize only for continuing disability reviews and redeterminations under title XVI of the Social Security Act, with reviews and redeterminations for individuals affected by the provisions of subsection (b) given highest priority.

(B) ADDITIONAL FUNDS.—Amounts appropriated under subparagraph (A) shall be in addition to any funds otherwise appropriated for continuing disability reviews and redeterminations under title XVI of the Social Security Act.

(6) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term "benefits under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

SEC. 212. 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 211(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, at the option of the Commissioner, which is unlikely to improve).

"(II) A representative payee 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.

"(III) If the representative payee refuses to comply without good cause with the requirements of subclause (II), the Commissioner of Social Security shall, if the Commissioner determines it is in the best interest of the individual, promptly terminate payment of benefits to the representative payee, and provide for payment of benefits to an alternative representative payee of the individual or, if the interest of the individual under this title would be served thereby, to the individual.

"(IV) Subclause (II) shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determination, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of subclause (II) should not apply to an individual's representative payee.".

(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 are age 18 or older.

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 representative payee 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.

"(IV) If the representative payee refuses to comply without good cause with the requirements of subclause (III), the Commissioner of Social Security shall, if the Commissioner determines it is in the best interest of the individual, promptly terminate payment of benefits to the representative payee, and provide for payment of benefits to an alternative representative payee of the individual or, if the interest of the individual under this title would be served thereby, to the individual.

"(V) Subclause (III) shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determination, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of subclause (III) should not apply to an individual's representative payee.".

(d) 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. 213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) DISPOSAL OF RESOURCES FOR LESS THAN FAIR MARKET VALUE.—

(1) IN GENERAL.—Section 1613(c) (42 U.S.C. 1382b(c)) is amended to read as follows:

"Disposal of Resources for Less Than Fair Market Value

"(c)(1)(A)(i) If an individual who has not attained 18 years of age (or any person acting on such individual's behalf) disposes of resources of the individual for less than fair market value on or after the look-back date specified in clause (ii)(I), the individual is ineligible for benefits under this title for months during the period beginning on the date specified in clause (iii) and equal to the number of months specified in clause (iv).

"(ii)(I) The look-back date specified in this subclause is a date that is 36 months before the date specified in subclause (II).

"(II) The date specified in this subclause is the date on which the individual applies for benefits under this title or, if later, the date on which the disposal of the individual's resources for less than fair market value occurs.

"(iii) The date specified in this clause is the first day of the first month that follows the month in which the individual's resources were disposed of for less than fair market value and that does not occur in any other period of ineligibility under this paragraph.

"(iv) The number of months of ineligibility under this clause for an individual shall be equal to—

"(I) the total, cumulative uncompensated value of all the individual's resources so disposed of on or after the look-back date specified in clause (ii)(I), divided by

"(II) the amount of the maximum monthly benefit payable under section 1611(b) to an eligible individual for the month in which the date specified in clause (ii)(II) occurs.

"(B) An individual shall not be ineligible for benefits under this title by reason of subparagraph (A) if the Commissioner determines that—

"(i) the individual intended to dispose of the resources at fair market value;

"(ii) the resources were transferred exclusively for a purpose other than to qualify for benefits under this title;

"(iii) all resources transferred for less than fair market value have been returned to the individual; or

"(iv) the denial of eligibility would work an undue hardship on the individual (as determined on the basis of criteria established by the Commissioner in regulations).

"(C) For purposes of this paragraph, in the case of a resource held by an individual in common with another person or persons in a joint tenancy, tenancy in common, or similar arrangement, the resource (or the affected portion of such resource) shall be considered to be disposed of by such individual when any action is taken, either by such individual or by any other person, that reduces or eliminates such individual's ownership or control of such resource.

"(D)(i) Notwithstanding subparagraph (A), this subsection shall not apply to a transfer of a resource to a trust if the portion of the trust attributable to such resource is considered a resource available to the individual pursuant to subsection (e)(3) (or would be so considered, but for the application of subsection (e)(4)).

"(ii) In the case of a trust established by an individual (within the meaning of subsection (e)(2)(A)), if from such portion of the trust (if any) that is considered a resource available to the individual pursuant to subsection (e)(3) (or would be so considered but for the application of subsection (e)(2)) or the residue of such portion upon the termination of the trust—

"(I) there is made a payment other than to or for the benefit of the individual, or

"(II) no payment could under any circumstance be made to the individual,

then the payment described in subclause (I) or the foreclosure of payment described in subclause (II) shall be considered a disposal of resources by the individual subject to this subsection, as of the date of such payment or foreclosure, respectively.

"(2)(A) At the time an individual (and the individual's eligible spouse, if any) applies for benefits under this title, and at the time the eligibility of an individual (and such spouse, if any) for such benefits is redetermined, the Commissioner of Social Security shall—

"(i) inform such individual of the provisions of paragraph (1) providing for a period of ineligibility for benefits under this title for individuals who make certain dispositions of resources for less than fair market value, and inform such individual that information obtained pursuant to clause (ii) will be made available to the State agency administering a State plan approved under title XIX (as provided in subparagraph (B)); and

"(ii) obtain from such individual information which may be used in determining whether or not a period of ineligibility for such benefits would be required by reason of paragraph (1).

"(B) The Commissioner of Social Security shall make the information obtained under subparagraph (A)(ii) available, on request, to any State agency administering a State plan approved under title XIX.

"(3) For purposes of this subsection—

"(A) the term 'trust' includes any legal instrument or device that is similar to a trust; and

"(B) the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall be effective with respect to transfers that occur at least 90 days after the date of the enactment of this Act.

(b) TREATMENT OF ASSETS HELD IN TRUST.—

(1) TREATMENT AS RESOURCE.—Section 1613 (42 U.S.C. 1382) is amended by adding at the end the following new subsection:

"Trusts

"(e)(1) In determining the resources of an individual who has not attained 18 years of age, the provisions of paragraph (3) shall apply to a trust established by such individual.

"(2)(A) For purposes of this subsection, an individual shall be considered to have established a trust if any assets of the individual were transferred to the trust.

"(B) In the case of an irrevocable trust to which the assets of an individual and the assets of any other person or persons were transferred, the provisions of this subsection shall apply to the portion of the trust attributable to the assets of the individual.

"(C) This subsection shall apply without regard to—

"(i) the purposes for which the trust is established;

"(ii) whether the trustees have or exercise any discretion under the trust;

"(iii) any restrictions on when or whether distributions may be made from the trust; or

"(iv) any restrictions on the use of distributions from the trust.

"(3)(A) In the case of a revocable trust, the corpus of the trust shall be considered a resource available to the individual.

"(B) In the case of an irrevocable trust, if there are any circumstances under which payment from the trust could be made to or for the benefit of the individual, the portion of the corpus from which payment to or for the benefit of the individual could be made shall be considered a resource available to the individual.

"(4) The Commissioner may waive the application of this subsection with respect to any individual if the Commissioner determines, on the basis of criteria prescribed in regulations, that such application would work an undue hardship on such individual.

"(5) For purposes of this subsection—

"(A) the term 'trust' includes any legal instrument or device that is similar to a trust;

"(B) the term 'corpus' means all property and other interests held by the trust, including accumulated earnings and any other addition to such trust after its establishment (except that such term does not include any such earnings or addition in the month in which such earnings or addition is credited or otherwise transferred to the trust);

"(C) the term 'asset' includes any income or resource of the individual, including—

"(i) any income otherwise excluded by section 1612(b);

"(ii) any resource otherwise excluded by this section; and

"(iii) any other payment or property that the individual is entitled to but does not receive or have access to because of action by—

"(I) such individual;

"(II) a person or entity (including a court) with legal authority to act in place of, or on behalf of, such individual; or

"(III) a person or entity (including a court) acting at the direction of, or upon the request of, such individual; and

"(D) the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.".

(2) TREATMENT AS INCOME.—Section 1612(a)(2) (42 U.S.C. 1382a(a)(2)) is amended—

(A) by striking "and" at the end of subparagraph (E);

(B) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(G) any earnings of, and additions to, the corpus of a trust (as defined in section 1613(f))

established by an individual (within the meaning of section 1613(e)(2)(A)) and of which such individual is a beneficiary (other than a trust to which section 1613(e)(4) applies), except that in the case of an irrevocable trust, there shall exist circumstances under which payment from such earnings or additions could be made to, or for the benefit of, such individual.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 1996, and shall apply to trusts established on or after such date.

(c) REQUIREMENT TO ESTABLISH ACCOUNT.—

(1) IN GENERAL.—Section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended—

(A) by redesignating subparagraphs (F) and (G) as subparagraphs (G) and (H), respectively; and

(B) by inserting after subparagraph (E) the following new subparagraph:

"(F)(i)(I) Each representative payee of an eligible individual under the age of 18 who is eligible for the payment of benefits described in subclause (II) shall establish on behalf of such individual an account in a financial institution into which such benefits shall be paid, and shall thereafter maintain such account for use in accordance with clause (ii).

"(II) Benefits described in this subclause are past-due monthly benefits under this title (which, for purposes of this subclause, include State supplementary payments made by the Commissioner pursuant to an agreement under section 1616 or section 212(b) of Public Law 93–66) in an amount (after any withholding by the Commissioner for reimbursement to a State for interim assistance under subsection (g)) that exceeds the product of—

"(aa) 6, and

"(bb) the maximum monthly benefit payable under this title to an eligible individual.

"(ii)(I) A representative payee may use funds in the account established under clause (i) to pay for allowable expenses described in subclause (II).

"(II) An allowable expense described in this subclause is an expense for—

"(aa) education or job skills training;

"(bb) personal needs assistance;

"(cc) special equipment;

"(dd) housing modification;

"(ee) medical treatment;

"(ff) therapy or rehabilitation; or

"(gg) any other item or service that the Commissioner determines to be appropriate;

provided that such expense benefits such individual and, in the case of an expense described in item (cc), (dd), (ff), or (gg), is related to the impairment (or combination of impairments) of such individual.

"(III) The use of funds from an account established under clause (i) in any manner not authorized by this clause—

"(aa) by a representative payee shall constitute misuse of benefits for all purposes of this paragraph, and any representative payee who knowingly misuses benefits from such an account shall be liable to the Commissioner in an amount equal to the total amount of such misused benefits; and

"(bb) by an eligible individual who is his or her own representative payee shall be considered an overpayment subject to recovery under subsection (b).

"(IV) This clause shall continue to apply to funds in the account after the child has reached age 18, regardless of whether benefits are paid directly to the beneficiary or through a representative payee.

"(iii) The representative payee may deposit into the account established pursuant to clause (i)—

"(I) past-due benefits payable to the eligible individual in an amount less than that specified in clause (i)(II), and

"(II) any other funds representing an underpayment under this title to such individual, provided that the amount of such underpayment is equal to or exceeds the maximum monthly benefit payable under this title to an eligible individual.

"(iv) The Commissioner of Social Security shall establish a system for accountability monitoring whereby such representative payee shall report, at such time and in such manner as the Commissioner shall require, on activity respecting funds in the account established pursuant to clause (i).".

(2) EXCLUSION FROM RESOURCES.—Section 1613(a) (42 U.S.C. 1382b(a)) is amended—

(A) in paragraph (9), by striking "; and" and inserting a semicolon;

(B) in the first paragraph (10), by striking the period and inserting a semicolon;

(C) by redesignating the second paragraph (10) as paragraph (11), and by striking the period and inserting "; and"; and

(D) by adding at the end the following:

"(12) the assets and accrued interest or other earnings of any account established and maintained in accordance with section 1631(a)(2)(F).".

(3) EXCLUSION FROM INCOME.—Section 1612(b) (42 U.S.C. 1382a(b)) is amended—

(A) by striking "and" at the end of paragraph (19);

(B) by striking the period at the end of paragraph (20) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(21) the interest or other earnings on any account established and maintained in accordance with section 1631(a)(2)(F).".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

SEC. 214. REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.

(a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C. 1382(e)(1)(B)) is amended—

(1) by striking "title XIX, or" and inserting "title XIX,"; and

(2) by inserting "or, in the case of an eligible individual under the age of 18 receiving payments (with respect to such individual) under any health insurance policy issued by a private provider of such insurance" after "section 1614(f)(2)(B),".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to benefits for months beginning 90 or more days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 215. REGULATIONS.

Within 3 months after the date of the enactment of this Act, the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by this subtitle.

Subtitle C—State Supplementation Programs

SEC. 221. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 (42 U.S.C. 1382g) is hereby repealed.

Subtitle D—Studies Regarding Supplemental Security Income Program

SEC. 231. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Title XVI (42 U.S.C. 1381 et seq.), as amended by section 201(c), is amended by adding at the end the following new section:

"ANNUAL REPORT ON PROGRAM

"SEC. 1637. (a) Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

"(1) a comprehensive description of the program;

"(2) historical and current data on allowances and denials, including number of applications and allowance rates at initial determinations, reconsiderations, administrative law judge hearings, council of appeals hearings, and Federal court appeal hearings;

"(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, work disabled adults, and children);

"(4) projections of future number of recipients and program costs, through at least 25 years;

"(5) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

"(6) data on the utilization of work incentives;

"(7) detailed information on administrative and other program operation costs;

"(8) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

"(9) State supplementation program operations;

"(10) a historical summary of statutory changes to this title; and

"(11) such other information as the Commissioner deems useful.

"(b) Each member of the Social Security Advisory Board shall be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report under this section.".

SEC. 232. STUDY OF DISABILITY DETERMINATION PROCESS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall make arrangements with the National Academy of Sciences, or other independent entity, to conduct a study of the disability determination process under titles II and XVI of the Social Security Act. This study shall be undertaken in consultation with professionals representing appropriate disciplines.

(b) STUDY COMPONENTS.—The study described in subsection (a) shall include—

(1) an initial phase examining the appropriateness of, and making recommendations regarding—

(A) the definitions of disability in effect on the date of the enactment of this Act and the advantages and disadvantages of alternative definitions; and

(B) the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical and mental impairments;

(2) a second phase, which may be concurrent with the initial phase, examining the validity, reliability, and consistency with current scientific knowledge of the standards and individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, and of related evaluation procedures as promulgated by the Commissioner of Social Security; and

(3) such other issues as the applicable entity considers appropriate.

(c) REPORTS AND REGULATIONS.—

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity, to submit an interim report and a final report of the findings and recommendations resulting

from the study described in this section to the President and the Congress not later than 18 months and 24 months, respectively, from the date of the contract for such study, and such additional reports as the Commissioner deems appropriate after consultation with the applicable entity.

(2) REGULATIONS.—The Commissioner of Social Security shall review both the interim and final reports, and shall issue regulations implementing any necessary changes following each report.

SEC. 233. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1998, the Comptroller General of the United States shall study and report on—

(1) the impact of the amendments made by, and the provisions of, this title on the supplemental security income program under title XVI of the Social Security Act; and

(2) extra expenses incurred by families of children receiving benefits under such title that are not covered by other Federal, State, or local programs.

Subtitle E—National Commission on the Future of Disability

SEC. 241. ESTABLISHMENT.

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this subtitle as the "Commission").

SEC. 242. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) MATTERS STUDIED.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) RECOMMENDATIONS.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

SEC. 243. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) REPRESENTATION.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the general interests of the business and taxpaying community and the diversity of individuals with disabilities in the United States.

(b) COMPTROLLER GENERAL.—The Comptroller General of the United States shall advise the Commission on the methodology and approach of the study of the Commission.

(c) TERM OF APPOINTMENT.—The members shall serve on the Commission for the life of the Commission.

(d) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(e) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(g) CONTINUATION OF MEMBERSHIP.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(h) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(i) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

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

SEC. 244. STAFF AND SUPPORT SERVICES.

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

SEC. 245. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, 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 Commission. 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 Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 246. REPORTS.

(a) INTERIM REPORT.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 247, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) FINAL REPORT.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) PRINTING AND PUBLIC DISTRIBUTION.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

SEC. 247. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

SEC. 248. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out the purposes of the Commission.

Subtitle F—Retirement Age Eligibility

SEC. 251. ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME BENEFITS BASED ON SOCIAL SECURITY RETIREMENT AGE.

(a) IN GENERAL.—Section 1614(a)(1)(A) (42 U.S.C. 1382C(a)(1)(A)) is amended by striking "is 65 years of age or older," and inserting "has attained retirement age.".

(b) RETIREMENT AGE DEFINED.—Section 1614 (42 U.S.C. 1382c) is amended by adding at the end the following new subsection:

"Retirement Age

"(g) For purposes of this title, the term "retirement age" has the meaning given such term by section 216(l)(1).".

(c) CONFORMING AMENDMENTS.—Sections 1601, 1612(b)(4), 1615(a)(1), and 1620(b)(2) (42 U.S.C. 1381, 1382a(b)(4), 1382d(a)(1), and 1382i(b)(2)) are amended by striking "age 65" each place it appears and inserting "retirement age".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to applicants for benefits for months beginning after September 30, 1995.

TITLE III—CHILD SUPPORT

SEC. 300. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, where ever in this title 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.

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 301. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) 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 the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services for foster care maintenance and adoption assistance are provided under the State program funded under part B of this title, or (III) medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (29)) that it is against the best interests of the child to do so; and

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child."; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) services under the plan shall be made available to residents of other States on the same terms as to residents of the State submitting the plan;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—Section 454 (42 U.S.C. 654) 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 new paragraph:

"(25) provide that if a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of other individuals to whom services are furnished under the plan, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family.".

(c) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) 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)".

(3) 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) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 302. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) IN GENERAL.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

"(A) pay to the Federal Government the Federal share of the amount so collected; and

"(B) retain, or distribute to the family, the State share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

"(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE.—

"(I) PRE-OCTOBER 1997.—The provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 302 of the Personal Responsibility and Work Opportunity Act of 1995 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued after the family ceased to receive assistance, and

"(bb) are collected before October 1, 1997.

"(II) POST-SEPTEMBER 1997.—With respect the amount so collected on or after October 1, 1997, or before such date, at the option of the State—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family ceased to receive assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of division (aa) and clause (ii)(II)(aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)(A)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(ii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—

"(I) PRE-OCTOBER 2000.—The provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 302 of the Personal Responsibility and Work Opportunity Act of 1995 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued before the family received assistance, and

"(bb) are collected before October 1, 2000.

"(II) POST-SEPTEMBER 2000.—Unless, based on the report required by paragraph (4), the Congress determines otherwise, with respect to the amount so collected on or after October 1, 2000, or before such date, at the option of the State—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before the family received assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of clause (i)(II)(aa) and division (aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse of the amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(iii) DISTRIBUTION OF ARREARAGES THAT ACCRUED WHILE THE FAMILY RECEIVED ASSISTANCE.—In the case of a family described in this subparagraph, the provisions of paragraph (1) shall apply with respect to the distribution of support arrearages that accrued while the family received assistance.

"(iv) AMOUNTS COLLECTED PURSUANT TO SECTION 464.—Notwithstanding any other provision of this section, any amount of support collected

pursuant to section 464 shall be retained by the State to the extent necessary to reimburse amounts paid to the family as assistance by the State. The State shall pay to the Federal Government the Federal share of the amounts so retained. To the extent the amount collected pursuant to section 464 exceeds the amount so retained, the State shall distribute the excess to the family.

"(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, the State shall treat any support arrearages collected as accruing in the following order:

"(I) to the period after the family ceased to receive assistance;

"(II) to the period before the family received assistance; and

"(III) to the period while the family was receiving assistance.

"(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(4) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to the Congress the Secretary's findings with respect to—

"(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

"(B) whether early implementation of a pre-assistance arrearage program by some states has been effective in moving people off of welfare and keeping them off of welfare;

"(C) what the overall impact has been of the amendments made by the Personal Responsibility and Work Opportunity Act of 1995 with respect to child support enforcement in moving people off of welfare and keeping them off of welfare; and

"(D) based on the information and data the Secretary has obtained, what changes, if any, should be made in the policies related to the distribution of child support arrearages.

"(b) CONTINUATION OF ASSIGNMENTS.—Any rights to support obligations, which were assigned to a State as a condition of receiving assistance from the State under part A and which were in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995, shall remain assigned after such date.

"(c) DEFINITIONS.—As used in subsection (a):

"(1) ASSISTANCE.—The term 'assistance from the State' means—

"(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995); or

"(B) benefits under the State plan approved under part E of this title (as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995).

"(2) FEDERAL SHARE.—The term 'Federal share' means that portion of the amount collected resulting from the application of the Federal medical percentage in effect for the fiscal year in which the amount is collected.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

"(B) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any other State.

"(4) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

"(d) HOLD HARMLESS PROVISION.—If the amounts collected which could be retained by the State in the fiscal year (to the extent necessary to reimburse the State for amounts paid to families as assistance by the State) are less than the State share of the amounts collected in fiscal year 1995 (determined in accordance with section 457 as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995), the State share for the fiscal year shall be an amount equal to the State share in fiscal year 1995.".

(b) CONFORMING AMENDMENTS.—

(1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking "section 457(b)(4) or (d)(3)" and inserting "section 457".

(2) Section 454 (42 U.S.C. 654) is amended—

(A) in paragraph (11)—

(i) by striking "(11)" and inserting "(11)(A)"; and

(ii) by inserting after the semicolon "and"; and

(B) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective on October 1, 1996, or earlier at the State's option.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (b)(2) shall become effective on the date of the enactment of this Act.

SEC. 303. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 301(b) of this Act, 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 after paragraph (25) the following new paragraph:

"(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are 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 against 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 against 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. 304. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 302(b)(2) of this Act, is amended by inserting after paragraph (11) the following new paragraph:

"(12) provide for the establishment of procedures to require the State to provide individuals who are applying for or receiving services under the State plan, or who are parties to cases in which services are being provided under the State plan—

"(A) with notice of all proceedings in which support obligations might be established or modified; and

"(B) with 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) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Locate and Case Tracking

SEC. 311. STATE CASE REGISTRY.

Section 454A, as added by section 344(a)(2) of this Act, is amended by adding at the end the following new subsections:

"(e) STATE CASE REGISTRY.—

"(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

"(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on-case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, 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 comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established

under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information 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. 312. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b) and 303(a) of this Act, 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 new paragraph:

"(27) provide that, on and after October 1, 1998, the State agency will—

"(A) operate a State disbursement unit in accordance with section 454B; and

"(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

"(i) monitor and enforce support collections through the unit in cases being enforced by the State pursuant to section 454(4) (including carrying out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases.".

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 344(a)(2) of this Act, is amended by inserting after section 454A the following new section:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

"(a) STATE DISBURSEMENT UNIT.—

"(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders—

"(A) in all cases being enforced by the State pursuant to section 454(4); and

"(B) in all cases not being enforced by the State under this part in which the support order is initially issued in the State on or after January 1, 1994 and in which the wages of the absent parent are subject to withholding pursuant to section 466(a)(8)(B).

"(2) OPERATION.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) except in cases described in paragraph (1)(B), in coordination with the automated system established by the State pursuant to section 454A.

"(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section, if the Secretary agrees that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) REQUIRED PROCEDURES.—The State disbursement 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 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 any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"(c) TIMING OF DISBURSEMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(2) PERMISSIVE RETENTION OF ARREARAGES.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

"(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 344(a)(2) and as amended by section 311 of this Act, is amended by adding at the end the following new subsection:

"(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

"(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

"(i) within 2 business days after receipt from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State of notice of, and the income source subject to, such withholding; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) if payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 313. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a) and 312(a) of this Act, 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, on and after October 1, 1997, 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 new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—

"(A) REQUIREMENT FOR STATES THAT HAVE NO DIRECTORY.—Except as provided in subparagraph (B), not later than October 1, 1997, 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 on each newly hired employee.

"(B) STATES WITH NEW HIRE REPORTING IN EXISTENCE.—A State which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the State law, but the State must meet the requirements of this section (other than subsection (f)) not later than October 1, 1997.

"(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) EMPLOYER.—

"(i) IN GENERAL.—The term 'employer' has the meaning given such term in section 3401(d) of the Internal Revenue Code of 1996 and includes any governmental entity and any labor organization.

"(ii) 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 subparagraphs (B) and (C), each employer 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 and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) MULTISTATE EMPLOYERS.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which the employer will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

"(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the

United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

"(2) TIMING OF REPORT.—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

"(A) not later than 20 days after the date the employer hires the employee; or

"(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W-4 form or, at the option of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The State shall have the option to set a State civil money penalty which shall be less than—

"(1) $25; or

"(2) $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.

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than May 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.

"(g) 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 (including any past due 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 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, 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.

"(h) 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 (f)(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.".

(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b-7(a)(3)) is amended—

(1) by inserting "(including State and local governmental entities and labor organizations (as defined in section 453A(a)(2)(B)(iii))" after "employers"; and

(2) by inserting ", and except that no report shall be filed with respect to an employee of a State or local agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission" after "paragraph (2)".

SEC. 314. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—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 the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

"(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each noncustodial parent to whom paragraph (1) applies—

"(i) that the withholding has commenced; and

"(ii) of the procedures to follow if the noncustodial parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

"(B) The notice under subparagraph (A) of this paragraph shall include the information provided to the employer under paragraph (6)(A).".

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part. The employer shall comply with the procedural rules relating to income withholding of the State in which the employee works, regardless of the State where the notice originates.".

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following new clause:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting "any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial 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 disbursement unit in accordance with this subsection.".

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order without advance notice to the obligor, including issuing the withholding order through electronic means.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 315. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 316. 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, or enforcing child custody or visitation orders—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support or provide child custody or visitation rights;

"(B) against whom such an obligation is sought;

"(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."; and

(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 the flush paragraph at the end, by adding the following: "No information shall be disclosed to any person if the State has notified the Secretary that the State has reasonable evidence of domestic violence or child abuse and the disclosure of such information could be harmful to the custodial parent or the child of such parent. Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).".

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking "support" and inserting "support or to seek to enforce orders providing child custody or visitation rights"; and

(2) in paragraph (2), by striking ", or any agent of such court; and" and inserting "or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;".

(c) 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 "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)" before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—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).".

(e) CONFORMING 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".

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsections:

"(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

"(1) IN GENERAL.—Not later than October 1, 1998, 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, 1996, 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(g)(2).

"(2) ENTRY OF DATA.—Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National 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.

"(4) LIST OF MULTISTATE EMPLOYERS.—The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

"(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

"(A) IN GENERAL.—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) VERIFICATION BY SSA.—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 support case abstracts 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.

"(n) FEDERAL GOVERNMENT REPORTING.—Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the

name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report 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.—

(A) 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;".

(B) Section 454(13) (42 U.S.C.654(13)) is amended by inserting "and provide that information requests by parents who are residents of other States be treated with the same priority as requests by parents who are residents of the State submitting the plan" before the semicolon.

(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.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

"(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

"(A) disclose quarterly, to the Secretary of Health and Human Services wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

"(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

"(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

"(3) For purposes of this subsection—

"(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

"(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.".

(4) DISCLOSURE OF CERTAIN INFORMATION TO AGENTS OF CHILD SUPPORT ENFORCEMENT AGENCIES.—

(A) IN GENERAL.—Paragraph (6) of section 6103(l) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local child support enforcement agencies) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) DISCLOSURE TO CERTAIN AGENTS.—The following information disclosed to any child support enforcement agency under subparagraph (A) with respect to any individual with respect to whom child support obligations are sought to be established or enforced may be disclosed by such agency to any agent of such agency which is under contract with such agency to carry out the purposes described in subparagraph (C):

"(i) The address and social security account number (or numbers) of such individual.

"(ii) The amount of any reduction under section 6402(c) (relating to offset of past-due support against overpayments) in any overpayment otherwise payable to such individual."

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (3) of section 6103(a) of such Code is amended by striking "(l)(12)" and inserting "paragraph (6) or (12) of subsection (l)".

(ii) Subparagraph (C) of section 6103(l)(6) of such Code, as redesignated by subsection (a), is amended to read as follows:

"(C) RESTRICTION ON DISCLOSURE.—Information may be disclosed under this paragraph only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing such obligations."

(iii) The material following subparagraph (F) of section 6103(p)(4) of such Code is amended by striking "subsection (l)(12)(B)" and inserting "paragraph (6)(A) or (12)(B) of subsection (l)".

SEC. 317. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 315 of this Act, is amended by adding at the end the following new paragraph:

"(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.

For purposes of subparagraph (A), if a State allows the use of a number other than the social security number, the State shall so advise any applicants.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st 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.";

(3) in clause (ii), by inserting "or marriage certificate" after "Such numbers shall not be recorded on the birth certificate".

(4) in clause (vi), by striking "may" and inserting "shall"; and

(5) by adding at the end the following new clauses:

"(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, for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.".

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 321. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

"(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

"(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A), on and after January 1, 1998, each State must have in effect the Uniform Interstate Family Support Act, as approved by the American Bar Association on February 9, 1993, together with any amendments officially adopted before January 1, 1998 by the National Conference of Commissioners on Uniform State Laws.

"(2) EMPLOYERS TO FOLLOW PROCEDURAL RULES OF STATE WHERE EMPLOYEE WORKS.—The State law enacted pursuant to paragraph (1) shall provide that an employer that receives an income withholding order or notice pursuant to section 501 of the Uniform Interstate Family Support Act follow the procedural rules that apply with respect to such order or notice under the laws of the State in which the obligor works.

SEC. 322. 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 2nd 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 more than 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. 323. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315 and 317(a) of this Act, is amended by adding at the end the following new paragraph:

"(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—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. 324. 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 new paragraph:

"(11) not later than June 30, 1996, after consulting with the State directors of programs under this part, 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 new subparagraph:

"(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;".

SEC. 325. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 314 of this Act, is amended—

(1) in subsection (a)(2), by striking the 1st sentence and inserting the following: "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 inserting after subsection (b) the following new subsection:

"(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

"(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) FINANCIAL OR OTHER INFORMATION.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(C) RESPONSE TO STATE AGENCY REQUEST.—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.

"(D) ACCESS TO CERTAIN RECORDS.—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), as provided pursuant to agreements described in subsection (a)(18).

"(E) CHANGE IN PAYEE.—In cases in which support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to 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.

"(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

"(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump-sum payments from—

"(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions;

"(iii) attaching public and private retirement funds; and

"(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(H) INCREASE MONTHLY PAYMENTS.—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 limitations as the State may provide.

Such procedures shall be 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.

"(2) SUBSTANTIVE AND PROCEDURAL RULES.—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) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer; and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) STATEWIDE JURISDICTION.—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

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local 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.

"(3) COORDINATION WITH ERISA.—Notwithstanding subsection (d) of section 514 of the Employee Retirement Income Security Act of 1974 (relating to effect on other laws), nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair, or supersede subsections (a), (b), and (c) of such section 514 as it applies with respect to any procedure referred to in paragraph (1) and any expedited procedure referred to in paragraph (2), except to the extent that such procedure would be consistent with the requirements of section 206(d)(3) of such Act (relating to qualified domestic relations orders) or the requirements of section 609(a) of such Act (relating to qualified medical child support orders) if the reference in such section 206(d)(3) to a domestic relations order and the reference in such section 609(a) to a medical child support order were a reference to a support order referred to in paragraphs (1) and (2) relating to the same matters, respectively.".

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 344(a)(2) and as amended by sections 311 and 312(c) of this Act, is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

Subtitle D—Paternity Establishment

SEC. 331. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

"(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

"(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

"(B) PROCEDURES CONCERNING GENETIC TESTING.—

"(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case (unless otherwise barred by State law) to require the child and all other parties (other than individuals found under section 454(29) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party, if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (if the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case if an original test result is contested, upon request and advance payment by the contestant.

"(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

"(i) SIMPLE CIVIL PROCESS.—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 mother and the putative father must be given notice, orally and in writing, 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) HOSPITAL-BASED PROGRAM.—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, subject to such good cause exceptions, taking into account the best interests of the child, as the State may establish.

"(iii) PATERNITY ESTABLISHMENT SERVICES.—

"(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II) REGULATIONS.—

"(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) SERVICES OFFERED BY OTHER ENTITIES.—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, use 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 the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit developed by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

"(i) INCLUSION IN BIRTH RECORDS.—Procedures under which the name of the father shall be included on the record of birth of the child of unmarried parents only if—

"(I) the father and mother have signed a voluntary acknowledgment of paternity; or

"(II) a court or an administrative agency of competent jurisdiction has issued an adjudication of paternity.

Nothing in this clause shall preclude a State agency from obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding, or prohibit the issuance of an order in a judicial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional showing required by State law.

"(ii) LEGAL FINDING OF PATERNITY.—Procedures under which a signed voluntary acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within the earlier of—

"(I) 60 days; or

"(II) the date of an administrative or judicial proceeding relating to the child (including a proceeding to establish a support order) in which the signatory is a party.

"(iii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (ii), a signed voluntary 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.

"(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—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, if there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—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 or for testing on behalf of the child.

"(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) 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 and, after consultation with the States, other common elements as determined by such designee" before the semicolon.

(c) CONFORMING AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 332. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 333. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(a), and 313(a) 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 inserting after paragraph (28) the following new paragraph:

"(29) provide that the State agency responsible for administering the State plan—

"(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to such good cause exceptions, taking into account the best interests of the child, as the State may establish through the State agency, or at the option of the State, through the State agencies administering the State programs funded under part A and title XIX;

"(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

"(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order;

"(D) may request that the individual sign a voluntary acknowledgment of paternity, after notice of the rights and consequences of such an acknowledgment, but may not require the individual to sign an acknowledgment or otherwise relinquish the right to genetic tests as a condition of cooperation and eligibility for assistance under the State program funded under part A or the State program under title XIX; and

"(E) shall promptly notify the individual and the State agency administering the State program funded under part A and the State agency administering the State program under title XIX of each such determination, and if noncooperation is determined, the basis therefore.".

Subtitle E—Program Administration and Funding

SEC. 341. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) DEVELOPMENT OF NEW SYSTEM.—The Secretary of Health and Human Services, in consultation with State directors of programs under part D of title IV of the Social Security Act, shall develop a new incentive system to replace, in a revenue neutral manner, the system under section 458 of such Act. The new system shall provide additional payments to any State based on such State's performance under such a program. Not later than June 1, 1996, the Secretary shall report on the new system to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—Section 458 (42 U.S.C. 658) is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved under part A of this title" and inserting "assistance under a program funded under part A";

(2) in subsection (b)(1)(A), by striking "section 402(a)(26)" and inserting "section 408(a)(4)";

(3) in subsections (b) and (c)—

(A) by striking "AFDC collections" each place it appears and inserting "title IV-A collections", and

(B) by striking "non-AFDC collections" each place it appears and inserting "non-title IV-A collections"; and

(4) in subsection (c), by striking "combined AFDC/non-AFDC administrative costs" both places it appears and inserting "combined title IV-A/non-title IV-A administrative costs".

(c) CALCULATION OF IV-D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is amended by striking "75" and inserting "90".

(2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) for a State with a paternity establishment percentage of not less than 75 percent but less than 90 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 2 percentage points;".

(3) 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)".

(4) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended by adding at the end the following new sentence: "In meeting the 90 percent paternity establishment requirement, a State may calculate either the paternity establishment rate of cases in the program funded under this part or the paternity establishment rate of all out-of-wedlock births in the State.".

(5) 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 so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B) (as so redesignated) by inserting "and securing support" before the period.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The system developed under subsection (a) and the amendments made by subsection (b) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) APPLICATION OF SECTION 458.—Section 458 of the Social Security Act, as in effect on the day before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on or after the date of the enactment of this Act.

SEC. 342. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and inserting "(14)(A)";

(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 operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

"(B) a process of extracting from the automated data processing system required by paragraph (16) 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 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 subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part 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 in calculating performance indicators under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments are carried out correctly and are 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 12 months or more after the date of the enactment of this Act.

SEC. 343. 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) 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 301(b), 303(a), 312(a), 313(a), and 333 of this Act, is amended—

(1) by striking "and" at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting "; and"; and

(3) by adding after paragraph (29) the following new paragraph:

"(30) 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. 344. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—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" and all that follows and inserting a 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:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part 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 with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive payments 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 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 by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify 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 the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in 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.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by section 303(a)(1) of this Act, 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, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988, and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995, 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 344(a)(3) of the Personal Responsibility and Work Opportunity Act of 1995;".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

(B) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on September 30, 1995) but limited to the amount approved for States in the advance planning documents of such States submitted on or before May 1, 1995.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1996 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is 80 percent.".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $400,000,000 in the aggregate under section 455(a)(3)(B) of the Social Security Act for fiscal years 1996 through 2001.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

SEC. 345. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.

The amount appropriated under this subsection shall remain available until expended.".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 316 of this Act, is amended by adding at the end the following new subsection:

"(o) RECOVERY OF COSTS.—Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.".

SEC. 346. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) 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 new clauses:

"(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

"(II) with respect to whom a child support payment was received in the month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (1) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(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 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) 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) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking "and";

(B) in subparagraph (I), by striking the period and inserting "; and"; and

(C) by inserting after subparagraph (I) the following new subparagraph:

"(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).".

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 351. 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) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS UPON REQUEST.—Procedures under which the State shall review and adjust each support order being enforced under this part upon the request of either parent or the State if there is an assignment. Such procedures shall provide the following:

"(A) IN GENERAL.—

"(i) 3-YEAR CYCLE.—Except as provided in subparagraphs (B) and (C), the State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(ii) METHODS OF ADJUSTMENT.—The State may elect to review and, if appropriate, adjust an order pursuant to clause (i) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to 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 the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(iii) NO PROOF OF CHANGE IN CIRCUMSTANCES NECESSARY.—Any adjustment under this subparagraph (A) shall be made without a requirement for proof or showing of a change in circumstances.

"(B) AUTOMATED METHOD.—The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(C) REQUEST UPON SUBSTANTIAL CHANGE IN CIRCUMSTANCES.—The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(D) NOTICE OF RIGHT TO REVIEW.—The State shall provide notice not less than once every 3 years to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order.".

SEC. 352. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

"(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

"(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.".

SEC. 353. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a financial institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages

against such person in a district court of the United States.

(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

(A) the greater of—

(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

(ii) the sum of—

(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

(B) the costs (including attorney's fees) of the action.

(d) DEFINITIONS.—For purposes of this section—

(1) FINANCIAL INSTITUTION.—The term "financial institution" means—

(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(v));

(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)); and

(D) any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.

(2) FINANCIAL RECORD.—The term "financial record" has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).

(3) STATE CHILD SUPPORT ENFORCEMENT AGENCY.—The term "State child support enforcement agency" means a State agency which administers a State program for establishing and enforcing child support obligations.

Subtitle G—Enforcement of Support Orders

SEC. 361. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) COLLECTION OF FEES.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ", and";

(3) 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

(4) 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. 362. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) 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 section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) 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.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(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 the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(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 designee of the Chief Justice).

"(h) MONEYS SUBJECT TO PROCESS.—

"(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) 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 compensation for a service-connected disability paid by the Secretary to a former member of the

Armed Forces who is in receipt of retired or retainer pay if the former member has waived a portion of the retired or retainer pay in order to receive such compensation; and

"(iii) worker's compensation benefits paid under Federal or State law but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) 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.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) 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;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—For purposes of this section—

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means amounts required to be paid under a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages or reimbursement, and which may include other related costs and fees, interest and penalties, income withholding, attorney's fees, and other relief.

"(3) ALIMONY.—

"(A) IN GENERAL.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(B) EXCEPTIONS.—Such term does not include—

"(i) any child support; or

"(ii) any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court or an administrative agency of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) 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)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) 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 program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended—

(A) by inserting "or a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p)),'' before "which—";

(B) in subparagraph (B)(i), by striking "(as defined in section 462(b) of the Social Security Act (42 U.S.C. 662(b)))" and inserting "(as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 662(i)(2)))"; and

(C) in subparagraph (B)(ii), by striking "(as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c)))" and inserting "(as defined in section 459(i)(3) of the Social Security Act (42 U.S.C. 662(i)(3)))".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" before "SPOUSE OR"; and

(B) in paragraph (1), in the 1st sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act 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".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by 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 such Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 363. 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.—Within 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 established under section 453 of the Social Security Act.

(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 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 362(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) 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 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.".

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following new sentence: "In the case of a spouse or former spouse who, pursuant to section 408(a)(4) of the Social Security Act (42 U.S.C. 607(a)(4)), 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.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order 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 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.".

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

SEC. 364. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 321 of this Act, is amended by adding at the end the following new subsection:

"(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) 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

"(2) procedures under which, 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—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 365. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

(a) IN GENERAL.—Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 315, 317(a), and 323 of this Act, is amended by adding at the end the following new paragraph:

"(15) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

"(A) IN GENERAL.—Procedures under which the State has the authority, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to seek a court order that requires the individual to—

"(i) pay such support in accordance with a plan approved by the court, or, at the option of the State, a plan approved by the State agency administering the State program under this part; or

"(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 407(d)) as the court, or, at the option of the State, the State agency administering the State program under this part, deems appropriate.

"(B) PAST-DUE SUPPORT DEFINED.—For purposes of subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.".

(b) CONFORMING AMENDMENT.—The flush paragraph at the end of section 466(a) (42 U.S.C.666(a)) is amended by striking "and (7)" and inserting "(7), and (15)".

SEC. 366. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 316 and 345(b) of this Act, is amended by adding at the end the following new subsection:

"(p) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.".

SEC. 367. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—

"(A) IN GENERAL.—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 noncustodial parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) SAFEGUARDS.—Procedures ensuring that, in carrying out subparagraph (A), information with respect to a noncustodial 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 (as so defined).".

SEC. 368. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) LIENS.—Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.".

SEC. 369. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, and 365 of this Act, is amended by adding at the end the following:

"(16) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 370. 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 section 345 of this Act, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000, 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 370(b) of the Personal Responsibility and Work Opportunity 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 CASE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(b), 313(a), 333, and 343(b) of this Act, is amended—

(A) by striking "and" at the end of paragraph (29);

(B) by striking the period at the end of paragraph (30) and inserting "; and"; and

(C) by adding after paragraph (30) the following new paragraph:

"(31) provide that the State agency will have in effect a procedure for certifying to the Secretary, for purposes of the procedure under section 452(k), determinations that individuals owe arrearages of child support in an amount exceeding $5,000, 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 shall, upon certification by the Secretary of Health and Human Services transmitted under section 452(k) of the Social Security Act, 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. 371. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

(a) AUTHORITY FOR INTERNATIONAL AGREEMENTS.—Part D of title IV, as amended by section 362(a) of this Act, is amended by adding after section 459 the following new section:

"SEC. 459A. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

"(a) AUTHORITY FOR DECLARATIONS.—

"(1) DECLARATION.—The Secretary of State, with the concurrence of the Secretary of Health and Human Services, is authorized to declare any foreign country (or a political subdivision thereof) to be a foreign reciprocating country if the foreign country has established, or undertakes to establish, procedures for the establishment and enforcement of duties of support owed to obligees who are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under subsection (b).

"(2) REVOCATION.—A declaration with respect to a foreign country made pursuant to paragraph (1) may be revoked if the Secretaries of State and Health and Human Services determine that—

"(A) the procedures established by the foreign nation regarding the establishment and enforcement of duties of support have been so changed, or the foreign nation's implementation of such procedures is so unsatisfactory, that such procedures do not meet the criteria for such a declaration; or

"(B) continued operation of the declaration is not consistent with the purposes of this part.

"(3) FORM OF DECLARATION.—A declaration under paragraph (1) may be made in the form of an international agreement, in connection with an international agreement or corresponding foreign declaration, or on a unilateral basis.

"(b) STANDARDS FOR FOREIGN SUPPORT ENFORCEMENT PROCEDURES.—

"(1) MANDATORY ELEMENTS.—Child support enforcement procedures of a foreign country which may be the subject of a declaration pursuant to subsection (a)(1) shall include the following elements:

"(A) The foreign country (or political subdivision thereof) has in effect procedures, available to residents of the United States—

"(i) for establishment of paternity, and for establishment of orders of support for children and custodial parents; and

"(ii) for enforcement of orders to provide support to children and custodial parents, including procedures for collection and appropriate distribution of support payments under such orders.

"(B) The procedures described in subparagraph (A), including legal and administrative assistance, are provided to residents of the United States at no cost.

"(C) An agency of the foreign country is designated as a Central Authority responsible for—

"(i) facilitating child support enforcement in cases involving residents of the foreign nation and residents of the United States; and

"(ii) ensuring compliance with the standards established pursuant to this subsection.

"(2) ADDITIONAL ELEMENTS.—The Secretary of Health and Human Services and the Secretary of State, in consultation with the States, may establish such additional standards as may be considered necessary to further the purposes of this section.

"(c) DESIGNATION OF UNITED STATES CENTRAL AUTHORITY.—It shall be the responsibility of the Secretary of Health and Human Services to facilitate child support enforcement in cases involving residents of the United States and residents of foreign nations that are the subject of a declaration under this section, by activities including—

"(1) development of uniform forms and procedures for use in such cases;

"(2) notification of foreign reciprocating countries of the State of residence of individuals sought for support enforcement purposes, on the basis of information provided by the Federal Parent Locator Service; and

"(3) such other oversight, assistance, and coordination activities as the Secretary may find necessary and appropriate.

"(d) EFFECT ON OTHER LAWS.—States may enter into reciprocal arrangements for the establishment and enforcement of child support obligations with foreign countries that are not the subject of a declaration pursuant to subsection (a), to the extent consistent with Federal law.".

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(b), 313(a), 333, 343(b), and 370(a)(2) of this Act, 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)(A) provide that any request for services under this part by a foreign reciprocating country or a foreign country with which the State has an arrangement described in section 459A(d)(2) shall be treated as a request by a State;

"(B) provide, at State option, notwithstanding paragraph (4) or any other provision of this part, for services under the plan for enforcement of a spousal support order not described in paragraph (4)(B) entered by such a country (or subdivision); and

"(C) provide that no applications will be required from, and no costs will be assessed for such services against, the foreign reciprocating country or foreign obligee (but costs may at State option be assessed against the obligor).".

SEC. 372. FINANCIAL INSTITUTION DATA MATCHES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, and 369 of this Act, is amended by adding at the end the following new paragraph:

"(17) FINANCIAL INSTITUTION DATA MATCHES.—

"(A) IN GENERAL.—Procedures under which the State agency shall enter into agreements with financial institutions doing business in the State—

"(i) to develop and operate, in coordination with such financial institutions, a data match system, using automated data exchanges to the maximum extent feasible, in which each such financial institution is required to provide for each calendar quarter the name, record address, social security number or other taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at such institution and who owes past-due support, as identified by the State by name and social security number or other taxpayer identification number; and

"(ii) in response to a notice of lien or levy, encumber or surrender, as the case may be, assets held by such institution on behalf of any noncustodial parent who is subject to a child support lien pursuant to paragraph (4).

"(B) REASONABLE FEES.—The State agency may pay a reasonable fee to a financial institution for conducting the data match provided for in subparagraph (A)(i), not to exceed the actual costs incurred by such financial institution.

"(C) LIABILITY.—A financial institution shall not be liable under any Federal or State law to any person—

"(i) for any disclosure of information to the State agency under subparagraph (A)(i);

"(ii) for encumbering or surrendering any assets held by such financial institution in response to a notice of lien or levy issued by the State agency as provided for in subparagraph (A)(ii); or

"(iii) for any other action taken in good faith to comply with the requirements of subparagraph (A).

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) FINANCIAL INSTITUTION.—The term 'financial institution' means any Federal or State commercial savings bank, including savings association or cooperative bank, Federal- or State-chartered credit union, benefit association, insurance company, safe deposit company, money-market mutual fund, or any similar entity authorized to do business in the State; and

"(ii) ACCOUNT.—The term 'account' means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.".

SEC. 373. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, 369, and 372 of this Act, is amended by adding at the end the following new paragraph:

"(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS.—Procedures under which, at the State's option, any child support order enforced under this part with respect to a child of minor parents, if the custodial parents of such child is receiving assistance under the State program under part A, shall be enforceable, jointly and severally, against the parents of the noncustodial parents of such child.".

SEC. 374. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.

(a) AMENDMENT TO TITLE 11 OF THE UNITED STATES CODE.—Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (16) by striking the period at the end and inserting "; or",

(2) by adding at the end the following:

"(17) to a State or municipality for assistance provided by such State or municipality under a State program funded under section 403 of the Social Security Act to the extent that such assistance is provided for the support of a child of the debtor.", and

(3) in paragraph (5), by inserting "or section 408" after "section 402(a)(26)".

(b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Section 456(b) of the Social Security Act (42 U.S.C. 656(b)) is amended to read as follows:

"(b) NONDISCHARGEABILITY.—A debt (as defined in section 101 of title 11 of the United States Code) to a State (as defined in such section) or municipality (as defined in such section) for assistance provided by such State or municipality under a State program funded under section 403 is not dischargeable under section 727, 1141, 1228(a), 1228(b), or 1328(b) of title 11 of the United States Code to the extent that such assistance is provided for the support of a child of the debtor (as defined in such section).".

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply only with respect to cases commenced under title 11 of the United States Code after the effective date of this section.

Subtitle H—Medical Support

SEC. 376. 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) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law 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 take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—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 1st plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

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.

SEC. 377. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, 369, 372, and 373 of this Act, is amended by adding at the end the following new paragraph:

"(19) HEALTH CARE COVERAGE.—Procedures under which all child support orders enforced pursuant to this part shall include a provision for the health care coverage of the child, and in the case in which a noncustodial parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the noncustodial parent's health plan, unless the noncustodial parent contests the notice.".

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

SEC. 381. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

"SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate noncustodial 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.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the 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.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1996 or 1997; or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or non-profit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

Subtitle J—Effect of Enactment

SEC. 391. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st 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.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this Act.

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the nation's borders not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

(B) the availability of public benefits not constitute an incentive for immigration to the United States.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable financial support agreements have proved wholly incapable of assuring that individual aliens not burden the public benefits system.

(5) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to assure that aliens be self-reliant in accordance with national immigration policy.

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

(7) With respect to the State authority to make determinations concerning the eligibility of qualified aliens for public benefits in this title, a State that chooses to follow the Federal classification in determining the eligibility of such aliens for public assistance shall be considered to have chosen the least restrictive means available for achieving the compelling governmental interest of assuring that aliens be self-reliant in accordance with national immigration policy.

Subtitle A—Eligibility for Federal Benefits

SEC. 401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELIGIBLE FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is not a qualified alien (as defined section 431) is not eligible for any Federal public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—

(1) Subsection (a) shall not apply with respect to the following Federal public benefits:

(A) Emergency medical services under title XIX or XXI of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(D) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(E) Programs for housing or community development assistance or financial assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, to the extent that the alien is receiving such a benefit on the date of the enactment of this Act.

(2) Subsection (a) shall not apply to any benefit payable under title II of the Social Security Act to an alien who is lawfully present in the United States as determined by the Attorney General, to any benefit if nonpayment of such benefit would contravene an international agreement described in section 233 of the Social Security Act, to any benefit if nonpayment would be contrary to section 202(t) of the Social Security Act, or to any benefit payable under title II of the Social Security Act to which entitlement is based on an application filed in or before the month in which this Act becomes law.

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this title the term "Federal public benefit" means—

(A) 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, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State.

SEC. 402. LIMITED ELIGIBILITY OF CERTAIN QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.

(a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (2), an alien who is a qualified alien (as defined in section 431) is not eligible for any specified Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—Paragraph (1) shall not apply to an alien until 5 years after the date—

(i) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(ii) an alien is granted asylum under section 208 of such Act; or

(iii) an alien's deportation is withheld under section 243(h) of such Act.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—Paragraph (1) shall not apply to an alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 436, and (II) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—Paragraph (1) shall not apply to an alien who is lawfully residing in any State and is—

(i) 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,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR ALIENS CURRENTLY RECEIVING BENEFITS.—Paragraph (1) shall apply to the eligibility of an alien for a program for months beginning on or after January 1, 1997, if, on the date of the enactment of this Act, the alien is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act.

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this title, the term "specified Federal program" means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 431) for any designated Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 436, and (II) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) 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,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this title, the term "designated Federal program" means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID AND MEDIGRANT.—The program of medical assistance under title XIX and XXI of the Social Security Act.

SEC. 403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) 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,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this title, the term "Federal means-tested public benefit" means a public benefit (including cash, medical, housing, and food assistance and social services) of the Federal Government in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) Such term does not include the following:

(A) Emergency medical services under title XIX or XXI of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C) Assistance or benefits under the National School Lunch Act.

(D) Assistance or benefits under the Child Nutrition Act of 1966.

(E)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(F) Payments for foster care and adoption assistance under part B of title IV of the Social

Security Act for a child who would, in the absence of subsection (a), be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not described under subsection (a).

(G) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(H) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

(I) Means-tested programs under the Elementary and Secondary Education Act of 1965.

SEC. 404. NOTIFICATION AND INFORMATION REPORTING.

(a) NOTIFICATION.—Each Federal agency that administers a program to which section 401, 402, or 403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this title.

(b) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act is amended by inserting the following new section after section 411:

"SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.

Each State to which a grant is made under section 403 of title IV of the Social Security Act (as amended by section 103 of the Personal Responsibility and Work Opportunity Act of 1995) shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.".

(c) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating the paragraphs (6) and (7) inserted by sections 206(d)(2) and 206(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103-296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

"(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States.".

(d) INFORMATION REPORTING FOR HOUSING PROGRAMS.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 28. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

"Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this section referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.".

Subtitle B—Eligibility for State and Local Public Benefits Programs

SEC. 411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (d), an alien who is not—

(1) a qualified alien (as defined in section 431),

(2) a nonimmigrant under the Immigration and Nationality Act, or

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year,

is not eligible for any State or local public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Emergency medical services under title XIX or XXI of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this subtitle the term "State or local public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) STATE AUTHORITY TO PROVIDE FOR ELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under subsection (a) only through the enactment of a State law after the date of the enactment of this Act which affirmatively provides for such eligibility.

SEC. 412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF QUALIFIED ALIENS FOR STATE PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), a State is authorized to determine the eligibility for any State public benefits (as defined in subsection (c) of an alien who is a qualified alien (as defined in section 431), a nonimmigrant under the Immigration and Nationality Act, or an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(b) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits.

(1) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(B) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(C) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(2) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(A) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 436, and (ii) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) 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,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(c) STATE PUBLIC BENEFITS DEFINED.—The term "State public benefits" means any means-tested public benefit of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility, and does not include any Federal public benefit.

Subtitle C—Attribution of Income and Affidavits of Support

SEC. 421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN.

(a) IN GENERAL.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien for any Federal means-tested public benefits program (as defined in section 403(c)), the income and resources of the alien shall be deemed to include the following:

(1) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 423) on behalf of such alien.

(2) The income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien until such time as the alien—

(1) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act; or

(2)(A) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 436, and (B) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(c) REVIEW OF INCOME AND RESOURCES OF ALIEN UPON REAPPLICATION.—Whenever an alien is required to reapply for benefits under any Federal means-tested public benefits program, the applicable agency shall review the income and resources attributed to the alien under subsection (a).

(d) APPLICATION.—

(1) If on the date of the enactment of this Act, a Federal means-tested public benefits program attributes a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning on the day after the date of the enactment of this Act.

(2) If on the date of the enactment of this Act, a Federal means-tested public benefits program does not attribute a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning 180 days after the date of the enactment of this Act.

SEC. 422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSORS INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.

(a) OPTIONAL APPLICATION TO STATE PROGRAMS.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State public benefits (as defined in section 412(c)), the State or political subdivision that offers the benefits is authorized to provide that the income and resources of the alien shall be deemed to include—

(1) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 423) on behalf of such alien, and

(2) the income and resources of the spouse (if any) of the individual.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Programs comparable to assistance or benefits under the National School Lunch Act.

(4) Programs comparable to assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the appropriate chief State health official determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General of a State, after consultation with appropriate agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

SEC. 423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

"REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

"SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

"(A) which is legally enforceable against the sponsor by the sponsored alien, the Federal Government, and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit;

"(B) in which the sponsor agrees to financially support the alien, so that the alien will not become a public charge; and

"(C) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

"(2) A contract under paragraph (1) shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

"(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

"(c) REMEDIES.—Remedies available to enforce an affidavit of support under this section include any or all of the remedies described in section 3201, 3203, 3204, or 3205 of title 28, United States Code, as well as an order for specific performance and payment of legal fees and other costs of collection, and include corresponding remedies available under State law. A Federal agency may seek to collect amounts owed under this section in accordance with the provisions of subchapter II of chapter 37 of title 31, United States Code.

"(d) NOTIFICATION OF CHANGE OF ADDRESS.—

(1) IN GENERAL.—The sponsor shall notify the Attorney General and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(2).

(2) PENALTY.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

(A) not less than $250 or more than $2,000, or

(B) if such failure occurs with knowledge that the alien has received any means-tested public benefit, not less than $2,000 or more than $5,000.

"(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

"(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

"(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

"(5) If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in the amount of assistance provided, or brings an action against the sponsor pursuant to the affidavit of support, the appropriate agency may appoint or hire an individual or other person to act on behalf of such agency acting under the authority of law for purposes of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from directly requesting reimbursement from a sponsor for the amount of assistance provided, or from bringing an action against a sponsor pursuant to an affidavit of support.

"(f) DEFINITIONS.—For the purposes of this section—

"(1) SPONSOR.—The term 'sponsor' means an individual who—

"(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

"(B) is 18 years of age or over;

"(C) is domiciled in any of the 50 States or the District of Columbia; and

"(D) is the person petitioning for the admission of the alien under section 204.

"(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, 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 Attorney General formulates the form for such affidavits under subsection (b) of such section.

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a

sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to the following:

(1) Emergency medical services under title XIX or XXI of the Social Security Act.

(2) Short-term, non-cash, in-kind 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)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance under part B of title IV of the Social Security Act for a child, but only if the foster or adoptive parent or parents of such child are not otherwise ineligible pursuant to section 403 of this Act.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

SEC. 424. COSIGNATURE OF ALIEN STUDENT LOANS.

Section 484(b) of the Higher Education Act of 1965 (20 U.S.C. 1091(b)) is amended by adding at the end the following new paragraph:

"(6) Notwithstanding sections 427(a)(2)(A), 428B(a), 428C(b)(4)(A), and 464(c)(1)(E), or any other provision of this title, a student who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act shall not be eligible for a loan under this title unless the loan is endorsed and cosigned by the alien's sponsor under section 213A of the Immigration and Nationality Act or by another creditworthy individual who is a United States citizen.".

Subtitle D—General Provisions

SEC. 431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this title, the terms used in this title have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—For purposes of this title, the term "qualified alien" means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,

(2) an alien who is granted asylum under section 208 of such Act,

(3) a refugee who is admitted to the United States under section 207 of such Act,

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year,

(5) an alien whose deportation is being withheld under section 243(h) of such Act, or

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980.

SEC. 432. REAPPLICATION FOR SSI BENEFITS.

(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 application of section 402(a)(D), 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.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subsection (a) who desires to reapply for benefits under title XVI of the Social Security Act shall reapply to the Commissioner of Social Security.

(2) 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 paragraph (1) pursuant to the procedures of such title XVI.

SEC. 433. VERIFICATION OF ELIGIBILITY FOR FEDERAL PUBLIC BENEFITS.

(a) 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 public benefit (as defined in section 401(c)), to which the limitation under section 401 applies, is a qualified alien 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.

(b) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (a) are adopted, a State that administers a program that provides a Federal public benefit shall have in effect a verification system that complies with the regulations.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

SEC. 434. STATUTORY CONSTRUCTION.

(a) LIMITATION.—

(1) Nothing in this title may be construed as an entitlement or a determination of an individual's eligibility or fulfillment of the requisite requirements for any Federal, State, or local governmental program, assistance, or benefits. For purposes of this title, eligibility relates only to the general issue of eligibility or ineligibility on the basis of alienage.

(2) Nothing in this title may be construed as addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under Plyler v. Doe (457 U.S. 202)(1982).

(b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—This title does not apply to any Federal, State, or local governmental program, assistance, or benefits provided to an alien under any program of foreign assistance as determined by the Secretary of State in consultation with the Attorney General.

(c) 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.

SEC. 435. COMMUNICATION BETWEEN STATE AND LOCAL GOVERNMENT AGENCIES AND THE IMMIGRATION AND NATURALIZATION SERVICE.

Notwithstanding any other provision of Federal, State, or local law, no State or local government entity may be prohibited, or in any way restricted, from sending to or receiving from the Immigration and Naturalization Service information regarding the immigration status, lawful or unlawful, of an alien in the United States.

SEC. 436. QUALIFYING QUARTERS.

For purposes of this title, in determining the number of qualifying quarters of coverage under title II of the Social Security Act an alien shall be credited with—

(1) all of the qualifying quarters of coverage as defined under title II of the Social Security Act worked by a parent of such alien while the alien was under age 18 if the parent did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter, and

(2) all of the qualifying quarters worked by a spouse of such alien during their marriage if the spouse did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter and the alien remains married to such spouse or such spouse is deceased.

Subtitle E—Conforming Amendments

SEC. 441. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking "Secretary of Housing and Urban Development" each place it appears and inserting "applicable Secretary";

(2) in subsection (b), by inserting after "National Housing Act," the following: "the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,";

(3) in paragraphs (2) through (6) of subsection (d), by striking "Secretary" each place it appears and inserting "applicable Secretary";

(4) in subsection (d), in the matter following paragraph (6), by striking "the term 'Secretary'" and inserting "the term 'applicable Secretary'"; and

(5) by adding at the end the following new subsection:

"(h) For purposes of this section, the term 'applicable Secretary' means—

"(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

"(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.".

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking "(1)";

(2) by striking "by the Secretary of Housing and Urban Development"; and

(3) by striking paragraph (2).

TITLE V—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

SEC. 501. 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 (other than title II) that the Department is required to carry out, and amendments and repeals made by such 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 (other than title II); or

(B) a provision of Federal law that is amended or repealed by this Act (other than title II).

(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 headed by such Secretary to carry out the covered activities of the Department, as of the day before the date of enactment of this Act;

(2) the number of such positions required by the Department to carry out the activities, as of the appropriate effective date for the Department; and

(3) the difference obtained by subtracting the number referred to in paragraph (2) from the number referred to in paragraph (1).

(d) ACTIONS.—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—

(1) not later than 30 days after the appropriate effective date for the Department involved, by at least 50 percent of the difference referred to in subsection (c)(3); and

(2) not later than 13 months after such appropriate effective date, by at least the remainder of such difference (after the application of paragraph (1)).

(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.

(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.

(3) HEALTH AND HUMAN SERVICES.—The Secretary of Health and Human Services shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and sections 502 and 503.

(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.

SEC. 502. REDUCTIONS IN FEDERAL BUREAUCRACY.

(a) IN GENERAL.—The Secretary of Health and Human Services shall reduce the Federal workforce within the Department of Health and Human Services by an amount equal to the sum of—

(1) 75 percent of the full-time equivalent positions at 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 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 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 103; and

(2) by 60 full-time equivalent managerial positions in the Department.

SEC. 503. REDUCING PERSONNEL IN WASHINGTON, D.C. AREA.

In making reductions in full-time equivalent positions, the Secretary of Health and Human Services is encouraged to reduce personnel in the Washington, D.C., area office (agency headquarters) before reducing field personnel.

TITLE VI—REFORM OF PUBLIC HOUSING

SEC. 601. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 27. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—If the benefits of a family are reduced under a Federal, State, or local law relating to welfare or a public assistance program for the failure of any member of the family to perform an action required under the law or program, the family may not, for the duration of the reduction, receive any increased assistance under this Act as the result of a decrease in the income of the family to the extent that the decrease in income is the result of the benefits reduction.

"(b) EXCEPTION.—Subsection (a) shall not apply in any case in which the benefits of a family are reduced because the welfare or public assistance program to which the Federal, State, or local law relates limits the period during which benefits may be provided under the program.".

SEC. 602. 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" includes 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.).

SEC. 603. EFFECTIVE DATE.

This title and the amendment made by this title shall become effective on the date of enactment of this Act.

TITLE VII—CHILD PROTECTION BLOCK GRANT PROGRAM AND FOSTER CARE AND ADOPTION ASSISTANCE

Subtitle A—Block Grants to States for the Protection of Children and Matching Payments for Foster Care and Adoption Assistance

SEC. 701. ESTABLISHMENT OF PROGRAM.

Title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by striking part B and inserting the following:

"PART B—BLOCK GRANTS TO STATES FOR THE PROTECTION OF CHILDREN AND MATCHING PAYMENTS FOR FOSTER CARE AND ADOPTION ASSISTANCE

"SEC. 421. PURPOSE.

"The purpose of this part is to enable eligible States to carry out a child protection program to—

"(1) identify and assist families at risk of abusing or neglecting their children;

"(2) operate a system for receiving reports of abuse or neglect of children;

"(3) improve the intake, assessment, screening, and investigation of reports of abuse and neglect;

"(4) enhance the general child protective system by improving risk and safety assessment tools and protocols;

"(5) improve legal preparation and representation, including procedures for appealing and responding to appeals of substantiated reports of abuse and neglect;

"(6) provide support, treatment, and family preservation services to families which are, or are at risk of, abusing or neglecting their children;

"(7) support children who must be removed from or who cannot live with their families;

"(8) make timely decisions about permanent living arrangements for children who must be removed from or who cannot live with their families;

"(9) provide for continuing evaluation and improvement of child protection laws, regulations, and services;

"(10) develop and facilitate training protocols for individuals mandated to report child abuse or neglect; and

"(11) develop and enhance the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.

"SEC. 422. ELIGIBLE STATES.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means a State that has submitted to the Secretary, not later than October 1, 1996, and every 3 years thereafter, a plan which has been signed by the chief executive officer of the State and that includes the following:

"(1) OUTLINE OF CHILD PROTECTION PROGRAM.—A written document that outlines the activities the State intends to conduct to achieve the purpose of this part, including the procedures to be used for—

"(A) receiving and assessing reports of child abuse or neglect;

"(B) investigating such reports;

"(C) with respect to families in which abuse or neglect has been confirmed, providing services or referral for services for families and children where the State makes a determination that the child may safely remain with the family;

"(D) protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

"(E) providing training for individuals mandated to report suspected cases of child abuse or neglect;

"(F) protecting children in foster care;

"(G) promoting timely adoptions;

"(H) protecting the rights of families, using adult relatives as the preferred placement for children separated from their parents where such relatives meet the relevant State child protection standards;

"(I) providing services to individuals, families, or communities, either directly or through referral, that are aimed at preventing the occurrence of child abuse and neglect; and

"(J) establishing and responding to citizen review panels under section 426.

"(2) CERTIFICATION OF STATE LAW REQUIRING THE REPORTING OF CHILD ABUSE AND NEGLECT.—A certification that the State has in effect laws that require public officials and other professionals to report, in good faith, actual or suspected instances of child abuse or neglect.

"(3) CERTIFICATION OF PROCEDURES FOR SCREENING, SAFETY ASSESSMENT, AND PROMPT INVESTIGATION.—A certification that the State has in effect procedures for receiving and responding to reports of child abuse or neglect, including the reports described in paragraph (2), and for the immediate screening, safety assessment, and prompt investigation of such reports.

"(4) CERTIFICATION OF STATE PROCEDURES FOR REMOVAL AND PLACEMENT OF ABUSED OR NEGLECTED CHILDREN.—A certification that the State has in effect procedures for the removal from families and placement of abused or neglected children and of any other child in the same household who may also be in danger of abuse or neglect.

"(5) CERTIFICATION OF PROVISIONS FOR IMMUNITY FROM PROSECUTION.—A certification that the State has in effect laws requiring immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect.

"(6) CERTIFICATION OF PROVISIONS AND PROCEDURES FOR EXPUNGEMENT OF CERTAIN RECORDS.—A certification that the State has in effect laws and procedures requiring the facilitation of the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false.

"(7) CERTIFICATION OF PROVISIONS AND PROCEDURES RELATING TO APPEALS.—A certification that not later then 2 years after the date of the enactment of this part, the State shall have laws and procedures in effect affording individuals an opportunity to appeal an official finding of abuse or neglect.

"(8) CERTIFICATION OF STATE PROCEDURES FOR DEVELOPING AND REVIEWING WRITTEN PLANS FOR PERMANENT PLACEMENT OF REMOVED CHILDREN.—A certification that the State has in effect procedures for ensuring that a written plan is prepared for children who have been removed from their families. Such plan shall specify the goals for achieving a permanent placement for the child in a timely fashion, for ensuring that the written plan is reviewed every 6 months (until such placement is achieved), and for ensuring that information about such children is collected regularly and recorded in case records, and include a description of such procedures.

"(9) CERTIFICATION OF STATE PROGRAM TO PROVIDE INDEPENDENT LIVING SERVICES.—A certification that the State has in effect a program to provide independent living services, for assistance in making the transition to self-sufficient adulthood, to individuals in the child protection program of the State who are 16, but who are not 20 (or, at the option of the State, 22), years of age, and who do not have a family to which to be returned.

"(10) CERTIFICATION OF STATE PROCEDURES TO RESPOND TO REPORTING OF MEDICAL NEGLECT OF DISABLED INFANTS.—

"(A) IN GENERAL.—A certification that the State has in place for the purpose of responding to the reporting of medical neglect of infants (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(iii) authority, under State law, for the State child protective service to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life-threatening conditions.

"(B) WITHHOLDING OF MEDICALLY INDICATED TREATMENT.—As used in subparagraph (A), the term 'withholding of medically indicated treatment' means the failure to respond to the infant's life-threatening conditions by providing treatment (including appropriate nutrition, hydration, and medication) which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all such conditions, except that such term does not include the failure to provide treatment (other than appropriate nutrition, hydration, or medication) to an infant when, in the treating physician's or physicians' reasonable medical judgment—

"(i) the infant is chronically and irreversibly comatose;

"(ii) the provision of such treatment would—

"(I) merely prolong dying;

"(II) not be effective in ameliorating or correcting all of the infant's life-threatening conditions; or

"(III) otherwise be futile in terms of the survival of the infant; or

"(iii) the provision of such treatment would be virtually futile in terms of the survival of the infant and the treatment itself under such circumstances would be inhumane.

"(11) IDENTIFICATION OF CHILD PROTECTION GOALS.—The quantitative goals of the State child protection program.

"(12) CERTIFICATION OF CHILD PROTECTION STANDARDS.—With respect to fiscal years beginning on or after April 1, 1996, a certification that the State—

"(A) has completed an inventory of all children who, before the inventory, had been in foster care under the responsibility of the State for 6 months or more, which determined—

"(i) the appropriateness of, and necessity for, the foster care placement;

"(ii) whether the child could or should be returned to the parents of the child or should be freed for adoption or other permanent placement; and

"(iii) the services necessary to facilitate the return of the child or the placement of the child for adoption or legal guardianship;

"(B) is operating, to the satisfaction of the Secretary—

"(i) a statewide information system from which can be readily determined the status, demographic characteristics, location, and goals for the placement of every child who is (or, within the immediately preceding 12 months, has been) in foster care;

"(ii) a case review system for each child receiving foster care under the supervision of the State;

"(iii) a service program designed to help children—

"(I) where appropriate, return to families from which they have been removed; or

"(II) be placed for adoption, with a legal guardian, or if adoption or legal guardianship is determined not to be appropriate for a child, in some other planned, permanent living arrangement; and

"(iv) a preplacement preventive services program designed to help children at risk for foster care placement remain with their families; and

"(C)(i) has reviewed (or not later than October 1, 1997, will review) State policies and administrative and judicial procedures in effect for

children abandoned at or shortly after birth (including policies and procedures providing for legal representation of such children); and

"(ii) is implementing (or not later than October 1, 1997, will implement) such policies and procedures as the State determines, on the basis of the review described in clause (i), to be necessary to enable permanent decisions to be made expeditiously with respect to the placement of such children.

"(13) CERTIFICATION OF REASONABLE EFFORTS BEFORE PLACEMENT OF CHILDREN IN FOSTER CARE.—A certification that the State in each case will—

"(A) make reasonable efforts prior to the placement of a child in foster care, to prevent or eliminate the need for removal of the child from the child's home, and to make it possible for the child to return home; and

"(B) with respect to families in which abuse or neglect has been confirmed, provide services or referral for services for families and children where the State makes a determination that the child may safely remain with the family.

"(14) CERTIFICATION OF COOPERATIVE EFFORTS.—A certification by the State, where appropriate, that all steps will be taken, including cooperative efforts with the State agencies administering the plans approved under parts A and D, to secure an assignment to the State of any rights to support on behalf of each child receiving foster care maintenance payments under this part.

"(15) CERTIFICATION OF CONFIDENTIALITY AND REQUIREMENTS FOR INFORMATION DISCLOSURE.—

"(A) IN GENERAL.—A certification that the State has in effect and operational—

"(i) requirements ensuring that reports and records made and maintained pursuant to the purposes of this part shall only be made available to—

"(I) individuals who are the subject of the report;

"(II) Federal, State, or local government entities having a need for such information in order to carry out their responsibilities under law to protect children from abuse and neglect;

"(III) child abuse citizen review panels;

"(IV) child fatality review panels;

"(V) a grand jury or court, upon a finding that information in the record is necessary for the determination of an issue before the court or grand jury; and

"(VI) other entities or classes of individuals statutorily authorized by the State to receive such information pursuant to a legitimate State purpose; and

"(ii) provisions that allow for public disclosure of the findings or information about cases of child abuse or neglect that have resulted in a child fatality or near fatality.

"(B) LIMITATION.—Disclosures made pursuant to clause (i) or (ii) shall not include the identifying information concerning the individual initiating a report or complaint alleging suspected instances of child abuse or neglect.

"(C) DEFINITION.—For purposes of this paragraph, the term 'near fatality' means an act that, as certified by a physician, places the child in serious or critical condition.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a), other than the material described in paragraph (10) of such subsection. The Secretary may not require a State to include in such a plan any material not described in subsection (a).

"SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION AND PAYMENTS FOR FOSTER CARE AND ADOPTION ASSISTANCE.

"(a) FUNDING OF BLOCK GRANTS.—

"(1) ENTITLEMENT COMPONENT.—Each eligible State shall be entitled to receive from the Secretary for each fiscal year specified in subsection (c)(1) a grant in an amount equal to the State share of the child protection amount for the fiscal year.

"(2) AUTHORIZATION COMPONENT.—

"(A) IN GENERAL.—For each eligible State for each fiscal year specified in subsection (c)(1), the Secretary shall supplement the grant under paragraph (1) of this subsection by an amount equal to the State share of the amount (if any) appropriated pursuant to subparagraph (B) of this paragraph for the fiscal year.

"(B) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—For grants under subparagraph (A), there are authorized to be appropriated to the Secretary an amount not to exceed $325,000,000 for each fiscal year specified in subsection (c)(1).

"(b) MAINTENANCE PAYMENTS.—

"(1) IN GENERAL.—In addition to the grants described in subsection (a), each eligible State shall be entitled to receive from the Secretary for each quarter of each fiscal year specified in subsection (c)(1) an amount equal to the sum of—

"(A) an amount equal to the Federal medical assistance percentage (as defined in section 1905(b) of this Act as in effect on the day before the date of enactment of this part) of the total amount expended during such quarter as foster care maintenance payments under the child protection program under this part for children in foster family homes or child-care institutions; plus

"(B) an amount equal to the Federal medical assistance percentage (as defined in section 1905(b) of this Act (as so in effect)) of the total amount expended during such quarter as adoption assistance payments under the child protection program under this part pursuant to adoption assistance agreements.

"(2) ESTIMATES BY THE SECRETARY.—

"(A) IN GENERAL.—The Secretary shall, prior to the beginning of each quarter, estimate the amount to which a State will be entitled to receive under paragraph (1) for such quarter, such estimates to be based on—

"(i) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with paragraph (1), 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;

"(ii) records showing the number of children in the State receiving assistance under this part; and

"(iii) such other information as the Secretary may find necessary.

"(B) PAYMENTS.—The Secretary shall pay to the States the amounts so estimated under subparagraph (A), reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this subsection to such State for any prior quarter and with respect to which adjustment has not already been made under this paragraph.

"(C) PRO RATA SHARE.— The pro rata share to which the United States is equitably entitled, as determined by the Secretary, of the net amount recovered during any quarter by the State or any political subdivision thereof with respect to foster care and adoption assistance furnished under this part shall be considered an overpayment to be adjusted under this paragraph.

"(3) ALLOWANCE OR DISALLOWANCE OF CLAIM.—

"(A) IN GENERAL.—Within 60 days after receipt of a State claim for expenditures pursuant to paragraph (2)(A), the Secretary shall allow, disallow, or defer such claim.

"(B) NOTICE.—Within 15 days after a decision to defer a State claim, the Secretary shall notify the State of the reasons for the deferral and of the additional information necessary to determine the allowability of the claim.

"(C) DECISION.—Within 90 days after receiving such necessary information (in readily reviewable form), the Secretary shall—

"(i) disallow the claim, if able to complete the review and determine that the claim is not allowable; or

"(ii) in any other case, allow the claim, subject to disallowance (as necessary)—

"(I) upon completion of the review, if it is determined that the claim is not allowable; or

"(II) on the basis of findings of an audit or financial management review.

"(c) DEFINITIONS.—As used in this section:

"(1) CHILD PROTECTION AMOUNT.—The term 'child protection amount' means—

"(A) $2,047,000,000 for fiscal year 1997;

"(B) $2,200,000,000 for fiscal year 1998;

"(C) $2,342,000,000 for fiscal year 1999;

"(D) $2,487,000,000 for fiscal year 2000;

"(E) $2,592,000,000 for fiscal year 2001; and

"(F) $2,766,000,000 for fiscal year 2002;

"(2) STATE SHARE.—

"(A) IN GENERAL.—The term 'State share' means the qualified child protection expenses of the State divided by the sum of the qualified child protection expenses of all of the States.

"(B) QUALIFIED CHILD PROTECTION EXPENSES.—The term 'qualified child protection expenses' means, with respect to a State the greater of—

"(i) the total amount of—

"(I) ⅓ of the Federal grant amounts to the State under the provisions of law specified in clauses (i), (ii), and (iii) of subparagraph (C) for fiscal years 1992, 1993, and 1994; and

"(II) ⅓ of the Federal share of expenditures (without regard to disputed expenditures) with respect to administration, training, and statewide mechanized data collection and information systems under the provision of law specified in subparagraph (C)(iv) as reported by the State on ACF Form IV-E-12 for fiscal years 1992, 1993, and 1994; or

"(ii) the total amount of—

"(I) the Federal grant amounts to the State under the provisions of law specified in clauses (i), (ii), and (iii) of subparagraph (C) for fiscal year 1994; and

"(II) the Federal share of expenditures (without regard to disputed expenditures) with respect to administration, training, and statewide mechanized data collection and information systems under the provision of law specified in subparagraph (C)(iv) as reported by the State on ACF Form IV-E-12 for fiscal year 1994.

"(C) PROVISIONS OF LAW.—The provisions of law specified in this subparagraph are the following (as in effect with respect to each of the fiscal years referred to in subparagraph (B)):

"(i) Section 423 of this Act.

"(ii) Section 434 of this Act.

"(iii) Section 474(a)(4) of this Act.

"(iv) Section 474(a)(3) of this Act.

"(D) DETERMINATION OF INFORMATION.—In determining amounts for fiscal years 1992, 1993, and 1994 under subclause (I) of clauses (i) and (ii) of subparagraph (B), the Secretary shall use information listed as actual amounts in the Justification for Estimates for Appropriation Committees of the Administration for Children and Families for fiscal years 1994, 1995, and 1996, respectively. In determining amounts for fiscal years 1992, 1993, and 1994 under subclause (II) of clauses (i) and (ii) of subparagraph (B), the Secretary shall use information available as of February 22, 1995.

"(d) USE OF GRANT.—

"(1) IN GENERAL.—A State to which a grant is made under this section may use the grant in

any manner that the State deems appropriate to accomplish the purpose of this part.

"(2) TIMING OF EXPENDITURES.—A State to which a grant is made under this section for a fiscal year shall expend the total amount of the grant not later than the end of the immediately succeeding fiscal year.

"(3) RULE OF INTERPRETATION.—This part shall not be interpreted to prohibit short- and long-term foster care facilities operated for profit from receiving funds provided under this part.

"(e) TIMING OF PAYMENTS.—The Secretary shall pay each eligible State the amount of the grant payable to the State under this section in quarterly installments.

"(f) PENALTIES.—

"(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant that would (in the absence of this paragraph) be payable to the State under this section for the immediately succeeding fiscal year by the amount so used, plus 5 percent of the grant paid under this section to the State for such fiscal year.

"(2) FOR FAILURE TO MAINTAIN EFFORT.—

"(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that the amount expended by a State (other than from amounts provided by the Federal Government) during the fiscal years specified in subparagraph (B), to carry out the State program funded under this part is less than the applicable percentage specified in such subparagraph of the total amount expended by the State (other than from amounts provided by the Federal Government) during fiscal year 1994 under parts B and E of this title (as in effect on the day before the date of the enactment of this part), then the Secretary shall reduce the amount of the grant that would (in the absence of this paragraph) be payable to the State under this section for the immediately succeeding fiscal year by the amount of the difference, plus 5 percent of the grant paid under this section to the State for such fiscal year.

"(B) SPECIFICATION OF FISCAL YEARS AND APPLICABLE PERCENTAGES.—The fiscal years and applicable percentages specified in this subparagraph are as follows:

"(i) For fiscal years 1997 and 1998, 100 percent.

"(ii) For fiscal years 1999 through 2002, 75 percent.

"(3) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—The Secretary shall reduce by 3 percent the amount of the grant that would (in the absence of this paragraph) be payable to a State under this section for a fiscal year if the Secretary determines that the State has not submitted the report required by section 427(b) for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding 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.

"(4) FOR FAILURE TO COMPLY WITH SAMPLING METHODS REQUIREMENTS.—The Secretary may reduce by not more than 1 percent the amount of the grant that would (in the absence of this paragraph) be payable to a State under this section for a succeeding fiscal year if the Secretary determines that the State has not complied with the Secretary's sampling methods requirements under section 427(c)(2) during the prior fiscal year.

"(5) STATE FUNDS TO REPLACE REDUCTIONS IN GRANT.—A State which has a penalty imposed against it under this subsection for a fiscal year shall expend additional State funds in an amount equal to the amount of the penalty for the purpose of carrying out the State program under this part during the immediately succeeding fiscal year.

"(6) REASONABLE CAUSE EXCEPTION.—Except in the case of the penalty described in paragraph (2), the Secretary may not impose a penalty on a State under this subsection with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

"(7) CORRECTIVE COMPLIANCE PLAN.—

"(A) IN GENERAL.—

"(i) NOTIFICATION OF VIOLATION.—Before imposing a penalty against a State under this subsection with respect to a violation of this part, the Secretary shall notify the State of the violation and allow the State the opportunity to enter into a corrective compliance plan in accordance with this paragraph which outlines how the State will correct the violation and how the State will insure continuing compliance with this part.

"(ii) 60-DAY PERIOD TO PROPOSE A CORRECTIVE COMPLIANCE PLAN.—During the 60-day period that begins on the date the State receives a notice provided under clause (i) with respect to a violation, the State may submit to the Federal Government a corrective compliance plan to correct the violation.

"(iii) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives a corrective compliance plan submitted by a State in accordance with clause (ii), the Secretary may consult with the State on modifications to the plan.

"(iv) ACCEPTANCE OF PLAN.— A corrective compliance plan submitted by a State in accordance with clause (ii) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during the 60-day period that begins on the date the plan is submitted.

"(B) EFFECT OF CORRECTING VIOLATION.—The Secretary may not impose any penalty under this subsection with respect to any violation covered by a State corrective compliance plan accepted by the Secretary if the State corrects the violation pursuant to the plan.

"(C) EFFECT OF FAILING TO CORRECT VIOLATION.—The Secretary shall assess some or all of a penalty imposed on a State under this subsection with respect to a violation if the State does not, in a timely manner, correct the violation pursuant to a State corrective compliance plan accepted by the Secretary.

"(8) LIMITATION ON AMOUNT OF PENALTY.—

"(A) IN GENERAL.—In imposing the penalties described in this subsection, 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 this subsection for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant payable to the State under section 423(a) for the immediately succeeding fiscal year.

"(g) TREATMENT OF TERRITORIES.—

"(1) IN GENERAL.—A territory, as defined in section 1108(b)(1), shall carry out a child protection program in accordance with the provisions of this part.

"(2) PAYMENTS.—Subject to the mandatory ceiling amounts specified in section 1108, each territory, as so defined, shall be entitled to receive from the Secretary for any fiscal year an amount equal to the total obligations to the territory under section 434 (as in effect on the day before the date of the enactment of this part) for fiscal year 1995.

"(h) LIMITATION ON FEDERAL AUTHORITY.—Except as expressly provided in this Act, the Secretary may not regulate the conduct of States under this part or enforce any provision of this part.

"SEC. 424. REQUIREMENTS FOR FOSTER CARE MAINTENANCE PAYMENTS.

"(a) IN GENERAL.—Each State operating a program under this part shall make foster care maintenance payments under section 423(b) with respect to a child who would meet the requirements of section 406(a) or of section 407 (as in effect on the day before the date of the enactment of this part) but for the removal of the child from the home of a relative (specified in section 406(a)(as so in effect)), if—

"(1) the removal from the home occurred pursuant to a voluntary placement agreement entered into by the child's parent or legal guardian, or was the result of a judicial determination to the effect that continuation therein would be contrary to the welfare of such child and that reasonable efforts of the type described in section 422(a)(13) have been made;

"(2) such child's placement and care are the responsibility of—

"(A) the State; or

"(B) any other public agency with whom the State has made an agreement for the administration of the State program under this part which is still in effect;

"(3) such child has been placed in a foster family home or child-care institution as a result of the voluntary placement agreement or judicial determination referred to in paragraph (1); and

"(4) such child—

"(A) would have been eligible to receive aid under the eligibility standards under the State plan approved under section 402 (as in effect on the day before the date of the enactment of this part and adjusted for inflation, in accordance with regulations issued by the Secretary) in or for the month in which such agreement was entered into or court proceedings leading to the removal of such child from the home were initiated; or

"(B) would have received such aid in or for such month if application had been made therefore, or the child had been living with a relative specified in section 406(a) (as so in effect) within 6 months prior to the month in which such agreement was entered into or such proceedings were initiated, and would have received such aid in or for such month if in such month such child had been living with such a relative and application therefore had been made.

"(b) LIMITATION ON FOSTER CARE PAYMENTS.—Foster care maintenance payments may be made under this part only on behalf of a child described in subsection (a) of this section who is—

"(1) in the foster family home of an individual, whether the payments therefore are made to such individual or to a public or private child-placement or child-care agency; or

"(2) in a child-care institution, whether the payments therefore are made to such institution or to a public or private child-placement or child-care agency, which payments shall be limited so as to include in such payments only those items which are included in the term 'foster care maintenance payments' (as defined in section 429(6)).

"(c) VOLUNTARY PLACEMENTS.—

"(1) SATISFACTION OF CHILD PROTECTION STANDARDS.—Notwithstanding any other provision of this section, Federal payments may be made under this part with respect to amounts expended by any State as foster care maintenance payments under this part, in the case of children removed from their homes pursuant to

voluntary placement agreements as described in subsection (a), only if (at the time such amounts were expended) the State has fulfilled all of the requirements of section 422(a)(12).

"(2) REMOVAL IN EXCESS OF 180 DAYS.—No Federal payment may be made under this part with respect to amounts expended by any State as foster care maintenance payments, in the case of any child who was removed from such child's home pursuant to a voluntary placement agreement as described in subsection (a) and has remained in voluntary placement for a period in excess of 180 days, unless there has been a judicial determination by a court of competent jurisdiction (within the first 180 days of such placement) to the effect that such placement is in the best interests of the child.

"(3) DEEMED REVOCATION OF AGREEMENTS.—In any case where—

"(A) the placement of a minor child in foster care occurred pursuant to a voluntary placement agreement entered into by the parents or guardians of such child as provided in subsection (a); and

"(B) such parents or guardians request (in such manner and form as the Secretary may prescribe) that the child be returned to their home or to the home of a relative,

the voluntary placement agreement shall be deemed to be revoked unless the State opposes such request and obtains a judicial determination, by a court of competent jurisdiction, that the return of the child to such home would be contrary to the child's best interests.

"SEC. 425. REQUIREMENTS FOR ADOPTION ASSISTANCE PAYMENTS.

"(a) IN GENERAL.—A State operating a program under this part shall enter into adoption assistance agreements with the adoptive parents of children with special needs.

"(b) PAYMENTS UNDER AGREEMENTS.—Under any adoption assistance agreement entered into by a State with parents who adopt a child with special needs who meets the requirements of subsection (c), the State may make adoption assistance payments to such parents or through another public or nonprofit private agency, in amounts determined under subsection (d).

"(c) CHILDREN WITH SPECIAL NEEDS.—For purposes of subsection (b), a child meets the requirements of this subsection if such child—

"(1)(A) at the time adoption proceedings were initiated, met the requirements of section 406(a) or section 407 (as in effect on the day before the date of the enactment of this part) or would have met such requirements except for such child's removal from the home of a relative (specified in section 406(a) (as so in effect)), either pursuant to a voluntary placement agreement with respect to which Federal payments are provided under section 423(b) (or 403 (as so in effect)) or as a result of a judicial determination to the effect that continuation therein would be contrary to the welfare of such child;

"(B) meets all of the requirements of title XVI with respect to eligibility for supplemental security income benefits; or

"(C) is a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to his or her minor parent;

"(2)(A) would have received aid under the eligibility standards under the State plan approved under section 402 (as in effect on the day before the date of the enactment of this part, adjusted for inflation, in accordance with regulations issued by the Secretary) in or for the month in which such agreement was entered into or court proceedings leading to the removal of such child from the home were initiated;

"(B) would have received such aid in or for such month if application had been made therefore, or had been living with a relative specified in section 406(a) (as so in effect) within 6 months prior to the month in which such agreement was entered into or such proceedings were initiated, and would have received such aid in or for such month if in such month such child had been living with such a relative and application therefore had been made; or

"(C) is a child described in subparagraph (A) or (B); and

"(3) has been determined by the State, pursuant to subsection (g) of this section, to be a child with special needs.

"(d) DETERMINATION OF PAYMENTS.—The amount of the payments to be made in any case under subsection (b) shall be determined through agreement between the adoptive parents and the State or a public or nonprofit private agency administering the program under this part, which shall take into consideration the circumstances of the adopting parents and the needs of the child being adopted, and may be readjusted periodically, with the concurrence of the adopting parents (which may be specified in the adoption assistance agreement), depending upon changes in such circumstances. However, in no case may the amount of the adoption assistance payment exceed the foster care maintenance payment which would have been paid during the period if the child with respect to whom the adoption assistance payment is made had been in a foster family home.

"(e) PAYMENT EXCEPTION.—Notwithstanding subsection (d), no payment may be made to parents with respect to any child who has attained the age of 18 (or, where the State determines that the child has a mental or physical disability which warrants the continuation of assistance, the age of 21), and no payment may be made to parents with respect to any child if the State determines that the parents are no longer legally responsible for the support of the child or if the State determines that the child is no longer receiving any support from such parents. Parents who have been receiving adoption assistance payments under this part shall keep the State or public or nonprofit private agency administering the program under this part informed of circumstances which would, pursuant to this section, make them ineligible for such assistance payments, or eligible for assistance payments in a different amount.

"(f) PRE-ADOPTION PAYMENTS.—For purposes of this part, individuals with whom a child who has been determined by the State, pursuant to subsection (g), to be a child with special needs is placed for adoption in accordance with applicable State and local law shall be eligible for adoption assistance payments during the period of the placement, on the same terms and subject to the same conditions as if such individuals had adopted such child.

"(g) DETERMINATION OF CHILD WITH SPECIAL NEEDS.—For purposes of this section, a child shall not be considered a child with special needs unless—

"(1) the State has determined that the child cannot or should not be returned to the home of the child's parents; and

"(2) the State had first determined—

"(A) that there exists with respect to the child a specific factor or condition such as the child's ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance under this part or medical assistance under title XIX or XXI; and

"(B) that, except where it would be against the best interests of the child because of such factors as the existence of significant emotional ties with prospective adoptive parents while in the care of such parents as a foster child, a reasonable, but unsuccessful, effort has been made to place the child with appropriate adoptive parents without providing adoption assistance under this section or medical assistance under title XIX or XXI.

"SEC. 426. CITIZEN REVIEW PANELS.

"(a) ESTABLISHMENT.—Each State to which a grant is made under section 423 shall establish at least 3 citizen review panels.

"(b) COMPOSITION.—Each panel established under subsection (a) shall be broadly representative of the community from which drawn.

"(c) FREQUENCY OF MEETINGS.—Each panel established under subsection (a) shall meet not less frequently than quarterly.

"(d) DUTIES.—

"(1) IN GENERAL.—Each panel established under subsection (a) shall, by examining specific cases, determine the extent to which the State and local agencies responsible for carrying out activities under this part are doing so in accordance with the State plan, with the child protection standards set forth in section 422(a)(12), and with any other criteria that the panel considers important to ensure the protection of children.

"(2) CONFIDENTIALITY.—The members and staff of any panel established under subsection (a) shall not disclose to any person or government any information about any specific child protection case with respect to which the panel is provided information.

"(e) STATE ASSISTANCE.—Each State that establishes a panel under subsection (a) shall afford the panel access to any information on any case that the panel desires to review, and shall provide the panel with staff assistance in performing its duties.

"(f) REPORTS.—Each panel established under subsection (a) shall make a public report of its activities after each meeting.

"SEC. 427. DATA COLLECTION AND REPORTING.

"(a) ANNUAL REPORTS ON STATE CHILD WELFARE GOALS.—On the date that is 3 years after the effective date of this part and annually thereafter, each State to which a grant is made under section 423 shall submit to the Secretary a report that contains quantitative information on the extent to which the State is making progress toward achieving the goals of the State child protection program.

"(b) STATE DATA REPORTS.—

"(1) BIANNUAL REPORTS.—Each State to which a grant is made under section 423 shall biannually submit to the Secretary a report that includes the following disaggregated case record information with respect to each child within the State receiving publicly-supported child welfare services under the State program funded under this part:

"(A) Whether the child received services under the program funded under this part.

"(B) The age, race, gender, and family income of the parents and child.

"(C) The county of residence of the child.

"(D) Whether the child was removed from the family.

"(E) Whether the child entered foster care under the responsibility of the State.

"(F) The type of out-of-home care in which the child was placed (including institutional care, group home care, family foster care, or relative placement).

"(G) The child's permanency planning goal, such as family reunification, kinship care, adoption, or independent living.

"(H) Whether the child was released for adoption.

"(I) Whether the child exited from foster care, and, if so, the reason for the exit, such as return to family, placement with relatives, adoption, independent living, or death.

"(J) Other information as required by the Secretary and agreed to by a majority of the States,

including information necessary to ensure that there is a smooth transition of data from the Adoption and Foster Care Analysis and Reporting Systems and the National Center on Abuse and Neglect Data System to the data reporting system required under this section.

"(2) ANNUAL REPORTS.—Each State to which a grant is made under section 423 shall annually submit to the Secretary a report that includes the following information:

"(A) The number of children reported to the State during the year as alleged victims of abuse or neglect.

"(B) The number of children for whom an investigation of alleged maltreatment resulted in a determination of substantiated abuse or neglect, the number for whom a report of maltreatment was unsubstantiated, and the number for whom a report of maltreatment was determined to be false.

"(C) The number of families that received preventive services.

"(D) The number of infants abandoned during the year, the number of such infants who were adopted, and the length of time between abandonment and adoption.

"(E) The number of deaths of children resulting from child abuse or neglect.

"(F) The number of deaths occurring while children were in the custody of the State.

"(G) The number of children served by the State independent living program.

"(H) Quantitative measurements demonstrating whether the State is making progress toward the child protection goals identified by the State.

"(I) The types of maltreatment suffered by victims of child abuse and neglect.

"(J) The number of abused and neglected children receiving services.

"(K) The average length of stay of children in out-of-home care.

"(L) The response of the State to the findings and recommendations of the citizen review panels established under section 426.

"(M) Other information as required by the Secretary and agreed to by a majority of the States, including information necessary to ensure that there is a smooth transition of data from the Adoption and Foster Care Analysis and Reporting Systems and the National Center on Abuse and Neglect Data System to the data reporting system required under this section.

"(3) REGULATORY AUTHORITY.—The Secretary shall define by regulation the information required to be included in the reports submitted under paragraphs (1) and (2).

"(c) AUTHORITY OF STATES TO USE ESTIMATES.—

"(1) IN GENERAL.—A State may comply with a requirement to provide precise numerical information described in subsection (b) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(2) SECRETARIAL REVIEW OF SAMPLING METHODS.—The Secretary shall periodically review the sampling methods used by a State to comply with a requirement to provide information described in subsection (b). The Secretary may require a State to revise the sampling methods so used if such methods do not meet scientific standards and shall impose the penalty described in section 423(f)(4) upon a State if a State has not complied with such requirements.

"(d) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after the end of each fiscal year, the Secretary shall prepare a report based on information provided by the States for the fiscal year pursuant to subsection (b), and shall make the report and such information available to the Congress and the public.

"(e) SCOPE OF STATE PROGRAM FUNDED UNDER THIS PART.—As used in subsection (b), the term 'State program funded under this part' includes any equivalent State program.

"SEC. 428. FUNDING FOR STUDIES OF CHILD WELFARE.

"(a) NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.—There are authorized to be appropriated and there are appropriated to the Secretary for each of fiscal years 1996 through 2002—

"(1) $6,000,000 to conduct a national study based on random samples of children who are at risk of child abuse or neglect, or are determined by States to have been abused or neglected under section 208 of the Child and Family Services Block Grant Act of 1995; and

"(2) $10,000,000 for such other research as may be necessary under such section.

"(b) STATE COURTS ASSESSMENT AND IMPROVEMENT OF HANDLING OF PROCEEDINGS RELATING TO FOSTER CARE AND ADOPTION.—There are authorized to be appropriated and there are appropriated to the Secretary for each of fiscal years 1996 through 1998 $10,000,000 for the purpose of carrying out section 13712 of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 670 note). All funds appropriated under this subsection shall be expended not later than September 30, 1999.

"SEC. 429. DEFINITIONS.

"For purposes of this part, the following definitions shall apply:

"(1) ADMINISTRATIVE REVIEW.—The term 'administrative review' means a review open to the participation of the parents of the child, conducted by a panel of appropriate persons at least one of whom is not responsible for the case management of, or the delivery of services to, either the child or the parents who are the subject of the review.

"(2) ADOPTION ASSISTANCE AGREEMENT.—The term 'adoption assistance agreement' means a written agreement, binding on the parties to the agreement, between the State, other relevant agencies, and the prospective adoptive parents of a minor child which at a minimum—

"(A) specifies the nature and amount of any payments, services, and assistance to be provided under such agreement; and

"(B) stipulates that the agreement shall remain in effect regardless of the State of which the adoptive parents are residents at any given time.

The agreement shall contain provisions for the protection (under an interstate compact approved by the Secretary or otherwise) of the interests of the child in cases where the adoptive parents and child move to another State while the agreement is effective.

"(3) CASE PLAN.—The term 'case plan' means a written document which includes at least the following:

"(A) A description of the type of home or institution in which a child is to be placed, including a discussion of the appropriateness of the placement and how the agency which is responsible for the child plans to carry out the voluntary placement agreement entered into or judicial determination made with respect to the child in accordance with section 424(a)(1).

"(B) A plan for assuring that the child receives proper care and that services are provided to the parents, child, and foster parents in order to improve the conditions in the parents' home, facilitate return of the child to his or her own home or the permanent placement of the child, and address the needs of the child while in foster care, including a discussion of the appropriateness of the services that have been provided to the child under the plan.

"(C) To the extent available and accessible, the health and education records of the child, including—

"(i) the names and addresses of the child's health and educational providers;

"(ii) the child's grade level performance;

"(iii) the child's school record;

"(iv) assurances that the child's placement in foster care takes into account proximity to the school in which the child is enrolled at the time of placement;

"(v) a record of the child's immunizations;

"(vi) the child's known medical problems;

"(vii) the child's medications; and

"(viii) any other relevant health and education information concerning the child determined to be appropriate by the State.

Where appropriate, for a child age 16 or over, the case plan must also include a written description of the programs and services which will help such child prepare for the transition from foster care to independent living.

"(4) CASE REVIEW SYSTEM.—The term 'case review system' means a procedure for assuring that—

"(A) each child has a case plan designed to achieve placement in the least restrictive (most family like) and most appropriate setting available and in close proximity to the parents' home, consistent with the best interest and special needs of the child, which—

"(i) if the child has been placed in a foster family home or child-care institution a substantial distance from the home of the parents of the child, or in a State different from the State in which such home is located, sets forth the reasons why such placement is in the best interests of the child; and

"(ii) if the child has been placed in foster care outside the State in which the home of the parents of the child is located, requires that, periodically, but not less frequently than every 12 months, a caseworker on the staff of the State in which the home of the parents of the child is located, or of the State in which the child has been placed, visit such child in such home or institution and submit a report on such visit to the State in which the home of the parents of the child is located;

"(B) the status of each child is reviewed periodically but no less frequently than once every six months by either a court or by administrative review (as defined in paragraph (1)) in order to determine the continuing necessity for and appropriateness of the placement, the extent of compliance with the case plan, and the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in foster care, and to project a likely date by which the child may be returned to the home or placed for adoption or legal guardianship;

"(C) with respect to each such child, procedural safeguards will be applied, among other things, to assure each child in foster care under the supervision of the State of a dispositional hearing to be held, in a family or juvenile court or another court (including a tribal court) of competent jurisdiction, or by an administrative body appointed or approved by the court, no later than 18 months after the original placement (and not less frequently than every 12 months thereafter during the continuation of foster care), which hearing shall determine the future status of the child (including whether the child should be returned to the parent, should be continued in foster care for a specified period, should be placed for adoption, or should (because of the child's special needs or circumstances) be continued in foster care on a permanent or long-term basis) and, in the case of a child described in subparagraph (A)(ii), whether the out-of-State placement continues to be appropriate and in the best interests of the child, and, in the case of a child who has attained age 16, the services needed to assist the child to make the transition from foster care to independent living; and procedural safeguards shall also be applied with respect to parental rights pertaining to the removal of the child from the home of his parents, to a change in the

child's placement, and to any determination affecting visitation privileges of parents; and

"(D) a child's health and education record (as described in paragraph (3)(C)) is reviewed and updated, and supplied to the foster parent or foster care provider with whom the child is placed, at the time of each placement of the child in foster care.

"(5) CHILD-CARE INSTITUTION.—The term 'child-care institution' means a private child-care institution, or a public child-care institution which accommodates no more than 25 children, which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing, but the term shall not include detention facilities, forestry camps, training schools, or any other facility operated primarily for the detention of children who are determined to be delinquent.

"(6) FOSTER CARE MAINTENANCE PAYMENTS.—

"(A) IN GENERAL.—The term 'foster care maintenance payments' means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation. In the case of institutional care, such term shall include the reasonable costs of administration and operation of such institution as are necessarily required to provide the items described in the preceding sentence.

"(B) SPECIAL RULE.—In cases where—

"(i) a child placed in a foster family home or child-care institution is the parent of a son or daughter who is in the same home or institution; and

"(ii) payments described in subparagraph (A) are being made under this part with respect to such child,

the foster care maintenance payments made with respect to such child as otherwise determined under subparagraph (A) shall also include such amounts as may be necessary to cover the cost of the items described in that subparagraph with respect to such son or daughter.

"(7) FOSTER FAMILY HOME.—The term 'foster family home' means a foster family home for children which is licensed by the State in which it is situated or has been approved, by the agency of such State having responsibility for licensing homes of this type, as meeting the standards established for such licensing.

"(8) STATE.—The term 'State' means the 50 States and the District of Columbia.

"(9) VOLUNTARY PLACEMENT.—The term 'voluntary placement' means an out-of-home placement of a minor, by or with participation of the State, after the parents or guardians of the minor have requested the assistance of the State and signed a voluntary placement agreement.

"(10) VOLUNTARY PLACEMENT AGREEMENT.—The term 'voluntary placement agreement' means a written agreement, binding on the parties to the agreement, between the State, any other agency acting on its behalf, and the parents or guardians of a minor child which specifies, at a minimum, the legal status of the child and the rights and obligations of the parents or guardians, the child, and the agency while the child is in placement.".

SEC. 702. CONFORMING AMENDMENTS.

(a) SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.—Not later than 90 days after the date of the enactment of this subtitle, the Secretary of Health and Human Services, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this subtitle.

(b) AMENDMENTS TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(1) Section 452(a)(10)(C) of the Social Security Act (42 U.S.C. 652(a)(10)(C)), as amended by section 108(b)(2) of this Act, is amended—

(A) by striking "under part E" and inserting "under section 423(b)(1)(A)"; and

(B) by striking "or under section 471(a)(17)".

(2) Section 452(g)(2)(A) of such Act (42 U.S.C. 652(g)(2)(A)), as amended by paragraphs (6) and (7) of section 108(b), is amended—

(A) by inserting "or benefits or services were being provided under the State child protection program funded under part B" after "part A" each place it appears; and

(B) in the matter following subparagraph (B), by striking "agency administering the plan under part E" and inserting "under the child protection program funded under part B".

(3) Section 466(a)(3)(B) of such Act (42 U.S.C. 666(a)(3)(B)), as amended by section 108(b)(14), is amended by striking "or 471(a)(17)".

(c) AMENDMENT TO TITLE XVI OF THE SOCIAL SECURITY ACT AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(B) of such Act (42 U.S.C. 1382(c)(5)(B)) is amended to read as follows: "(B) section 423(b)(1)(A) of this Act (relating to foster care maintenance payments),".

(d) REPEAL OF PART E OF TITLE IV OF THE SOCIAL SECURITY ACT.—Part E of title IV of the Social Security Act (42 U.S.C. 671–679) is hereby repealed.

(e) AMENDMENT TO SECTION 9442 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1986.—Section 9442(4) of the Omnibus Budget Reconciliation Act of 1986 (42 U.S.C. 679a(4)) is amended by inserting "(as in effect before October 1, 1995)" after "Act".

(f) REDESIGNATION AND AMENDMENTS OF SECTION 1123.—

(1) REDESIGNATION.—The Social Security Act is amended by redesignating section 1123, the second place it appears (42 U.S.C. 1320a–1a), as section 1123A.

(2) AMENDMENTS.—Section 1123A of such Act, as so redesignated, is amended—

(A) in subsection (a)—

(i) by striking "The Secretary" and inserting "Notwithstanding section 423(h), the Secretary";

(ii) in the matter preceding paragraph (1), and in paragraph (1), by striking "parts B and E" and inserting "part B"; and

(iii) in paragraph (2), by inserting "under this section" after "promulgated";

(B) in subsection (b)—

(i) in paragraph (3), by striking "matching"; and

(ii) in paragraph (4)(C), by striking "matching"; and

(C) in subsection (c)(1)(B), by striking "matching".

SEC. 703. EFFECTIVE DATE; TRANSITION RULES.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this subtitle and the amendments made by this subtitle shall take effect on October 1, 1996.

(2) EXCEPTION.—Section 428 of part B of title IV of the Social Security Act, as added by section 701, and section 702(a) shall take effect on the date of the enactment of this subtitle.

(3) TEMPORARY REDESIGNATION OF SECTION 428.—During the period beginning on the date of the enactment of this subtitle and ending on October 1, 1996, section 428 of part B of title IV of the Social Security Act, as added by section 701, shall be redesignated as section 428A.

(b) TRANSITION RULES.—

(1) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this subtitle shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this subtitle under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

(2) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS SUBTITLE.—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 subtitle 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 subtitle.

SEC. 704. SENSE OF THE CONGRESS REGARDING TIMELY ADOPTION OF CHILDREN.

It is the sense of the Congress that—

(1) too many children who wish to be adopted are spending inordinate amounts of time in foster care;

(2) there is an urgent need for States to increase the number of waiting children being adopted in a timely and lawful manner;

(3) studies have shown that States spend an excess of $15,000 each year on each special needs child in foster care, and would save significant amounts of money if they offered incentives to families to adopt special needs children;

(4) States should allocate sufficient funds under this title for adoption assistance and medical assistance to encourage more families to adopt children who otherwise would languish in the foster care system for a period that many experts consider detrimental to their development;

(5) States should offer incentives for families that adopt special needs children to make adoption more affordable for middle-class families;

(6) when it is necessary for a State to remove a child from the home of the child's biological parents, the State should strive—

(A) to provide the child with a single foster care placement and a single coordinated case team; and

(B) to conclude an adoption of the child, when adoption is the goal of the child and the State, within one year of the child's placement in foster care; and

(7) States should participate in local, regional, or national programs to enable maximum visibility of waiting children to potential parents. Such programs should include a nationwide, interactive computer network to disseminate information on children eligible for adoption to help match them with families around the country.

Subtitle B—Child and Family Services Block Grant

SEC. 751. CHILD AND FAMILY SERVICES BLOCK GRANT.

The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) is amended to read as follows:

"SEC. 1. SHORT TITLE.

This Act may be cited as the "Child and Family Services Block Grant Act of 1995".

"SEC. 2. FINDINGS.

"The Congress finds the following:

"(1) Each year, close to 1,000,000 American children are victims of abuse and neglect.

"(2) Many of these children and their families fail to receive adequate protection or treatment.

"(3) The problem of child abuse and neglect requires a comprehensive approach that—

"(A) integrates the work of social service, legal, health, mental health, education, and substance abuse agencies and organizations;

"(B) strengthens coordination among all levels of government, and with private agencies, civic, religious, and professional organizations, and individual volunteers;

"(C) emphasizes the need for abuse and neglect prevention, assessment, investigation, and treatment at the neighborhood level;

"(D) ensures properly trained and support staff with specialized knowledge, to carry out their child protection duties; and

"(E) is sensitive to ethnic and cultural diversity.

"(4) The child protection system should be comprehensive, child-centered, family-focused, and community-based, should incorporate all appropriate measures to prevent the occurrence or recurrence of child abuse and neglect, and should promote physical and psychological recovery and social re-integration in an environment that fosters the health, safety, self-respect, and dignity of the child.

"(5) The Federal government should provide leadership and assist communities in their child and family protection efforts by—

"(A) generating and sharing knowledge relevant to child and family protection, including the development of models for service delivery;

"(B) strengthening the capacity of States to assist communities;

"(C) helping communities to carry out their child and family protection plans by promoting the competence of professional, paraprofessional, and volunteer resources; and

"(D) providing leadership to end the abuse and neglect of the nation's children and youth.

"SEC. 3. PURPOSES.

"The purposes of this Act are the following:

"(1) To assist each State in improving the child protective service systems of such State by—

"(A) improving risk and safety assessment tools and protocols;

"(B) developing, strengthening, and facilitating training opportunities for individuals who are mandated to report child abuse or neglect or otherwise overseeing, investigating, prosecuting, or providing services to children and families who are at risk of abusing or neglecting their children; and

"(C) developing, implementing, or operating information, education, training, or other programs designed assist and provide services for families of disabled infants with life-threatening conditions.

"(2) To support State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs that are culturally competent and that coordinate resources among existing education, vocational rehabilitation, disability, respite, health, mental health, job readiness, self-sufficiency, child and family development, community action, Head Start, child care, child abuse and neglect prevention, juvenile justice, domestic violence prevention and intervention, housing, and other human service organizations within the State.

"(3) To facilitate the elimination of barriers to adoption and to provide permanent and loving home environments for children who would benefit from adoption, particularly children with special needs, including disabled infants with life-threatening conditions, by—

"(A) promoting model adoption legislation and procedures in the States and territories of the United States in order to eliminate jurisdictional and legal obstacles to adoption;

"(B) providing a mechanism for the Department of Health and Human Services to—

"(i) promote quality standards for adoption services, pre-placement, post-placement, and post-legal adoption counseling, and standards to protect the rights of children in need of adoption;

"(ii) maintain a national adoption information exchange system to bring together children who would benefit from adoption and qualified prospective adoptive parents who are seeking such children, and conduct national recruitment efforts in order to reach prospective parents for children awaiting adoption; and

"(iii) demonstrate expeditious ways to free children for adoption for whom it has been determined that adoption is the appropriate plan; and

"(C) facilitating the identification and recruitment of foster and adoptive families that can meet children's needs.

"(4) To respond to the needs of children, in particular those who are drug exposed or inflicted with Acquired Immune Deficiency Syndrome (AIDS), by supporting activities aimed at preventing the abandonment of children, providing support to children and their families, and facilitating the recruitment and training of health and social service personnel.

"(5) To carry out any other activities as the Secretary determines are consistent with this Act.

"SEC. 4. DEFINITIONS.

"As used in this Act:

"(1) CHILD.—The term 'child' means a person who has not attained the lesser of—

"(A) the age of 18; or

"(B) except in the case of sexual abuse, the age specified by the child protection law of the State in which the child resides;

"(2) CHILD ABUSE AND NEGLECT.—The term 'child abuse and neglect' means, at a minimum, any recent act or failure to act on the part of a parent or caretaker, which results in death, serious physical or emotional harm, sexual abuse or exploitation, or an act or failure to act which presents an imminent risk of serious harm.

"(3) FAMILY RESOURCE AND SUPPORT PROGRAMS.—The term 'family resource and support program' means a community-based, prevention-focused entity that—

"(A) provides, through direct service, the core services required under this Act, including—

"(i) parent education, support and leadership services, together with services characterized by relationships between parents and professionals that are based on equality and respect, and designed to assist parents in acquiring parenting skills, learning about child development, and responding appropriately to the behavior of their children;

"(ii) services to facilitate the ability of parents to serve as resources to one another (such as through mutual support and parent self-help groups);

"(iii) early developmental screening of children to assess any needs of children, and to identify types of support that may be provided;

"(iv) outreach services provided through voluntary home visits and other methods to assist parents in becoming aware of and able to participate in family resources and support program activities;

"(v) community and social services to assist families in obtaining community resources; and

"(vi) follow-up services;

"(B) provides, or arranges for the provision of, other core services through contracts or agreements with other local agencies; and

"(C) provides access to optional services, directly or by contract, purchase of service, or interagency agreement, including—

"(i) child care, early childhood development and early intervention services;

"(ii) self-sufficiency and life management skills training;

"(iii) education services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(iv) job readiness skills;

"(v) child abuse and neglect prevention activities;

"(vi) services that families with children with disabilities or special needs may require;

"(vii) community and social service referral;

"(viii) peer counseling;

"(ix) referral for substance abuse counseling and treatment; and

"(x) help line services.

"(4) INDIAN TRIBE AND TRIBAL ORGANIZATION.—The terms 'Indian tribe' and 'tribal organization' shall have the same meanings given such terms in subsections (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e) and (l)).

"(5) RESPITE SERVICES.—The term 'respite services' means short term care services provided in the temporary absence of the regular caregiver (parent, other relative, foster parent, adoptive parent, or guardian) to children who—

"(A) are in danger of abuse or neglect;

"(B) have experienced abuse or neglect; or

"(C) have disabilities, chronic, or terminal illnesses.

Such services shall be provided within or outside the home of the child, be short-term care (ranging from a few hours to a few weeks of time, per year), and be intended to enable the family to stay together and to keep the child living in the home and community of the child.

"(6) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services.

"(7) SEXUAL ABUSE.—The term 'sexual abuse' includes—

"(A) the employment, use, persuasion, inducement, enticement, or coercion of any child to engage in, or assist any other person to engage in, any sexually explicit conduct or simulation of such conduct for the purpose of producing a visual depiction of such conduct; or

"(B) the rape, molestation, prostitution, or other form of sexual exploitation of children, or incest with children;

"(8) STATE.—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"(9) WITHHOLDING OF MEDICALLY INDICATED TREATMENT.—The term 'withholding of medically indicated treatment' means the failure to respond to the infant's life-threatening conditions by providing treatment (including appropriate nutrition, hydration, and medication) which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all such conditions, except that the term does not include the failure to provide treatment (other than appropriate nutrition, hydration, or medication) to an infant when, in the treating physician's or physicians' reasonable medical judgment—

"(A) the infant is chronically and irreversibly comatose;

"(B) the provision of such treatment would—

"(i) merely prolong dying;

"(ii) not be effective in ameliorating or correcting all of the infant's life-threatening conditions; or

"(iii) otherwise be futile in terms of the survival of the infant; or

"(C) the provision of such treatment would be virtually futile in terms of the survival of the infant and the treatment itself under such circumstances would be inhumane.

"TITLE I—GENERAL BLOCK GRANT

"SEC. 101. CHILD AND FAMILY SERVICES BLOCK GRANTS.

"(a) ELIGIBILITY.—The Secretary shall award grants to eligible States that file a State plan that is approved under section 102 and that otherwise meet the eligibility requirements for grants under this title.

"(b) AMOUNT OF GRANT.—The amount of a grant made to each State under subsection (a) for a fiscal year shall be based on the population of children under the age of 18 residing in each State that applies for a grant under this section.

"(c) USE OF AMOUNTS.—Amounts received by a State under a grant awarded under subsection (a) shall be used to carry out the purposes described in section 3.

"SEC. 102. ELIGIBLE STATES.

"(a) IN GENERAL.—As used in this title, the term 'eligible State' means a State that has submitted to the Secretary, not later than October 1, 1996, and every 3 years thereafter, a plan which has been signed by the chief executive officer of the State and that includes the following:

"(1) OUTLINE OF CHILD PROTECTION PROGRAM.—A written document that outlines the activities the State intends to conduct to achieve the purpose of this title, including the procedures to be used for—

"(A) receiving and assessing reports of child abuse or neglect;

"(B) investigating such reports;

"(C) with respect to families in which abuse or neglect has been confirmed, providing services or referral for services for families and children where the State makes a determination that the child may safely remain with the family;

"(D) protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

"(E) providing training for individuals mandated to report suspected cases of child abuse or neglect;

"(F) protecting children in foster care;

"(G) promoting timely adoptions;

"(H) protecting the rights of families, using adult relatives as the preferred placement for children separated from their parents where such relatives meet the relevant State child protection standards;

"(I) providing services to individuals, families, or communities, either directly or through referral, that are aimed at preventing the occurrence of child abuse and neglect.

"(2) CERTIFICATION OF STATE LAW REQUIRING THE REPORTING OF CHILD ABUSE AND NEGLECT.—A certification that the State has in effect laws that require public officials and other professionals to report, in good faith, actual or suspected instances of child abuse or neglect.

"(3) CERTIFICATION OF PROCEDURES FOR SCREENING, SAFETY ASSESSMENT, AND PROMPT INVESTIGATION.—A certification that the State has in effect procedures for receiving and responding to reports of child abuse or neglect, including the reports described in paragraph (2), and for the immediate screening, safety assessment, and prompt investigation of such reports.

"(4) CERTIFICATION OF STATE PROCEDURES FOR REMOVAL AND PLACEMENT OF ABUSED OR NEGLECTED CHILDREN.—A certification that the State has in effect procedures for the removal from families and placement of abused or neglected children and of any other child in the same household who may also be in danger of abuse or neglect.

"(5) CERTIFICATION OF PROVISIONS FOR IMMUNITY FROM PROSECUTION.—A certification that the State has in effect laws requiring immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect.

"(6) CERTIFICATION OF PROVISIONS AND PROCEDURES FOR EXPUNGEMENT OF CERTAIN RECORDS.—A certification that the State has in effect laws and procedures requiring the facilitation of the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false.

"(7) CERTIFICATION OF PROVISIONS AND PROCEDURES RELATING TO APPEALS.—A certification that not later then 2 years after the date of the enactment of this Act, the State shall have laws and procedures in effect affording individuals an opportunity to appeal an official finding of abuse or neglect.

"(8) CERTIFICATION OF STATE PROCEDURES FOR DEVELOPING AND REVIEWING WRITTEN PLANS FOR PERMANENT PLACEMENT OF REMOVED CHILDREN.—A certification that the State has in effect procedures for ensuring that a written plan is prepared for children who have been removed from their families. Such plan shall specify the goals for achieving a permanent placement for the child in a timely fashion, for ensuring that the written plan is reviewed every 6 months (until such placement is achieved), and for ensuring that information about such children is collected regularly and recorded in case records, and include a description of such procedures.

"(9) CERTIFICATION OF STATE PROGRAM TO PROVIDE INDEPENDENT LIVING SERVICES.—A certification that the State has in effect a program to provide independent living services, for assistance in making the transition to self-sufficient adulthood, to individuals in the child protection program of the State who are 16, but who are not 20 (or, at the option of the State, 22), years of age, and who do not have a family to which to be returned.

"(10) CERTIFICATION OF STATE PROCEDURES TO RESPOND TO REPORTING OF MEDICAL NEGLECT OF DISABLED INFANTS.—A certification that the State has in place for the purpose of responding to the reporting of medical neglect of infants (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(A) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(B) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(C) authority, under State law, for the State child protective service to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life-threatening conditions.

"(11) IDENTIFICATION OF CHILD PROTECTION GOALS.—The quantitative goals of the State child protection program.

"(12) CERTIFICATION OF CHILD PROTECTION STANDARDS.—With respect to fiscal years beginning on or after April 1, 1996, a certification that the State—

"(A) has completed an inventory of all children who, before the inventory, had been in foster care under the responsibility of the State for 6 months or more, which determined—

"(i) the appropriateness of, and necessity for, the foster care placement;

"(ii) whether the child could or should be returned to the parents of the child or should be freed for adoption or other permanent placement; and

"(iii) the services necessary to facilitate the return of the child or the placement of the child for adoption or legal guardianship;

"(B) is operating, to the satisfaction of the Secretary—

"(i) a statewide information system from which can be readily determined the status, demographic characteristics, location, and goals for the placement of every child who is (or, within the immediately preceding 12 months, has been) in foster care;

"(ii) a case review system for each child receiving foster care under the supervision of the State;

"(iii) a service program designed to help children—

"(I) where appropriate, return to families from which they have been removed; or

"(II) be placed for adoption, with a legal guardian, or if adoption or legal guardianship is determined not to be appropriate for a child, in some other planned, permanent living arrangement; and

"(iv) a preplacement preventive services program designed to help children at risk for foster care placement remain with their families; and

"(C)(i) has reviewed (or not later than October 1, 1997, will review) State policies and administrative and judicial procedures in effect for children abandoned at or shortly after birth (including policies and procedures providing for legal representation of such children); and

"(ii) is implementing (or not later than October 1, 1997, will implement) such policies and procedures as the State determines, on the basis of the review described in clause (i), to be necessary to enable permanent decisions to be made expeditiously with respect to the placement of such children.

"(13) CERTIFICATION OF REASONABLE EFFORTS BEFORE PLACEMENT OF CHILDREN IN FOSTER CARE.—A certification that the State in each case will—

"(A) make reasonable efforts prior to the placement of a child in foster care, to prevent or eliminate the need for removal of the child from the child's home, and to make it possible for the child to return home; and

"(B) with respect to families in which abuse or neglect has been confirmed, provide services or referral for services for families and children where the State makes a determination that the child may safely remain with the family.

"(14) CERTIFICATION OF INFORMATION DISCLOSURE PROVISIONS.—A certification that the State has in effect and operational—

"(A) requirements for the prompt disclosure of all relevant information to any Federal, State, or local government entity, citizens review panel, child fatality review panel, or any agent of such government entity determined by the State to have a need for such information in order to carry out its responsibilities under law to protect children from abuse or neglect; and

"(B) provisions that allow for the public disclosure of the findings of information about a case of child abuse or neglect which has resulted in a child fatality or near-fatality, except that the public disclosure of such information shall be made in a manner that protects the privacy rights of individuals involved in the case, unless such individuals have waived such rights or criminal court proceedings have been initiated.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a), other than the material described in paragraph (10) of such subsection. The Secretary may not require a State to include in such a plan any material not described in subsection (a).

"SEC. 103. DATA COLLECTION AND REPORTING.

"(a) ANNUAL REPORTS ON STATE CHILD WELFARE GOALS.—On the date that is 3 years after the date of enactment of this Act and annually thereafter, each State to which a grant is made under section 101 shall submit to the Secretary

a report that contains quantitative information on the extent to which the State is making progress toward achieving the purposes of this Act.

"(b) STATE DATA REPORTS.—

"(1) BIANNUAL REPORTS.—Each State to which a grant is made under section 101 shall biannually submit to the Secretary a report that includes the following disaggregated case record information with respect to each child within the State receiving publicly-supported child welfare services under the State program funded under this Act:

"(A) Whether the child received services under the program funded under this Act.

"(B) The age, race, gender, and family income of the parents and child.

"(C) The county of residence of the child.

"(D) Whether the child was removed from the family.

"(E) Whether the child entered foster care under the responsibility of the State.

"(F) The type of out-of-home care in which the child was placed (including institutional care, group home care, family foster care, or relative placement).

"(G) The child's permanency planning goal, such as family reunification, kinship care, adoption, or independent living.

"(H) Whether the child was released for adoption.

"(I) Whether the child exited from foster care, and, if so, the reason for the exit, such as return to family, placement with relatives, adoption, independent living, or death.

"(J) Other information as required by the Secretary and agreed to by a majority of the States, including information necessary to ensure that there is a smooth transition of data from the Adoption and Foster Care Analysis and Reporting Systems and the National Center on Abuse and Neglect Data System to the data reporting system required under this section.

"(2) ANNUAL REPORTS.—Each State to which a grant is made under section 101 shall annually submit to the Secretary a report that includes the following information:

"(A) The number of children reported to the State during the year as alleged victims of abuse or neglect.

"(B) The number of children for whom an investigation of alleged maltreatment resulted in a determination of substantiated abuse or neglect, the number for whom a report of maltreatment was unsubstantiated, and the number for whom a report of maltreatment was determined to be false.

"(C) The number of families that received preventive services.

"(D) The number of infants abandoned during the year, the number of such infants who were adopted, and the length of time between abandonment and adoption.

"(E) The number of deaths of children resulting from child abuse or neglect.

"(F) The number of deaths occurring while children were in the custody of the State.

"(G) The number of children served by the State independent living program.

"(H) Quantitative measurements demonstrating whether the State is making progress toward the child protection goals identified by the State.

"(I) The types of maltreatment suffered by victims of child abuse and neglect.

"(J) The number of abused and neglected children receiving services.

"(K) The average length of stay of children in out-of-home care.

"(L) Other information as required by the Secretary and agreed to by a majority of the States, including information necessary to ensure that there is a smooth transition of data from the Adoption and Foster Care Analysis and Reporting Systems and the National Center on Abuse and Neglect Data System to the data reporting system required under this section.

"(3) REGULATORY AUTHORITY.—The Secretary shall define by regulation the information required to be included in the reports submitted under paragraphs (1) and (2).

"(c) AUTHORITY OF STATES TO USE ESTIMATES.—

"(1) IN GENERAL.—A State may comply with a requirement to provide precise numerical information described in subsection (b) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(2) SECRETARIAL REVIEW OF SAMPLING METHODS.—The Secretary shall periodically review the sampling methods used by a State to comply with a requirement to provide information described in subsection (b). The Secretary may require a State to revise the sampling methods so used if such methods do not meet scientific standards.

"(d) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after the end of each fiscal year, the Secretary shall prepare a report based on information provided by the States for the fiscal year pursuant to subsection (b), and shall make the report and such information available to the Congress and the public.

"(e) SCOPE OF STATE PROGRAM FUNDED UNDER THIS ACT.—As used in subsection (b), the term 'State program funded under this Act' includes any equivalent State program.

"TITLE II—RESEARCH, DEMONSTRATIONS, TRAINING, AND TECHNICAL ASSISTANCE

"SEC. 201. RESEARCH GRANTS.

"(a) IN GENERAL.—The Secretary, in consultation with appropriate Federal officials and recognized experts in the field, shall award grants or contracts for the conduct of research in accordance with subsection (b).

"(b) RESEARCH.—Research projects to be conducted using amounts received under this section—

"(1) shall be designed to provide information to better protect children from abuse or neglect and to improve the well being of abused or neglected children, with at least a portion of any such research conducted under a project being field initiated;

"(2) shall at a minimum, focus on—

"(A) the nature and scope of child abuse and neglect;

"(B) the causes, prevention, assessment, identification, treatment, cultural and socio-economic distinctions, and the consequences of child abuse and neglect;

"(C) appropriate, effective and culturally sensitive investigative, administrative, and judicial procedures with respect to cases of child abuse; and

"(D) the national incidence of child abuse and neglect, including—

"(i) the extent to which incidents of child abuse are increasing or decreasing in number and severity;

"(ii) the incidence of substantiated and unsubstantiated reported child abuse cases;

"(iii) the number of substantiated cases that result in a judicial finding of child abuse or neglect or related criminal court convictions;

"(iv) the extent to which the number of unsubstantiated, unfounded and false reported cases of child abuse or neglect have contributed to the inability of a State to respond effectively to serious cases of child abuse or neglect;

"(v) the extent to which the lack of adequate resources and the lack of adequate training of reporters have contributed to the inability of a State to respond effectively to serious cases of child abuse and neglect;

"(vi) the number of unsubstantiated, false, or unfounded reports that have resulted in a child being placed in substitute care, and the duration of such placement;

"(vii) the extent to which unsubstantiated reports return as more serious cases of child abuse or neglect;

"(viii) the incidence and prevalence of physical, sexual, and emotional abuse and physical and emotional neglect in substitute care;

"(ix) the incidence and outcomes of abuse allegations reported within the context of divorce, custody, or other family court proceedings, and the interaction between this venue and the child protective services system; and

"(x) the cases of children reunited with their families or receiving family preservation services that result in subsequent substantiated reports of child abuse and neglect, including the death of the child; and

"(3) may include the appointment of an advisory board to—

"(A) provide recommendations on coordinating Federal, State, and local child abuse and neglect activities at the State level with similar activities at the State and local level pertaining to family violence prevention;

"(B) consider specific modifications needed in State laws and programs to reduce the number of unfounded or unsubstantiated reports of child abuse or neglect while enhancing the ability to identify and substantiate legitimate cases of abuse or neglect which place a child in danger; and

"(C) provide recommendations for modifications needed to facilitate coordinated national and Statewide data collection with respect to child protection and child welfare.

"SEC. 202. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.

"(a) ESTABLISHMENT.—The Secretary shall, through the Department of Health and Human Services, or by one or more contracts of not less than 3 years duration provided through a competition, establish a national clearinghouse for information relating to child abuse.

"(b) FUNCTIONS.—The Secretary shall, through the clearinghouse established by subsection (a)—

"(1) maintain, coordinate, and disseminate information on all programs, including private programs, that show promise of success with respect to the prevention, assessment, identification, and treatment of child abuse and neglect;

"(2) maintain and disseminate information relating to—

"(A) the incidence of cases of child abuse and neglect in the United States;

"(B) the incidence of such cases in populations determined by the Secretary under section 105(a)(1) of the Child Abuse Prevention, Adoption, and Family Services Act of 1988 (as such section was in effect on the day before the date of enactment of this Act); and

"(C) the incidence of any such cases related to alcohol or drug abuse;

"(3) disseminate information related to data collected and reported by States pursuant to section 103;

"(4) compile, analyze, and publish a summary of the research conducted under section 201; and

"(5) solicit public comment on the components of such clearinghouse.

"SEC. 203. GRANTS FOR DEMONSTRATION PROJECTS.

"(a) AWARDING OF GENERAL GRANTS.—The Secretary may make grants to, and enter into contracts with, public and nonprofit private agencies or organizations (or combinations of such agencies or organizations) for the purpose of developing, implementing, and operating time limited, demonstration programs and projects for the following purposes:

"(1) INNOVATIVE PROGRAMS AND PROJECTS.—The Secretary may award grants to public agencies that demonstrate innovation in responding to reports of child abuse and neglect including

programs of collaborative partnerships between the State child protective service agency, community social service agencies and family support programs, schools, churches and synagogues, and other community agencies to allow for the establishment of a triage system that—

"(A) accepts, screens and assesses reports received to determine which such reports require an intensive intervention and which require voluntary referral to another agency, program or project;

"(B) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect; and

"(C) provides further investigation and intensive intervention where the child's safety is in jeopardy.

"(2) KINSHIP CARE PROGRAMS AND PROJECTS.—The Secretary may award grants to public entities to assist such entities in developing or implementing procedures using adult relatives as the preferred placement for children removed from their home, where such relatives are determined to be capable of providing a safe nurturing environment for the child and where, to the maximum extent practicable, such relatives comply with relevant State child protection standards.

"(3) ADOPTION OPPORTUNITIES.—The Secretary may award grants to public entities to assist such entities in developing or implementing programs to expand opportunities for the adoption of children with special needs.

"(4) FAMILY RESOURCE CENTERS.—The Secretary may award grants to public or nonprofit private entities to provide for the establishment of family resource programs and support services that—

"(A) develop, expand, and enhance Statewide networks of community-based, prevention-focused centers, programs, or services that provide comprehensive support for families;

"(B) promote the development of parental competencies and capacities in order to increase family stability;

"(C) support the additional needs of families with children with disabilities;

"(D) foster the development of a continuum of preventive services for children and families through State and community-based collaborations and partnerships (both public and private); and

"(E) maximize funding for the financing, planning, community mobilization, collaboration, assessment, information and referral, start-up, training and technical assistance, information management, reporting, and evaluation costs for establishing, operating, or expanding a Statewide network of community-based, prevention-focused family resource and support services.

"(5) OTHER INNOVATIVE PROGRAMS.—The Secretary may award grants to public or private nonprofit organizations to assist such entities in developing or implementing innovative programs and projects that show promise of preventing and treating cases of child abuse and neglect (such as Parents Anonymous).

"(b) GRANTS FOR ABANDONED INFANT PROGRAMS.—The Secretary may award grants to public and nonprofit private entities to assist such entities in developing or implementing procedures—

"(1) to prevent the abandonment of infants and young children, including the provision of services to members of the natural family for any condition that increases the probability of abandonment of an infant or young child;

"(2) to identify and address the needs of abandoned infants and young children;

"(3) to assist abandoned infants and young children to reside with their natural families or in foster care, as appropriate;

"(4) to recruit, train, and retain foster families for abandoned infants and young children;

"(5) to carry out residential care programs for abandoned infants and young children who are unable to reside with their families or to be placed in foster care;

"(6) to carry out programs of respite care for families and foster families of infants and young children; and

"(7) to recruit and train health and social services personnel to work with families, foster care families, and residential care programs for abandoned infants and young children.

"(c) EVALUATION.—In making grants for demonstration projects under this section, the Secretary shall require all such projects to be evaluated for their effectiveness. Funding for such evaluations shall be provided either as a stated percentage of a demonstration grant or as a separate grant entered into by the Secretary for the purpose of evaluating a particular demonstration project or group of projects.

"SEC. 204. TECHNICAL ASSISTANCE.

"(a) CHILD ABUSE AND NEGLECT.—

"(1) IN GENERAL.—The Secretary shall provide technical assistance under this title to States to assist such States in planning, improving, developing, and carrying out programs and activities relating to the prevention, assessment identification, and treatment of child abuse and neglect.

"(2) EVALUATION.—Technical assistance provided under paragraph (1) may include an evaluation or identification of—

"(A) various methods and procedures for the investigation, assessment, and prosecution of child physical and sexual abuse cases;

"(B) ways to mitigate psychological trauma to the child victim; and

"(C) effective programs carried out by the States under this Act.

"(b) ADOPTION OPPORTUNITIES.—The Secretary shall provide, directly or by grant to or contract with public or private nonprofit agencies or organizations—

"(1) technical assistance and resource and referral information to assist State or local governments with termination of parental rights issues, in recruiting and retaining adoptive families, in the successful placement of children with special needs, and in the provision of pre- and post-placement services, including post-legal adoption services; and

"(2) other assistance to help State and local governments replicate successful adoption-related projects from other areas in the United States.

"SEC. 205. TRAINING RESOURCES.

"(a) TRAINING PROGRAMS.—The Secretary may award grants to public or private non-profit organizations—

"(1) for the training of professional and paraprofessional personnel in the fields of medicine, law, education, law enforcement, social work, and other relevant fields who are engaged in, or intend to work in, the field of prevention, identification, and treatment of child abuse and neglect, including the links between domestic violence and child abuse;

"(2) to provide culturally specific instruction in methods of protecting children from child abuse and neglect to children and to persons responsible for the welfare of children, including parents of and persons who work with children with disabilities; and

"(3) to improve the recruitment, selection, and training of volunteers serving in private and public nonprofit children, youth and family service organizations in order to prevent child abuse and neglect through collaborative analysis of current recruitment, selection, and training programs and development of model programs for dissemination and replication nationally.

"(b) DISSEMINATION OF INFORMATION.—The Secretary may provide for and disseminate information relating to various training resources available at the State and local level to—

"(1) individuals who are engaged, or who intend to engage, in the prevention, identification, assessment, and treatment of child abuse and neglect; and

"(2) appropriate State and local officials, including prosecutors, to assist in training law enforcement, legal, judicial, medical, mental health, education, and child welfare personnel in appropriate methods of interacting during investigative, administrative, and judicial proceedings with children who have been subjected to abuse.

"SEC. 206. APPLICATIONS AND AMOUNTS OF GRANTS.

"(a) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant to a State or other entity under this title unless—

"(1) an application for the grant is submitted to the Secretary;

"(2) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Secretary; and

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

"(b) AMOUNT OF GRANT.—The Secretary shall determined the amount of a grant to be awarded under this title.

"SEC. 207. PEER REVIEW FOR GRANTS.

"(a) ESTABLISHMENT OF PEER REVIEW PROCESS.—

"(1) IN GENERAL.—The Secretary shall, in consultation with experts in the field and other Federal agencies, establish a formal, rigorous, and meritorious peer review process for purposes of evaluating and reviewing applications for grants under this title and determining the relative merits of the projects for which such assistance is requested. The purpose of this process is to enhance the quality and usefulness of research in the field of child abuse and neglect.

"(2) REQUIREMENTS FOR MEMBERS.—In establishing the process required by paragraph (1), the Secretary shall appoint to the peer review panels only members who are experts in the field of child abuse and neglect or related disciplines, with appropriate expertise in the application to be reviewed, and who are not individuals who are officers or employees of the Administration for Children and Families. The panels shall meet as often as is necessary to facilitate the expeditious review of applications for grants and contracts under this title, but may not meet less than once a year. The Secretary shall ensure that the peer review panel utilizes scientifically valid review criteria and scoring guidelines for review committees.

"(b) REVIEW OF APPLICATIONS FOR ASSISTANCE.—Each peer review panel established under subsection (a)(1) that reviews any application for a grant shall—

"(1) determine and evaluate the merit of each project described in such application;

"(2) rank such application with respect to all other applications it reviews in the same priority area for the fiscal year involved, according to the relative merit of all of the projects that are described in such application and for which financial assistance is requested; and

"(3) make recommendations to the Secretary concerning whether the application for the project shall be approved.

The Secretary shall award grants under this title on the basis of competitive review.

"(c) NOTICE OF APPROVAL.—

"(1) IN GENERAL.—The Secretary shall provide grants under this title from among the projects which the peer review panels established under subsection (a)(1) have determined to have merit.

"(2) REQUIREMENT OF EXPLANATION.—In the instance in which the Secretary approves an application for a program under this title without having approved all applications ranked above such application, the Secretary shall append to the approved application a detailed explanation of the reasons relied on for approving the application and for failing to approve each pending application that is superior in merit.

"SEC. 208. NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.

"(a) IN GENERAL.—The Secretary shall conduct a national study based on random samples of children who are at risk of child abuse or neglect, or are determined by States to have been abused or neglected, and such other research as may be necessary.

"(b) REQUIREMENTS.—The study required by subsection (a) shall—

"(1) have a longitudinal component; and

"(2) yield data reliable at the State level for as many States as the Secretary determines is feasible.

"(c) PREFERRED CONTENTS.—In conducting the study required by subsection (a), the Secretary should—

"(1) collect data on the child protection programs of different small States or (different groups of such States) in different years to yield an occasional picture of the child protection programs of such States;

"(2) carefully consider selecting the sample from cases of confirmed abuse or neglect; and

"(3) follow each case for several years while obtaining information on, among other things—

"(A) the type of abuse or neglect involved;

"(B) the frequency of contact with State or local agencies;

"(C) whether the child involved has been separated from the family, and, if so, under what circumstances;

"(D) the number, type, and characteristics of out-of-home placements of the child; and

"(E) the average duration of each placement.

"(d) REPORTS.—

"(1) IN GENERAL.—From time to time, the Secretary shall prepare reports summarizing the results of the study required by subsection (a).

"(2) AVAILABILITY.—The Secretary shall make available to the public any report prepared under paragraph (1), in writing or in the form of an electronic data tape.

"(3) AUTHORITY TO CHARGE FEE.—The Secretary may charge and collect a fee for the furnishing of reports under paragraph (2).

"(4) FUNDING.—The Secretary shall carry out this section using amounts made available under section 428 of the Social Security Act.

"TITLE III—GENERAL PROVISIONS

"SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

"(a) TITLE I.—There are authorized to be appropriated to carry out title I, $230,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2002.

"(b) TITLE II.—

"(1) IN GENERAL.—Of the amount appropriated under subsection (a) for a fiscal year, the Secretary shall make available 12 percent of such amount to carry out title II (except for sections 203 and 208).

"(2) GRANTS FOR DEMONSTRATION PROJECTS.—Of the amount made available under paragraph (1) for a fiscal year, the Secretary shall make available not less than 40 percent of such amount to carry out section 203.

"(c) INDIAN TRIBES.—Of the amount appropriated under subsection (a) for a fiscal year, the Secretary shall make available 1 percent of such amount to provide grants and contracts to Indian tribes and Tribal Organizations.

"(d) AVAILABILITY OF APPROPRIATIONS.—Amounts appropriated under subsection (a) shall remain available until expended.

"SEC. 302. GRANTS TO STATES FOR PROGRAMS RELATING TO THE INVESTIGATION AND PROSECUTION OF CHILD ABUSE AND NEGLECT CASES.

"(a) GRANTS TO STATES.—The Secretary, in consultation with the Attorney General, is authorized to make grants to the States for the purpose of assisting States in developing, establishing, and operating programs designed to improve—

"(1) the handling of child abuse and neglect cases, particularly cases of child sexual abuse and exploitation, in a manner which limits additional trauma to the child victim;

"(2) the handling of cases of suspected child abuse or neglect related fatalities; and

"(3) the investigation and prosecution of cases of child abuse and neglect, particularly child sexual abuse and exploitation.

"(b) ELIGIBILITY REQUIREMENTS.—In order for a State to qualify for assistance under this section, such State shall—

"(1) be an eligible State under section 102;

"(2) establish a task force as provided in subsection (c);

"(3) fulfill the requirements of subsection (d);

"(4) submit annually an application to the Secretary at such time and containing such information and assurances as the Secretary considers necessary, including an assurance that the State will—

"(A) make such reports to the Secretary as may reasonably be required; and

"(B) maintain and provide access to records relating to activities under subsection (a); and

"(5) submit annually to the Secretary a report on the manner in which assistance received under this program was expended throughout the State, with particular attention focused on the areas described in paragraphs (1) through (3) of subsection (a).

"(c) STATE TASK FORCES.—

"(1) GENERAL RULE.—Except as provided in paragraph (2), a State requesting assistance under this section shall establish or designate, and maintain, a State multidisciplinary task force on children's justice (hereafter in this section referred to as 'State task force') composed of professionals with knowledge and experience relating to the criminal justice system and issues of child physical abuse, child neglect, child sexual abuse and exploitation, and child maltreatment related fatalities. The State task force shall include—

"(A) individuals representing the law enforcement community;

"(B) judges and attorneys involved in both civil and criminal court proceedings related to child abuse and neglect (including individuals involved with the defense as well as the prosecution of such cases);

"(C) child advocates, including both attorneys for children and, where such programs are in operation, court appointed special advocates;

"(D) health and mental health professionals;

"(E) individuals representing child protective service agencies;

"(F) individuals experienced in working with children with disabilities;

"(G) parents; and

"(H) representatives of parents' groups.

"(2) EXISTING TASK FORCE.—As determined by the Secretary, a State commission or task force established after January 1, 1983, with substantially comparable membership and functions, may be considered the State task force for purposes of this subsection.

"(d) STATE TASK FORCE STUDY.—Before a State receives assistance under this section, and at 3 year intervals thereafter, the State task force shall comprehensively—

"(1) review and evaluate State investigative, administrative and both civil and criminal judicial handling of cases of child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal; and

"(2) make policy and training recommendations in each of the categories described in subsection (e).

The task force may make such other comments and recommendations as are considered relevant and useful.

"(e) ADOPTION OF STATE TASK FORCE RECOMMENDATIONS.—

"(1) GENERAL RULE.—Subject to the provisions of paragraph (2), before a State receives assistance under this section, a State shall adopt recommendations of the State task force in each of the following categories—

"(A) investigative, administrative, and judicial handling of cases of child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal, in a manner which reduces the additional trauma to the child victim and the victim's family and which also ensures procedural fairness to the accused;

"(B) experimental, model and demonstration programs for testing innovative approaches and techniques which may improve the prompt and successful resolution of civil and criminal court proceedings or enhance the effectiveness of judicial and administrative action in child abuse and neglect cases, particularly child sexual abuse and exploitation cases, including the enhancement of performance of court-appointed attorneys and guardians ad litem for children; and

"(C) reform of State laws, ordinances, regulations, protocols and procedures to provide comprehensive protection for children from abuse, particularly child sexual abuse and exploitation, while ensuring fairness to all affected persons.

"(2) EXEMPTION.—As determined by the Secretary, a State shall be considered to be in fulfillment of the requirements of this subsection if—

"(A) the State adopts an alternative to the recommendations of the State task force, which carries out the purpose of this section, in each of the categories under paragraph (1) for which the State task force's recommendations are not adopted; or

"(B) the State is making substantial progress toward adopting recommendations of the State task force or a comparable alternative to such recommendations.

"(f) FUNDS AVAILABLE.—For grants under this section, the Secretary shall use the amount authorized by section 1404A of the Victims of Crime Act of 1984.

"SEC. 303. TRANSITIONAL PROVISION.

"A State or other entity that has a grant, contract, or cooperative agreement in effect, on the date of enactment of this Act, under the Family Resource and Support Program, the Community-Based Family Resource Program, the Family Support Center Program, the Emergency Child Abuse Prevention Grant Program, or the Temporary Child Care for Children with Disabilities and Crisis Nurseries Programs shall continue to receive funds under such grant, contract, or cooperative agreement, subject to the original terms under which such funds were provided, through the end of the applicable grant, contract, or agreement cycle.

"SEC. 304. RULE OF CONSTRUCTION.

"(a) IN GENERAL.—Nothing in this Act, or in part B of title IV of the Social Security Act, shall be construed—

"(1) as establishing a Federal requirement that a parent or legal guardian provide a child

any medical service or treatment against the religious beliefs of the parent or legal guardian; and

"(2) to require that a State find, or to prohibit a State from finding, abuse or neglect in cases in which a parent or legal guardian relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of the parent or legal guardian.

"(b) STATE REQUIREMENT.—Notwithstanding subsection (a), a State shall have in place authority under State law to permit the child protective service system of the State to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, to provide medical care or treatment for a child when such care or treatment is necessary to prevent or remedy serious harm to the child, or to prevent the withholding of medically indicated treatment from children with life threatening conditions. Except with respect to the withholding of medically indicated treatments from disabled infants with life threatening conditions, case by case determinations concerning the exercise of the authority of this subsection shall be within the sole discretion of the State.

"SEC. 305. REMOVAL OF BARRIERS TO INTERETHNIC ADOPTION.

"(a) PURPOSE.—The purpose of this section is to decrease the length of time that children wait to be adopted and to prevent discrimination in the placement of children on the basis of race, color, or national origin.

"(b) MULTIETHNIC PLACEMENTS.—

"(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.—

"(i) IN GENERAL.—If the Secretary determines that a State is in violation of paragraph (1), the Secretary shall notify the State of such violation. The State shall have 90 days from the date on which such notice is received to correct such violation. During such 90-day period, the Secretary shall provide technical assistance to the State to assist such State in complying with the requirements of paragraph (1).

"(ii) FAILURE TO COMPLY.—If after the expiration of the 90-day period described in clause (i) the Secretary determines that the State continues to be in violation of paragraph (1), the Secretary shall reduce the amount due to the State for the succeeding fiscal year under the block grant program under part B of title IV of the Social Security Act by 10 percent.

"(B) PRIVATE VIOLATORS.—Any other entity that violates paragraph (1) during a period shall remit to the Secretary all funds that were paid to the entity during the period by a State from funds provided under this part.

"(3) PRIVATE CAUSE OF ACTION.—

"(A) IN GENERAL.—Any individual who is 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.

"(B) STATUTE OF LIMITATIONS.—An action under this paragraph may not be brought more than 2 years after the date the alleged violation occurred.".

SEC. 752. REAUTHORIZATIONS.

(a) MISSING CHILDREN'S ASSISTANCE ACT.—Section 408 of the Missing Children's Assistance Act (42 U.S.C. 5777) is amended—

(1) by striking "To" and inserting "(a) IN GENERAL.—"

(2) by striking "and 1996" and inserting "1996, and 1997"; and

(3) by adding at the end thereof the following new subsection:

"(b) EVALUATION.—The Administrator shall use not more than 5 percent of the amount appropriated for a fiscal year under subsection (a) to conduct an evaluation of the effectiveness of the programs and activities established and operated under this title.".

(b) VICTIMS OF CHILD ABUSE ACT OF 1990.—Section 214B of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13004) is amended—

(1) in subsection (a)(2), by striking "and 1996" and inserting "1996, and 1997"; and

(2) in subsection (b)(2), by striking "and 1996" and inserting "1996 and 1997".

SEC. 753. REPEALS.

(a) IN GENERAL.—The following provisions of law are repealed:

(1) Title II of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.).

(2) The Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note).

(3) The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986 (42 U.S.C. 5117 et seq.).

(4) Section 553 of the Howard M. Metzenbaum Multiethnic Placement Act of 1994 (42 U.S.C. 5115a).

(5) Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481 et seq.).

(b) 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 repeals made by this section.

(2) SUBMISSION TO CONGRESS.—Not later than 6 months after the date of enactment of this chapter, the Secretary of Health and Human Services shall submit the implementing bill referred to under paragraph (1).

TITLE VIII—CHILD CARE

SEC. 801. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This title may be cited as the "Child Care and Development Block Grant Amendments of 1995".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this title 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 Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

SEC. 802. GOALS.

(a) GOALS.—Section 658A (42 U.S.C. 9801 note) is amended—

(1) in the section heading by inserting "AND GOALS" after "TITLE";

(2) by inserting "(a) SHORT TITLE.—" before "This"; and

(3) by adding at the end the following:

"(b) GOALS.—The goals of this subchapter are—

"(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

"(2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

"(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

"(4) to assist States to provide child care to parents trying to achieve independence from public assistance; and

"(5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.".

SEC. 803. AUTHORIZATION OF APPROPRIATIONS AND ENTITLEMENT AUTHORITY.

(a) IN GENERAL.—Section 658B (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this subchapter $1,000,000,000 for each of the fiscal years 1996 through 2002.".

(b) SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act (as amended by section 103) is amended—

(1) by redesignating section 418 as section 419; and

(2) by inserting after section 417, the following new section:

"SEC. 418. FUNDING FOR CHILD CARE.

"(a) GENERAL CHILD CARE ENTITLEMENT.—

"(1) GENERAL ENTITLEMENT.—Subject to the amount appropriated under paragraph (3), each State shall, for the purpose of providing child care assistance, be entitled to payments under a grant under this subsection for a fiscal year in an amount equal to—

"(A) the sum of the total amount required to be paid to the State under former section 403 for fiscal year 1994 with respect to amounts expended for child care under section—

"(i) 402(g) of this Act (as such section was in effect before October 1, 1995); and

"(ii) 403(i) of this Act (as so in effect); or

"(B) the average of the total amounts required to be paid to the State for fiscal years 1992 through 1994 under the sections referred to in subparagraph (A);

whichever is greater.

"(2) REMAINDER.—

"(A) GRANTS.—The Secretary shall use any amounts appropriated for a fiscal year under paragraph (3), and remaining after the reservation described in paragraph (5) and after grants are awarded under paragraph (1), to make grants to States under this paragraph.

"(B) AMOUNT.—Subject to subparagraph (C), the amount of a grant awarded to a State for a fiscal year under this paragraph shall be based on the formula used for determining the amount of Federal payments to the State under section 403(n) (as such section was in effect before October 1, 1995).

"(C) MATCHING REQUIREMENT.—The Secretary shall pay to each eligible State in a fiscal year an amount, under a grant under subparagraph (A), equal to the Federal medical assistance percentage for such State for fiscal year 1994 (as defined in section 1905(b)) of so much of the expenditures by the State for child care in such year as exceed the State set-aside for such State under subparagraph (A) for such year and the amount of State expenditures in fiscal year 1994 that equal the non-Federal share for the programs described in subparagraphs (A), (B) and (C) of paragraph (1).

"(3) APPROPRIATION.—There are authorized to be appropriated, and there are appropriated, to carry out this section—

"(A) $1,300,000,000 for fiscal year 1997;

"(B) $1,400,000,000 for fiscal year 1998;

"(C) $1,500,000,000 for fiscal year 1999;

"(D) $1,700,000,000 for fiscal year 2000;

"(E) $1,900,000,000 for fiscal year 2001; and

"(F) $2,050,000,000 for fiscal year 2002.

"(4) REDISTRIBUTION.—With respect to any fiscal year, if the Secretary determines that amounts under any grant awarded to a State under this subsection for such fiscal year will not be used by such State for carrying out the purpose for which the grant is made, the Secretary shall make such amounts available for

carrying out such purpose to one or more other States which apply for such funds to the extent the Secretary determines that such other States will be able to use such additional amounts for carrying out such purpose. Such available amounts shall be redistributed to a State pursuant to section 402(i) (as such section was in effect before October 1, 1995) by substituting 'the number of children residing in all States applying for such funds' for 'the number of children residing in the United States in the second preceding fiscal year'. Any amount made available to a State from an appropriation for a fiscal year in accordance with the preceding sentence shall, for purposes of this part, be regarded as part of such State's payment (as determined under this subsection) for such year.

"(5) INDIAN TRIBES.—The Secretary shall reserve not more than 1 percent of the aggregate amount appropriated to carry out this section in each fiscal year for payments to Indian tribes and tribal organizations.

"(b) USE OF FUNDS.—

"(1) IN GENERAL.—Amounts received by a State under this section shall only be used to provide child care assistance.

"(2) USE FOR CERTAIN POPULATIONS.—A State shall ensure that not less than 70 percent of the total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under this part, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

"(c) APPLICATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT of 1990.—Notwithstanding any other provision of law, amounts provided to a State under this section shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, integrated by the State into the programs established by the State under such Act, and be subject to requirements and limitations of such Act.

"(d) DEFINITION.—As used in this section, the term 'State' means each of the 50 States or the District of Columbia.".

SEC. 804. LEAD AGENCY.

Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "State" the first place that such appears 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.

SEC. 805. APPLICATION AND PLAN.

Section 658E (42 U.S.C. 9858c) is amended—

(1) in subsection (b)—

(A) by striking "implemented—" and all that follows through "(2)" and inserting "implemented"; and

(B) by striking "for subsequent State plans";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i) by striking ", other than through assistance provided under paragraph (3)(C),"; and

(II) by striking "except" and all that follows through "1992", and inserting "and provide a detailed description of the procedures the State will implement to carry out the requirements of this subparagraph";

(ii) in subparagraph (B)—

(I) by striking "Provide assurances" and inserting "Certify"; and

(II) by inserting before the period at the end "and provide a detailed description of such procedures";

(iii) in subparagraph (C)—

(I) by striking "Provide assurances" and inserting "Certify"; and

(II) by inserting before the period at the end "and provide a detailed description of how such record is maintained and is made available";

(iv) by amending subparagraph (D) to read as follows:

"(D) CONSUMER EDUCATION INFORMATION.—Certify that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.";

(v) in subparagraph (E), to read as follows:

"(E) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—

"(i) IN GENERAL.—Certify that the State has in effect licensing requirements applicable to child care services provided within the State, and provide a detailed description of such requirements and of how such requirements are effectively enforced. Nothing in the preceding sentence shall be construed to require that licensing requirements be applied to specific types of providers of child care services.

"(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—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.";

(vi) by striking subparagraph (F);

(vii) in subparagraph (G)—

(I) by redesignating such subparagraph as subparagraph (F);

(II) by striking "Provide assurances" and inserting "Certify"; and

(III) by striking "as described in subparagraph (F)"; and

(viii) by striking subparagraphs (H), (I), and (J) and inserting the following:

"(G) MEETING THE NEEDS OF CERTAIN POPULATIONS.—Demonstrate the manner in which the State will meet the specific child care needs of families who are receiving assistance under a State program under part A of title IV of the Social Security Act, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.";

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "(B) and (C)" and inserting "(B) through (D)";

(ii) in subparagraph (B)—

(I) by striking ".—Subject to the reservation contained in subparagraph (C), the" and inserting "AND RELATED ACTIVITIES.—The";

(II) in clause (i) by striking "; and" at the end and inserting a period;

(III) by striking "for—" and all that follows through "section 658E(c)(2)(A)" and inserting "for child care services on sliding fee scale basis, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)"; and

(IV) by striking clause (ii);

(iii) by amending subparagraph (C) to read as follows:

"(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 3 percent of the aggregate amount of funds available to the State to carry out this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all of its functions and duties under this subchapter. As used in the preceding sentence, the term 'administrative costs' shall not include the costs of providing direct services."; and

(iv) by adding at the end thereof the following:

"(D) ASSISTANCE FOR CERTAIN FAMILIES.—A State shall ensure that a substantial portion of the amounts available (after the State has complied with the requirement of section 418(b)(2) of the Social Security Act with respect to each of the fiscal years 1997 through 2002) to the State to carry out activities this subchapter in each fiscal year is used to provide assistance to low-income working families other than families described in paragraph (2)(F)."; and

(C) in paragraph (4)(A)—

(i) by striking "provide assurances" and inserting "certify";

(ii) in the first sentence by inserting "and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access" before the period; and

(iii) by striking the last sentence.

SEC. 806. LIMITATION ON STATE ALLOTMENTS.

Section 658F(b) (42 U.S.C. 9858d(b)) is amended—

(1) in paragraph (1), by striking "No" and inserting "Except as provided for in section 658O(c)(6), no"; and

(2) in paragraph (2), by striking "referred to in section 658E(c)(2)(F)".

SEC. 807. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

Section 658G (42 U.S.C. 9858e) is amended to read as follows:

"SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

"A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 3 percent of the amount of such funds for activities that are designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services).".

SEC. 808. REPEAL OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE REQUIREMENT.

Section 658H (42 U.S.C. 9858f) is repealed.

SEC. 809. ADMINISTRATION AND ENFORCEMENT.

Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

(1) in paragraph (1), by striking ", and shall have" and all that follows through "(2)"; and

(2) in the matter following clause (ii) of paragraph (2)(A), by striking "finding and that" and all that follows through the period and inserting "finding and shall require 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.".

SEC. 810. PAYMENTS.

Section 658J(c) (42 U.S.C. 9858h(c)) is amended by striking "expended" and inserting "obligated".

SEC. 811. ANNUAL REPORT AND AUDITS.

Section 658K (42 U.S.C. 9858i) is amended—

(1) in the section heading by striking "ANNUAL REPORT" and inserting "REPORTS";

(2) in subsection (a), to read as follows:

"(a) REPORTS.—

"(1) COLLECTION OF INFORMATION BY STATES.—

"(A) IN GENERAL.—A State that receives funds to carry out this subchapter shall collect the information described in subparagraph (B) on a monthly basis.

"(B) REQUIRED INFORMATION.—The information required under this subparagraph shall include, with respect to a family unit receiving assistance under this subchapter information concerning—

"(i) family income;

"(ii) county of residence;

"(iii) the gender, race, and age of children receiving such assistance;

"(iv) whether the family includes only one parent;

"(v) the sources of family income, including the amount obtained from (and separately identified)—

"(I) employment, including self-employment;

"(II) cash or other assistance under part A of title IV of the Social Security Act;

"(III) housing assistance;

"(IV) assistance under the Food Stamp Act of 1977; and

"(V) other assistance programs;

"(vi) the number of months the family has received benefits;

"(vii) the type of child care in which the child was enrolled (such as family child care, home care, or center-based child care);

"(viii) whether the child care provider involved was a relative;

"(ix) the cost of child care for such families; and

"(x) the average hours per week of such care;

during the period for which such information is required to be submitted.

"(C) SUBMISSION TO SECRETARY.—A State described in subparagraph (A) shall, on a quarterly basis, submit the information required to be collected under subparagraph (B) to the Secretary.

"(D) SAMPLING.—The Secretary may disapprove the information collected by a State under this paragraph if the State uses sampling methods to collect such information.

"(2) BIANNUAL REPORTS.—Not later than December 31, 1997, and every 6 months thereafter, a State described in paragraph (1)(A) shall prepare and submit to the Secretary a report that includes aggregate data concerning—

"(A) the number of child care providers that received funding under this subchapter as separately identified based on the types of providers listed in section 658P(5);

"(B) the monthly cost of child care services, and the portion of such cost that is paid for with assistance provided under this subchapter, listed by the type of child care services provided;

"(C) the number of payments made by the State through vouchers, contracts, cash, and disregards under public benefit programs, listed by the type of child care services provided;

"(D) the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided; and

"(E) the total number (without duplication) of children and families served under this subchapter;

during the period for which such report is required to be submitted."; and

(2) in subsection (b)—

(A) in paragraph (1) by striking "a application" and inserting "an application";

(B) in paragraph (2) by striking "any agency administering activities that receive" and inserting "the State that receives"; and

(C) in paragraph (4) by striking "entitles" and inserting "entitled".

SEC. 812. REPORT BY THE SECRETARY.

Section 658L (42 U.S.C. 9858j) is amended—

(1) by striking "1993" and inserting "1997";

(2) by striking "annually" and inserting "biennially"; and

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

SEC. 813. ALLOTMENTS.

Section 658O (42 U.S.C. 9858m) is amended—

(1) in subsection (a)—

(A) in paragraph (1)

(i) by striking "POSSESSIONS" and inserting "POSSESSIONS";

(ii) by inserting "and" after "States,"; and

(iii) by striking ", and the Trust Territory of the Pacific Islands"; and

(B) in paragraph (2), by striking "3 percent" and inserting "1 percent";

(2) in subsection (c)—

(A) in paragraph (5) by striking "our" and inserting "out"; and

(B) 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

(3) in subsection (e), 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 which the grant or contract is made available, shall be allotted by the Secretary to other tribes or organizations that have submitted applications under subsection (c) in accordance with their respective needs.".

SEC. 814. DEFINITIONS.

Section 658P (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) by striking paragraph (3);

(3) in paragraph (4)(B), by striking "75 percent" and inserting "85 percent";

(4) in paragraph (5)(B)—

(A) by inserting "great grandchild, sibling (if such provider lives in a separate residence)," after "grandchild,";

(B) by striking "is registered and"; and

(C) by striking "State" and inserting "applicable".

(5) by striking paragraph (10);

(6) in paragraph (13)—

(A) by inserting "or" after "Samoa,"; and

(B) by striking ", and the Trust Territory of the Pacific Islands";

(7) in paragraph (14)—

(A) by striking "The term" and inserting the following:

"(A) IN GENERAL.—The term"; and

(B) by adding at the end thereof the following new subparagraph:

"(B) OTHER ORGANIZATIONS.—Such term includes a Native Hawaiian Organization, as defined in section 4009(4) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (20 U.S.C. 4909(4)) and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians.".

SEC. 815. REPEALS.

(a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—Title VI of the Human Services Reauthorization Act of 1986 (42 U.S.C. 10901–10905) is repealed.

(b) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—Subchapter E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871–9877) is repealed.

(c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title X of the Elementary and Secondary Education Act of 1965, as amended by Public Law 103–382 (108 Stat. 3809 et seq.), is amended—

(1) in section 10413(a) by striking paragraph (4),

(2) in section 10963(b)(2) by striking subparagraph (G), and

(3) in section 10974(a)(6) by striking subparagraph (G).

(d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.—Section 9205 of the Native Hawaiian Education Act (Public Law 103–382; 108 Stat. 3794) is repealed.

SEC. 816. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect on October 1, 1996.

(b) EXCEPTION.—The amendment made by section 803(a) shall take effect on the date of enactment of this Act.

TITLE IX—CHILD NUTRITION PROGRAMS

Subtitle A—National School Lunch Act

SEC. 901. STATE DISBURSEMENT TO SCHOOLS.

(a) IN GENERAL.—Section 8 of the National School Lunch Act (42 U.S.C. 1757) is amended—

(1) in the third sentence, by striking "Nothing" and all that follows through "educational agency to" and inserting "The State educational agency may";

(2) by striking the fourth, fifth, and eighth sentences;

(3) by redesignating the first through sixth sentences, as amended by paragraph (1), as subsections (a) through (f), respectively;

(4) in subsection (b), as redesignated by paragraph (3), by striking "the preceding sentence" and inserting "subsection (a)"; and

(5) in subsection (d), as redesignated by paragraph (3), by striking "Such food costs" and inserting "Use of funds paid to States".

(b) DEFINITION OF CHILD.—Section 12(d) of the Act (42 U.S.C. 1760(d)) is amended by adding at the end the following:

"(9) 'child' includes an individual, regardless of age, who—

"(A) is determined by a State educational agency, in accordance with regulations prescribed by the Secretary, to have 1 or more mental or physical disabilities; and

"(B) is attending any institution, as defined in section 17(a), or any nonresidential public or nonprofit private school of high school grade or under, for the purpose of participating in a school program established for individuals with mental or physical disabilities.

No institution that is not otherwise eligible to participate in the program under section 17 shall be considered eligible because of this paragraph.".

SEC. 902. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

(a) NUTRITIONAL STANDARDS.—Section 9(a) of the National School Lunch Act (42 U.S.C. 1758(a)) is amended—

(1) in paragraph (2)—

(A) by striking "(2)(A) Lunches" and inserting "(2) Lunches";

(B) by striking subparagraph (B); and

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively;

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) ELIGIBILITY GUIDELINES.—Section 9(b) of the Act is amended—

(1) in paragraph (2)—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(2) in paragraph (5), by striking the third sentence; and

(3) in paragraph (6), by striking "paragraph (2)(C)" and inserting "paragraph (2)(B)".

(c) UTILIZATION OF AGRICULTURAL COMMODITIES.—Section 9(c) of the Act is amended by striking the second, fourth, and sixth sentences.

(d) CONFORMING AMENDMENT.—The last sentence of section 9(d)(1) of the Act is amended by striking "subsection (b)(2)(C)" and inserting "subsection (b)(2)(B)".

(e) NUTRITIONAL INFORMATION.—Section 9(f) of the Act is amended—

(1) by striking paragraph (1);

(2) by striking "(2)";

(3) by redesignating subparagraphs (A) through (D) as paragraphs (1) through (4), respectively;

(4) by striking paragraph (1), as redesignated by paragraph (3), and inserting the following:

"(1) NUTRITIONAL REQUIREMENTS.—Except as provided in paragraph (2), not later than the first day of the 1996–1997 school year, schools that are participating in the school lunch or school breakfast program shall serve lunches and breakfasts under the program that—

"(A) are consistent with the goals of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341); and

"(B) provide, on the average over each week, at least—

"(i) with respect to school lunches, ⅓ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences; and

"(ii) with respect to school breakfasts, ¼ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences.";

(5) in paragraph (3), as redesignated by paragraph (3)—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A), as so redesignated, by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(6) in paragraph (4), as redesignated by paragraph (3), by striking the first sentence and inserting the following: "Schools may use any reasonable approach to meet the requirements of this paragraph, including any approach described in paragraph (3).".

(f) USE OF RESOURCES.—Section 9 of the Act is amended by striking subsection (h).

SEC. 903. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 9(b)(2) of the National School Lunch Act (42 U.S.C. 1758(b)(2)), as amended by section 902(b)(1), is further amended by adding at the end the following:

"(C) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

SEC. 904. SPECIAL ASSISTANCE.

(a) FINANCING BASED ON NEED.—Section 11(b) of the National School Lunch Act (42 U.S.C. 1759a(b)) is amended—

(1) in the second sentence, by striking ", within" and all that follows through "all States,"; and

(2) by striking the third sentence.

(b) APPLICABILITY OF OTHER PROVISIONS.—Section 11 of the Act is amended—

(1) by striking subsection (d);

(2) in subsection (e)(2)—

(A) by striking "The" and inserting "On request of the Secretary, the"; and

(B) by striking "each month"; and

(3) by redesignating subsections (e) and (f), as so amended, as subsections (d) and (e), respectively.

SEC. 905. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

(a) ACCOUNTS AND RECORDS.—Section 12(a) of the National School Lunch Act (42 U.S.C. 1760(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(b) RESTRICTION ON REQUIREMENTS.—Section 12(c) of the Act is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

(c) DEFINITIONS.—Section 12(d) of the Act, as amended by section 901(b), is further amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands";

(2) by striking paragraphs (3) and (4); and

(3) by redesignating paragraphs (1), (2), and (5) through (9) as paragraphs (6), (7), (3), (4), (2), (5), and (1), respectively, and rearranging the paragraphs so as to appear in numerical order.

(d) ADJUSTMENTS TO NATIONAL AVERAGE PAYMENT RATES.—Section 12(f) of the Act is amended by striking "the Trust Territory of the Pacific Islands,".

(e) EXPEDITED RULEMAKING.—Section 12(k) of the Act is amended—

(1) by striking paragraphs (1), (2), and (5); and

(2) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively.

(f) WAIVER.—Section 12(l) of the Act is amended—

(1) in paragraph (2)—

(A) by striking "(A)";

(B) in clause (iii), by adding "and" at the end;

(C) in clause (iv), by striking the semicolon at the end and inserting a period;

(D) by striking clauses (v) through (vii);

(E) by striking subparagraph (B); and

(F) by redesignating clauses (i) through (iv), as so amended, as subparagraphs (A) through (D), respectively;

(2) in paragraph (3)—

(A) by striking "(A)"; and

(B) by striking subparagraphs (B) through (D);

(3) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking "of any requirement relating" and inserting "that increases Federal costs or that relates";

(B) by striking subparagraphs (B), (D), (F), (H), (J), (K), and (L);

(C) by redesignating subparagraphs (C), (E), (G), (I), (M), and (N) as subparagraphs (B) through (G), respectively; and

(D) in subparagraph (F), as redesignated by subparagraph (C), by striking "and" at the end and inserting "or"; and

(4) in paragraph (6)—

(A) by striking "(A)(i)" and all that follows through "(B)"; and

(B) by redesignating clauses (i) through (iv) as subparagraphs (A) through (D), respectively.

(g) FOOD AND NUTRITION PROJECTS.—Section 12 of the Act is amended by striking subsection (m).

SEC. 906. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) ESTABLISHMENT OF PROGRAM.—Section 13(a) of the National School Lunch Act (42 U.S.C. 1761(a)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking "initiate, maintain, and expand" and insert "initiate and maintain"; and

(B) in subparagraph (E) of the second sentence, by striking "the Trust Territory of the Pacific Islands,"; and

(2) in paragraph (7)(A), by striking "Except as provided in subparagraph (C), private" and inserting "Private".

(b) SERVICE INSTITUTIONS.—Section 13(b) of the Act is amended by striking "(b)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(b) SERVICE INSTITUTIONS.—

"(1) PAYMENTS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, payments to service institutions shall equal the full cost of food service operations (which cost shall include the costs of obtaining, preparing, and serving food, but shall not include administrative costs).

"(B) MAXIMUM AMOUNTS.—Subject to subparagraph (C), payments to any institution under subparagraph (A) shall not exceed—

"(i) $1.82 for each lunch and supper served;

"(ii) $1.13 for each breakfast served; and

"(iii) 46 cents for each meal supplement served.

"(C) ADJUSTMENTS.—Amounts specified in subparagraph (B) shall be adjusted each January 1 to the nearest lower cent increment in accordance with the changes for the 12-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Each adjustment shall be based on the unrounded adjustment for the prior 12-month period.".

(c) ADMINISTRATION OF SERVICE INSTITUTIONS.—Section 13(b)(2) of the Act is amended—

(1) in the first sentence, by striking "four meals" and inserting "3 meals, or 2 meals and 1 supplement,"; and

(2) by striking the second sentence.

(d) REIMBURSEMENTS.—Section 13(c)(2) of the Act is amended—

(1) by striking subparagraph (A);

(2) in subparagraph (B)—

(A) in the first sentence—

(i) by striking ", and such higher education institutions,"; and

(ii) by striking "without application" and inserting "upon showing residence in areas in which poor economic conditions exist or on the basis of income eligibility statements for children enrolled in the program"; and

(B) by adding at the end the following: "The higher education institutions referred to in the preceding sentence shall be eligible to participate in the program under this paragraph without application.";

(3) in subparagraph (C)(ii), by striking "severe need"; and

(4) by redesignating subparagraphs (B) through (E), as so amended, as subparagraphs (A) through (D), respectively.

(e) ADVANCE PROGRAM PAYMENTS.—Section 13(e)(1) of the Act is amended—

(1) by striking "institution: Provided, That (A) the" and inserting "institution. The";

(2) by inserting "(excluding a school)" after "any service institution"; and

(3) by striking "responsibilities, and (B) no" and inserting "responsibilities. No".

(f) FOOD REQUIREMENTS.—Section 13(f) of the Act is amended—

(1) by redesignating the first through seventh sentences as paragraphs (1) through (7), respectively;

(2) by striking paragraph (3), as redesignated by paragraph (1);

(3) in paragraph (4), as redesignated by paragraph (1), by striking "the first sentence" and inserting "paragraph (1)";

(4) in paragraph (6), as redesignated by paragraph (1), by striking "that bacteria levels" and all that follows through the period at the end and inserting "conformance with standards set by local health authorities."; and

(5) by redesignating paragraphs (4) through (7), as redesignated by paragraph (1), as paragraphs (3) through (6), respectively.

(g) PERMITTING OFFER VERSUS SERVE.—Section 13(f) of the Act, as amended by subsection (f), is further amended by adding at the end the following:

"(7) OFFER VERSUS SERVE.—A school food authority participating as a service institution may permit a child attending a site on school premises operated directly by the authority to refuse not more than 1 item of a meal that the child does not intend to consume. A refusal of an offered food item shall not affect the amount of payments made under this section to a school for the meal.".

(h) HEALTH DEPARTMENT INSPECTIONS.—Section 13(k) of the Act is amended by striking paragraph (3).

(i) FOOD SERVICE MANAGEMENT COMPANIES.—Section 13(l) of the Act is amended—

(1) by striking paragraph (4);

(2) in paragraph (5), by striking the first sentence; and

(3) by redesignating paragraph (5), as so amended, as paragraph (4).

(j) RECORDS.—The second sentence of section 13(m) of the Act is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(k) REMOVING MANDATORY NOTICE TO INSTITUTIONS.—Section 13(n)(2) of the Act is amended by striking ", and its plans and schedule for informing service institutions of the availability of the program".

(l) PLAN.—Section 13(n) of the Act is amended—

(1) in paragraph (2), by striking "including the State's methods of assessing need";

(2) by striking paragraph (3);

(3) in paragraph (4), by striking "and schedule"; and

(4) by redesignating paragraphs (4) through (7), as so amended, as paragraphs (3) through (6), respectively.

(m) MONITORING AND TRAINING.—Section 13(q) of the Act is amended—

(1) by striking paragraphs (2) and (4);

(2) in paragraph (3), by striking "paragraphs (1) and (2) of this subsection" and inserting "paragraph (1)"; and

(3) by redesignating paragraph (3), as so amended, as paragraph (2).

(n) EXPIRED PROGRAM.—Section 13 of the Act is amended—

(1) by striking subsection (p); and

(2) by redesignating subsections (q) and (r), as so amended, as subsections (p) and (q), respectively.

(o) EFFECTIVE DATE.—The amendments made by subsection (b) shall become effective on January 1, 1996.

SEC. 907. COMMODITY DISTRIBUTION.

(a) CEREAL AND SHORTENING IN COMMODITY DONATIONS.—Section 14(b) of the National School Lunch Act (42 U.S.C. 1762a(b)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(b) IMPACT STUDY AND PURCHASING PROCEDURES.—Section 14(d) of the Act is amended by striking the second and third sentences.

(c) CASH COMPENSATION FOR PILOT PROJECT SCHOOLS.—Section 14(g) of the Act is amended by striking paragraph (3).

(d) STATE ADVISORY COUNCIL.—Section 14 is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g), as so amended, as subsections (e) and (f), respectively.

SEC. 908. CHILD CARE FOOD PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended—

(1) in the section heading, by striking "AND ADULT"; and

(2) in the first sentence of subsection (a), by striking "initiate, maintain, and expand" and inserting "initiate and maintain".

(b) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the Act (42 U.S.C. 1766(a)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited.".

(c) TECHNICAL ASSISTANCE.—The last sentence of section 17(d)(1) of the Act is amended by striking ", and shall provide technical assistance" and all that follows through "its application".

(d) REIMBURSEMENT OF CHILD CARE INSTITUTIONS.—Section 17(f)(2)(B) of the Act (42 U.S.C. 1766(f)(2)(B)) is amended by striking "two meals and two supplements or three meals and one supplement" and inserting "two meals and one supplement".

(e) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the Act is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following:

"(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(A) REIMBURSEMENT FACTOR.—

"(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, 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) TIER I FAMILY OR GROUP DAY CARE HOMES.—

"(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

"(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the income eligibility guidelines for free or reduced price meals under section 9 and whose income is verified by the sponsoring organization of the home under regulations established by the Secretary.

"(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

"(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on August 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

"(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

"(I) IN GENERAL.—

"(aa) FACTORS.—Except as provided 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)(I), the reimbursement factors shall be 90 cents for lunches and suppers, 25 cents for breakfasts, and 10 cents for supplements.

"(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or

supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the income eligibility guidelines, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) INFORMATION AND DETERMINATIONS.—

"(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the income eligibility guidelines under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

"(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that sponsors the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the income eligibility guidelines under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

"(cc) Such other simplified procedures as the Secretary may prescribe.

"(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any necessary minimum verification requirements.".

(2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the Act is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1996.

"(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

"(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

"(bb) training and other assistance to family and group day care homes in the implementation of the amendment to subparagraph (A) made by section 913(e)(1) of the Personal Responsibility and Work Opportunity Act of 1995.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State during fiscal year 1994 as a percentage of the number of all family day care homes participating in the program during fiscal year 1994.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1996 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).".

(3) PROVISION OF DATA.—Section 17(f)(3) of the Act, as amended by paragraph (2), is further amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(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.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(4) CONFORMING AMENDMENTS.—Section 17(c) of the Act is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(f) REIMBURSEMENT.—Section 17(f) of the Act is amended—

(1) in paragraph (3)—

(A) in subparagraph (B), by striking the third and fourth sentences; and

(B) in subparagraph (C)—

(i) in clause (i)—

(I) by striking "(i)";

(II) in the first sentence, by striking "and expansion funds" and all that follows through "rural areas";

(III) by striking the second sentence; and

(IV) by striking "and expansion funds" each place it appears; and

(ii) by striking clause (ii); and

(2) by striking paragraph (4).

(g) NUTRITIONAL REQUIREMENTS.—Section 17(g)(1) of the Act is amended—

(1) in subparagraph (A), by striking the second sentence; and

(2) in subparagraph (B), by striking the second sentence.

(h) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the Act is amended by striking subsection (k) and inserting the following:

"(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.".

(i) RECORDS.—The second sentence of section 17(m) of the Act is amended by striking "at all times" and inserting "at any reasonable time".

(j) MODIFICATION OF ADULT CARE FOOD PROGRAM.—Section 17(o) of the Act is amended—

(1) in the first sentence of paragraph (1)—

(A) by striking "adult day care centers" and inserting "day care centers for chronically impaired disabled persons"; and

(B) by striking "to persons 60 years of age or older or"; and

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "adult day care center" and inserting "day care center for chronically impaired disabled persons"; and

(ii) in clause (i)—

(I) by striking "adult";

(II) by striking "adults" and inserting "persons"; and

(III) by striking "or persons 60 years of age or older"; and

(B) in subparagraph (B), by striking "adult day care services" and inserting "day care services for chronically impaired disabled persons".

(k) UNNEEDED PROVISION.—Section 17 of the Act is amended by striking subsection (q).

(l) CONFORMING AMENDMENTS.—

(1) Section 17B(f) of the Act (42 U.S.C. 1766b(f)) is amended—

(A) in the subsection heading, by striking "AND ADULT"; and

(B) in paragraph (1), by striking "and adult".

(2) Section 18(e)(3)(B) of the Act (42 U.S.C. 1769(e)(3)(B)) is amended by striking "and adult".

(3) Section 25(b)(1)(C) of the Act (42 U.S.C. 1769f(b)(1)(C)) is amended by striking "and adult".

(4) Section 3(1) of the Healthy Meals for Healthy Americans Act of 1994 (Public Law 103–448) is amended by striking "and adult".

(m) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1), (3), and (4) of subsection (e) shall become effective on August 1, 1996.

(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 (e); 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).

(n) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—

(1) IN GENERAL.—The Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, shall study the impact of the amendments made by this section on—

(A) the number of family day care homes participating in the child care food program established under section 17 of the National School Lunch Act (42 U.S.C. 1766);

(B) the number of day care home sponsoring organizations participating in the program;

(C) the number of day care homes that are licensed, certified, registered, or approved by each State in accordance with regulations issued by the Secretary;

(D) the rate of growth of the numbers referred to in subparagraphs (A) through (C);

(E) the nutritional adequacy and quality of meals served in family day care homes that—

(i) received reimbursement under the program prior to the amendments made by this section but do not receive reimbursement after the amendments made by this section; or

(ii) received full reimbursement under the program prior to the amendments made by this section but do not receive full reimbursement after the amendments made by this section; and

(F) the proportion of low-income children participating in the program prior to the amendments made by this section and the proportion of low-income children participating in the program after the amendments made by this section.

(2) REQUIRED DATA.—Each State agency participating in the child care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766) shall submit to the Secretary data on—

(A) the number of family day care homes participating in the program on July 31, 1996, and July 31, 1997;

(B) the number of family day care homes licensed, certified, registered, or approved for service on July 31, 1996, and July 31, 1997; and

(C) such other data as the Secretary may require to carry out this subsection.

(3) SUBMISSION OF REPORT.—Not later than 2 years after the effective date of this section, the Secretary shall submit the study required under this subsection to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 909. PILOT PROJECTS.

(a) UNIVERSAL FREE PILOT.—Section 18(d) of the National School Lunch Act (42 U.S.C. 1769(d)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) DEMO PROJECT OUTSIDE SCHOOL HOURS.—Section 18(e) of the Act is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "(A)"; and

(ii) by striking "shall" and inserting "may"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (5) and inserting the following:

"(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 1997 and 1998.".

(c) ELIMINATING PROJECTS.—Section 18 of the Act is amended—

(1) by striking subsections (a) and (g) through (i); and

(2) by redesignating subsections (b) through (f), as so amended, as subsections (a) through (e), respectively.

(d) CONFORMING AMENDMENT.—Section 17B(d)(1)(A) of the Act (42 U.S.C. 1766b(d)(1)(A)) is amended by striking "18(c)" and inserting "18(b)".

SEC. 910. REDUCTION OF PAPERWORK.

Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is repealed.

SEC. 911. INFORMATION ON INCOME ELIGIBILITY.

Section 23 of the National School Lunch Act (42 U.S.C. 1769d) is repealed.

SEC. 912. NUTRITION GUIDANCE FOR CHILD NUTRITION PROGRAMS.

Section 24 of the National School Lunch Act (42 U.S.C. 1769e) is repealed.

SEC. 913. INFORMATION CLEARINGHOUSE.

Section 26 of the National School Lunch Act (42 U.S.C. 1769g) is repealed.

SEC. 914. SCHOOL NUTRITION OPTIONAL BLOCK GRANT DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The National School Lunch Act is amended by inserting after section 4 (42 U.S.C. 1753) the following:

"SEC. 5. SCHOOL NUTRITION OPTIONAL BLOCK GRANT DEMONSTRATION PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) BLOCK GRANT DEMONSTRATION PROGRAM.—The term 'block grant demonstration program' means the block grant program demonstration program established under subsection (b).

"(2) DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOL.—The term 'Department of Defense domestic dependents' school' means an elementary or secondary school established under section 2164 of title 10, United States Code.

"(3) LOW-INCOME STUDENT.—The term 'low-income student' means a student who is a member of a family whose income is less than 130 percent of the poverty line.

"(4) NEEDY STUDENT.—The term 'needy student' means a student who is a member of a family whose income is not less than 130 percent, and not more than 185 percent, of the poverty line.

"(5) POVERTY LINE.—The term 'poverty line' has the meaning provided in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(6) STATE PLAN.—The term 'State plan' means a State plan submitted to and approved by the Secretary under subsection (d).

"(b) ESTABLISHMENT.—The Secretary shall establish an optional block grant demonstration program in not more than 1 State in each of the 7 Food and Consumer Service regions of the United States Department of Agriculture to make grants to States to carry out a school lunch and breakfast program for all schoolchildren that—

"(1) safeguards the health and well-being of children through the provision of nutritious, well-balanced meals in schools;

"(2) provides children who are low-income students access to nutritious free meals;

"(3) provides children who are needy students access to nutritious low-cost meals;

"(4) ensures that children are receiving the nutrition required to take advantage of educational opportunities;

"(5) emphasizes foods that are naturally good sources of vitamins and minerals over foods that have been enriched with vitamins and minerals and are high in fat or sodium content;

"(6) provides a comprehensive school nutrition program for children, which may include offering free meals to all children at a school;

"(7) minimizes paperwork burdens and administrative expenses for participating schools; and

"(8) at the option of the State, provides meal supplements to children in afterschool care.

"(c) ELECTION BY THE STATE.—

"(1) IN GENERAL.—A State with respect to which an application submitted under subsection (d)(1) is approved may participate in the block grant demonstration program.

"(2) ELECTION IRREVOCABLE.—A State with respect to which an application under paragraph (1) is approved may not subsequently reverse the decision of the State to participate in the block grant demonstration program until the termination of the program under subsection (n).

"(3) BLOCK GRANT DEMONSTRATION PROGRAM EXCLUSIVE.—Except as otherwise provided in this section, a State that is participating in the block grant demonstration program shall not be subject to, or receive any benefit under—

"(A) the school lunch program established under this Act;

"(B) the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); or

"(C) the commodity distribution programs established under sections 6 and 14.

"(4) MAINTENANCE OF SERVICE TO LOW-INCOME AND NEEDY STUDENTS.—

"(A) PROPORTIONS OF STUDENTS SERVED.—A State shall ensure that, during each year in which the State is participating in the block grant demonstration program, the proportions of school lunches and school breakfasts served to low-income students and needy students under the block grant demonstration program are not less than the proportions of school lunches and school breakfasts, respectively, served to low-income students and needy students in the last year of participation by the State in the school lunch program established under the other sections of this Act or the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), respectively.

"(B) PROPORTIONS OF FUNDS USED TO PROVIDE SERVICE.—A State shall ensure that, during each year in which the State is participating in the block grant demonstration program, the proportions of funds used by the State to provide school lunches and school breakfasts for low-income students and needy students under the block grant demonstration program are not less than the proportions of State funds used to provide school lunches and school breakfasts, respectively, for low-income students and needy students in the last year of participation by the State in the school lunch program established under the other sections of this Act or the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), respectively.

"(d) APPLICATION AND STATE PLAN.—

"(1) APPLICATION.—To be eligible to receive assistance under the block grant demonstration program, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the

Secretary shall by regulation reasonably require, including—

"(A) an assurance that the State will comply with the requirements of this section;

"(B) a State plan that meets the requirements of paragraph (2);

"(C) an assurance that the State will comply with the requirements of the State plan under paragraph (2); and

"(D) an assurance that the State will submit an annual report in accordance with paragraph (4).

"(2) REQUIREMENTS OF STATE PLAN.—

"(A) USE OF BLOCK GRANT DEMONSTRATION PROGRAM FUNDS.—

"(i) IN GENERAL.—Subject to clause (ii), the State plan shall provide that the State shall use the amounts provided to the State for each fiscal year under the block grant demonstration program to provide assistance to schools to provide lunches and breakfasts, including—

"(I) free lunches and breakfasts in accordance with subparagraph (E) to low-income students at the schools;

"(II) low-cost lunches and breakfasts to needy students at the schools;

"(III) at the option of the State, lunches and breakfasts to all students; and

"(IV) at the option of the State, meal supplements.

"(ii) ADMINISTRATIVE EXPENSES.—A State may not use the amounts described in clause (i) for the payment of State administrative expenses incurred in carrying out the block grant demonstration program.

"(iii) NONPROFIT OPERATION.—The school lunch and school breakfast program under the block grant demonstration program shall be operated on a nonprofit basis.

"(iv) MAINTENANCE OF STATE EFFORT.—For each fiscal year for which the State participates in the block grant demonstration program, the amount of the State revenues (excluding State revenues derived from the operation of the program) appropriated or used specifically for block grant demonstration program purposes (other than any State revenues expended for salaries and administrative expenses of the program at the State level) shall be not less than the amount of such State revenues made available for the preceding fiscal year under this section or for the school lunch program under the other sections of this Act and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), as appropriate.

"(B) NUTRITIONAL REQUIREMENTS.—

"(i) PROHIBITION ON ADDITIONAL REQUIREMENTS.—The Secretary may not impose any additional nutritional requirement beyond the requirements specified in this subparagraph.

"(ii) REQUIREMENTS.—The State plan shall provide for the establishment and implementation of minimum nutritional requirements for meals provided under the block grant demonstration program based on the most recent tested nutritional research available, except that the requirements shall not prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students.

"(iii) DIETARY GUIDELINES.—The nutritional requirements established under clause (ii) shall be consistent with the goals of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341).

"(iv) RECOMMENDED DIETARY ALLOWANCES.—The nutritional requirements established under clause (ii) shall require that meals provided under the block grant demonstration program provide, on the average over each week, at least—

"(I) with respect to school lunches, ⅓ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences; and

"(II) with respect to school breakfasts, ¼ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences.

"(C) REVIEW OF MEAL OPERATIONS.—The State plan shall provide that the State shall review the meal operations of each school food authority participating in the block grant demonstration program not later than 2 years, and not later than 4 years, after the implementation of the block grant demonstration program in the State.

"(D) GROUPS SERVED.—Subject to subsection (c)(4), the State plan shall describe how the block grant demonstration program will serve specific groups of students in the State.

"(E) ELIGIBILITY LIMITATIONS.—

"(i) IN GENERAL.—Subject to clauses (ii) and (iii), the State plan shall describe the income eligibility limitations established for the receipt of free meals and low-cost meals under the block grant demonstration program.

"(ii) ELIGIBILITY FOR FREE MEALS.—

"(I) LOW-INCOME STUDENTS.—A low-income student who attends a school participating in the block grant demonstration program shall be eligible to receive free school lunches and school breakfasts under the block grant demonstration program.

"(II) OTHER STUDENTS.—The State plan may provide that a student who is a member of a family whose income is equal to or more than 130 percent of the poverty line and who attends a school participating in the block grant demonstration program shall be eligible to receive free school lunches and school breakfasts under the block grant demonstration program.

"(iii) ELIGIBILITY FOR LOW-COST MEALS.—

"(I) IN GENERAL.—The State plan shall provide that a needy student who attends a school participating in the block grant demonstration program shall be eligible to receive a low-cost meal under the block grant demonstration program.

"(II) PRICE.—A low-cost meal under subclause (I) shall be offered to a needy student at a price that is less than the price charged to a student who is a member of a family whose income is more than 185 percent of the poverty line.

"(III) GROUP ELIGIBILITY CRITERIA.—Subject to the other provisions of this subparagraph and to subsection (c)(4), each State may develop group eligibility criteria based on census or other accurate data that measures the income of families with school-aged children in a school district or based on prior year participation.

"(F) OPPORTUNITY FOR CONTINUED PARTICIPATION.—The State plan shall provide that each school participating in the school lunch program under the other sections of this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), or both, on the day before the effective date of this subparagraph shall be provided the opportunity to participate in the block grant demonstration program. Such continued participation shall include the opportunity for the school to provide the meal or combination of meals offered prior to the effective date of this subparagraph.

"(G) PROVISION OF COMMODITIES TO CASH/CLOC SCHOOLS.—

"(i) IN GENERAL.—A State plan may not require a school district, nonprofit private school, or Department of Defense domestic dependents' school described in clause (ii), except on request of the school district, private school, or domestic dependents' school, as the case may be, to accept commodities for use in the school lunch or school breakfast program of the school district, private school, or domestic dependents' school in accordance with this section. The school district, private school, or domestic dependents' school may continue to receive commodity assistance in the form that the school received the assistance as of January 1, 1987.

"(ii) SCHOOLS.—Clause (i) applies to a school district, nonprofit private school, or Department of Defense domestic dependents' school, as the case may be, that as of January 1, 1987, was receiving all cash payments or all commodity letters of credit in lieu of entitlement commodities for the school lunch program of the school district, private school, or domestic dependents' school under section 18(b).

"(H) PRIVACY.—

"(i) IN GENERAL.—The State plan shall provide for safeguarding and restricting the use and disclosure of information about any student receiving assistance under the block grant demonstration program.

"(ii) RECIPIENTS OF FREE OR LOW-COST MEALS.—In providing assistance to schools to serve meals under the block grant demonstration program, the State shall ensure that the schools do not—

"(I) physically segregate students eligible to receive free or low-cost meals on the basis of the eligibility;

"(II) provide for the overt identification of the students by special tokens or tickets, announced or published list of names, or other means; or

"(III) otherwise discriminate against the students.

"(I) OTHER INFORMATION.—The State plan shall contain such other information as may be reasonably required by the Secretary.

"(3) APPROVAL OF APPLICATION AND STATE PLAN.—The Secretary shall approve an application and State plan that meet the requirements of this section.

"(4) REPORT.—The Secretary may provide a grant under the block grant demonstration program to a State for a fiscal year only if the State agrees that the State will submit, for the fiscal year, a report to the Secretary describing—

"(A) the number of students receiving assistance under the block grant demonstration program;

"(B) the different types of assistance provided to the students;

"(C) the extent to which the assistance was effective in achieving the goals described in subsection (b);

"(D) the total number of meals served to students under the block grant demonstration program, including the percentage of the meals served to low-income students and needy students;

"(E) the standards and methods that the State is using to ensure the nutritional quality of the meals served under the block grant demonstration program; and

"(F) any other information that may be reasonably required by the Secretary.

"(e) USE OF FUNDS.—Funds made available under this section may be expended only for—

"(1) school lunches, school breakfasts, and meal supplements; and

"(2) the purchase of equipment needed to improve school food services under the block grant demonstration program.

"(f) ENFORCEMENT.—

"(1) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this section and the State plan.

"(2) NONCOMPLIANCE.—

"(A) IN GENERAL.—If the Secretary, after providing reasonable notice to a State and opportunity for a hearing, finds that—

"(i) there has been a failure by the State to comply substantially with any provision or requirement set forth in the State plan; or

"(ii) in the operation of any program or activity for which assistance is provided under the

block grant demonstration program, there is a failure by the State to comply substantially with any provision of this section;

the Secretary shall notify the State of the finding and that no further payments will be made to the State under the block grant demonstration program, or, in the case of noncompliance in the operation of a program or activity, that no further payments to the State will be made with respect to the program or activity, until the Secretary determines that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

"(B) OTHER SANCTIONS.—In the case of a finding of noncompliance made under subparagraph (A), the Secretary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (A), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

"(C) NOTICE.—The notice required under subparagraph (A) shall include a specific identification of any additional sanction being imposed under subparagraph (B).

"(3) ISSUANCE OF REGULATIONS.—The Secretary shall establish by regulation procedures for—

"(A) receiving, processing, and determining the validity of complaints concerning any failure of a State to comply with the State plan or any requirement of this section; and

"(B) imposing sanctions under this section.

"(g) PAYMENTS.—

"(1) IN GENERAL.—For each fiscal year, the Secretary shall pay to a State that has an application approved by the Secretary under subsection (d)(3) and that complies with paragraph (3) an amount that is equal to the allotment of the State under subsection (i) for the fiscal year.

"(2) METHODS OF PAYMENT.—The Secretary shall make payments to a State for a fiscal year under this section on a quarterly basis—

"(A) by issuing letters of credit for the fiscal year, with necessary adjustments on account of overpayments or underpayments, as determined by the Secretary; and

"(B) by providing not less than 8 percent but not more than 10 percent of the amount of the allotment to the State in the form of commodities.

"(3) EXPENDITURE OF FUNDS BY STATES.—Payments to a State from an allotment under subsection (i) for a fiscal year may be expended by the State only in the fiscal year or in the succeeding fiscal year.

"(4) PROVISION OF SCHOOL LUNCHES AND BREAKFASTS.—Subject to the other provisions of this section, a State may provide school lunches and school breakfasts under the block grant demonstration program in any manner determined appropriate by the State.

"(h) AUDITS.—

"(1) REQUIREMENT.—After the close of each fiscal year, the Secretary shall carry out an audit of the expenditures from amounts received under this section by each State participating in the block grant demonstration program during the fiscal year.

"(2) RECORDS.—Each State described in paragraph (1) shall maintain such records as the Secretary may reasonably require to carry out an audit under this subsection.

"(3) REPAYMENT OF AMOUNTS.—Each State shall repay to the United States any amounts determined through an audit under this subsection to have not been expended in accordance with this section or to have not been expended in accordance with the State plan, or the Secretary may offset the amounts against any other amount paid to the State under this section.

"(i) ALLOTMENTS.—

"(1) FIRST FISCAL YEAR.—

"(A) IN GENERAL.—For the first fiscal year in which the State participates in the block grant demonstration program, the Secretary shall allot to the State, from amounts made available under section 3 of this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), an amount that is equal to the amount that the Secretary projects would be made available to the State to carry out the school lunch program under the other sections of this Act and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) (including the value of commodities made available under the commodity distribution programs established under sections 6 and 14) for the fiscal year.

"(B) BASIS FOR PROJECTIONS.—In making a projection under subparagraph (A), the Secretary shall take into account—

"(i) participation trends in the State; and

"(ii) projected changes in reimbursement rates under the school lunch program under the other sections of this Act, and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

"(C) PUBLICATION IN THE FEDERAL REGISTER.—The Secretary shall publish in the Federal Register—

"(i) not later than February 1, 1996, and each February 1 thereafter, the amount that the Secretary projects will be made available to each State that, as of the date of publication, is not participating in the block grant demonstration program to carry out the school lunch program under the other sections of this Act and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) for the first fiscal year that begins after the date of publication; and

"(ii) not later than February 1, 1998, and each February 1 thereafter, with respect to each State for which a projection was made under clause (i)—

"(I) the amount that the Secretary projected would be made available to the State for the fiscal year that ended the preceding September 30; and

"(II) the amount that actually was made available to the State for the fiscal year that ended the preceding September 30.

"(2) LATER FISCAL YEARS.—For each fiscal year after the first fiscal year referred to in paragraph (1), the Secretary shall allot to the State, from amounts made available under section 3 of this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), an amount that is equal to the sum of—

"(A) the amount allotted under paragraph (1); and

"(B) the product of—

"(i) the amount allotted under paragraph (1); and

"(ii) a factor consisting of the sum of—

"(I) ½ of the percentage change in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period for which such data are available; and

"(II) ½ of the percentage change in the number of children projected to be enrolled in school in the State in the current school year (as of the first day of the fiscal year) as compared to the number of children enrolled in school in the State in the preceding school year.

"(j) RELATIONSHIP TO OTHER LAWS.—The value of assistance provided to students under the block grant demonstration program shall not be considered to be income or resources for any purpose under any Federal or State law, including any law relating to taxation and welfare and public assistance programs.

"(k) ALTERNATIVE ASSISTANCE TO CERTAIN STUDENTS.—

"(1) ASSISTANCE.—If, by reason of any other provision of law, a State participating in the block grant demonstration program is prohibited from providing assistance from amounts received from a grant under the block grant demonstration program to a nonprofit private school or Department of Defense domestic dependents' school for a fiscal year to carry out the block grant demonstration program, or the Secretary determines that a State has substantially failed or is unwilling to provide the assistance to a nonprofit private school, Department of Defense domestic dependents' school, or public school, for the fiscal year, the Secretary shall, after consultation with appropriate representatives of the State and affected school, arrange for the provision of the assistance to the school for the fiscal year in accordance with the other sections of this Act.

"(2) REDUCTION IN AMOUNT OF STATE GRANT.—If the Secretary arranges for the provision of assistance to a nonprofit private school, Department of Defense domestic dependents' school, or public school in a State for a fiscal year under paragraph (1), the amount of the grant to the State for the fiscal year shall be reduced by the amount of the assistance provided to the school.

"(l) TRANSITION PROVISIONS.—

"(1) TRANSITION INTO BLOCK GRANT DEMONSTRATION PROGRAM.—A State for which an application and State plan are approved under subsection (d)(3) shall be eligible to use a portion (as determined by the Secretary) of the funds and commodities made available to the State for the preceding fiscal year under the school lunch program under the other sections of this Act, and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), to make a transition into the block grant demonstration program.

"(2) TRANSITION UPON TERMINATION OF BLOCK GRANT DEMONSTRATION PROGRAM.—Upon termination of the block grant demonstration program, a State that participated in the block grant demonstration program shall be eligible to use a portion (as determined by the Secretary) of the funds and commodities made available to the State for the preceding fiscal year under the block grant demonstration program to make a transition back to the operation of the school lunch program under the other sections of this Act and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

"(m) EVALUATIONS BY THE SECRETARY.—

"(1) IN GENERAL.—Not later than 3 years after the establishment of the block grant demonstration program and not later than 180 days prior to the termination date specified in subsection (n), the Secretary shall conduct an evaluation, and submit a report on the evaluation to Congress (including the comments of the Comptroller General of the United States under paragraph (3)), concerning the block grant demonstration program.

"(2) CONTENTS.—In carrying out paragraph (1), the Secretary shall evaluate, using, to the extent practicable, data required to be reported by the States under this section—

"(A) the effects of the block grant demonstration program on the nutritional quality of the meals offered;

"(B) the degree to which children, especially children who are low-income students and children who are needy students, participated in the block grant demonstration program during each fiscal year covered by the evaluation as compared to the participation of the children in the block grant demonstration program, or in the school lunch program under the other sections of this Act and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), during the prior fiscal year;

"(C) the income distribution of the children served and the amount of Federal assistance the children received under the block grant demonstration program for each fiscal year;

"(D) the schools participating in, and the types of meals offered under, the block grant demonstration program during each fiscal year covered by the evaluation as compared to the schools participating in, and the types of meals offered under, the block grant demonstration program, or the school lunch program under the other sections of this Act and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), during the prior fiscal year;

"(E) how the implementation of the block grant demonstration program differs from the implementation of the school lunch program under the other sections of this Act and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773);

"(F) the effect of the block grant demonstration program on the administrative costs paid by States and schools to carry out school lunch and school breakfast programs;

"(G) the effect of the block grant demonstration program on the paperwork required to be completed by schools and parents under school lunch and school breakfast programs; and

"(H) such other issues concerning the block grant demonstration program as the Secretary considers appropriate.

"(3) COMMENTS BY THE COMPTROLLER GENERAL.—The Comptroller General of the United States shall—

"(A) comment on the evaluation conducted under paragraph (1), including the methodology used by the Secretary in conducting the evaluation; and

"(B) submit the comments to the Secretary for inclusion in the evaluation.

"(n) TERMINATION OF AUTHORITY.—The authority to carry out the block grant demonstration program shall terminate on September 30, 2000.".

(b) STATE ADMINISTRATIVE EXPENSES.—The first sentence of section 7(a)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(1)) is amended by inserting "5," after "4,".

(c) PROHIBITION ON WAIVERS.—Section 12(l)(4) of the National School Lunch Act (42 U.S.C. 1760(l)(4)) is amended—

(1) in subparagraph (M), by striking "and" at the end;

(2) in subparagraph (N), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(O) the school nutrition optional block grant demonstration program established under section 5.".

Subtitle B—Child Nutrition Act of 1966

SEC. 921. SPECIAL MILK PROGRAM.

Section 3(a)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(3)) is amended by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands".

SEC. 922. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 4(b)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)) is amended by adding at the end the following:

"(E) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

SEC. 923. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.

(a) TRAINING AND TECHNICAL ASSISTANCE IN FOOD PREPARATION.—Section 4(e)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)) is amended—

(1) in subparagraph (A), by striking "(A)"; and

(2) by striking subparagraph (B).

(b) EXPANSION OF PROGRAM; STARTUP AND EXPANSION COSTS.—

(1) IN GENERAL.—Section 4 of the Act is amended by striking subsections (f) and (g).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective on October 1, 1996.

SEC. 924. STATE ADMINISTRATIVE EXPENSES.

(a) USE OF FUNDS FOR COMMODITY DISTRIBUTION ADMINISTRATION; STUDIES.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) by striking subsections (e) and (h); and

(2) by redesignating subsections (f), (g), and (i) as subsections (e), (f), and (g), respectively.

(b) APPROVAL OF CHANGES.—Section 7(e) of the Act, as so redesignated, is amended—

(1) by striking "each year an annual plan" and inserting "the initial fiscal year a plan"; and

(2) by adding at the end the following: "After submitting the initial plan, a State shall only be required to submit to the Secretary for approval a substantive change in the plan.".

SEC. 925. REGULATIONS.

Section 10 of the Child Nutrition Act of 1966 (42 U.S.C. 1779) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "(1)"; and

(B) by striking paragraphs (2) through (4); and

(2) in subsection (c), by striking "may" and inserting "shall".

SEC. 926. PROHIBITIONS.

Section 11(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1780(a)) is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

SEC. 927. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands"; and

(2) in the first sentence of paragraph (3)—

(A) in subparagraph (A), by inserting "and" at the end; and

(B) by striking ", and (C)" and all that follows through "Governor of Puerto Rico".

SEC. 928. ACCOUNTS AND RECORDS.

The second sentence of section 16(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1785(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

SEC. 929. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) DEFINITIONS.—Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) is amended—

(1) in paragraph (15)(B)(iii), by inserting "of not more than 90 days" after "accommodation"; and

(2) in paragraph (16)—

(A) in subparagraph (A), by adding "and" at the end; and

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C).

(b) SECRETARY'S PROMOTION OF WIC.—Section 17(c) of the Act is amended by striking paragraph (5).

(c) ELIGIBLE PARTICIPANTS.—Section 17(d) of the Act is amended by striking paragraph (4).

(d) NUTRITION EDUCATION AND DRUG ABUSE EDUCATION.—Section 17(e) of the Act is amended—

(1) in the first sentence of paragraph (1), by striking "shall ensure" and all that follows through "is provided" and inserting "shall provide nutrition education and may provide drug abuse education";

(2) in paragraph (2), by striking the third sentence;

(3) by striking paragraph (4) and inserting the following:

"(4) INFORMATION.—The State agency may provide a local agency with materials describing other programs for which participants in the program may be eligible.";

(4) in paragraph (5), by striking "The State" and all that follows through "local agency shall" and inserting "A local agency may"; and

(5) by striking paragraph (6).

(e) STATE PLAN.—Section 17(f) of the Act is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "annually to the Secretary, by a date specified by the Secretary, a" and inserting "to the Secretary, by a date specified by the Secretary, an initial"; and

(ii) by adding at the end the following: "After submitting the initial plan, a State shall only be required to submit to the Secretary for approval a substantive change in the plan.";

(B) in subparagraph (C)—

(i) by striking clause (iii) and inserting the following:

"(iii) a plan to coordinate operations under the program with other services or programs that may benefit participants in, and applicants for, the program;";

(ii) in clause (vi), by inserting after "in the State" the following: "(including a plan to improve access to the program for participants and prospective applicants who are employed, or who reside in rural areas)";

(iii) by striking clauses (vii), (ix), (x), and (xii);

(iv) in clause (xiii), by striking "may require" and inserting "may reasonably require"; and

(v) by redesignating clauses (viii), (xi), and (xiii), as so amended, as clauses (vii), (viii), and (ix), respectively;

(C) by striking subparagraph (D); and

(D) by redesignating subparagraph (E) as subparagraph (D);

(2) by striking paragraphs (2), (6), (8), (20), (22), and (24);

(3) in the second sentence of paragraph (5), by striking "at all times be available" and inserting "be available at any reasonable time";

(4) in paragraph (9)(B), by striking the second sentence;

(5) in the first sentence of paragraph (11), by striking ", including standards that will ensure sufficient State agency staff";

(6) in paragraph (12), by striking the third sentence;

(7) in paragraph (14), by striking "shall" and inserting "may";

(8) in paragraph (17), by striking "and to accommodate" and all that follows through "facilities";

(9) in paragraph (19), by striking "shall" and inserting "may"; and

(10) by redesignating paragraphs (3), (4), (5), (7), (9) through (19), (21), and (23), as so amended, as paragraphs (2), (3), (4), (5), (6) through (16), (17), and (18), respectively.

(f) INFORMATION.—Section 17(g) of the Act is amended—

(1) in paragraph (5), by striking "the report required under subsection (d)(4)" and inserting "reports on program participant characteristics"; and

(2) by striking paragraph (6).

(g) PROCUREMENT OF INFANT FORMULA.—

(1) IN GENERAL.—Section 17(h) of the Act is amended—

(A) in paragraph (4)(E), by striking "and, on" and all that follows through "(d)(4)";

(B) in paragraph (8)—

(i) by striking subparagraphs (A), (C), and (M);

(ii) in subparagraph (G)—

(I) in clause (i), by striking "(i)"; and

(II) by striking clauses (ii) through (ix);

(iii) in subparagraph (I), by striking "Secretary—" and all that follows through "(v) may" and inserting "Secretary may";

(iv) by redesignating subparagraphs (B) and (D) through (L) as subparagraphs (A) and (B) through (J), respectively;

(v) in subparagraph (A)(i), as so redesignated, by striking "subparagraphs (C), (D), and (E)(iii), in carrying out subparagraph (A)," and inserting "subparagraphs (B) and (C)(iii),";

(vi) in subparagraph (B)(i), as so redesignated, by striking "subparagraph (B)" each place it appears and inserting "subparagraph (A)"; and

(vii) in subparagraph (C)(iii), as so redesignated, by striking "subparagraph (B)" and inserting "subparagraph (A)"; and

(C) in paragraph (10)(A), by striking "shall" and inserting "may".

(2) APPLICATION.—The amendments made by paragraph (1) shall not apply to a contract for the procurement of infant formula under section 17(h)(8) of the Act that is in effect on the effective date of this subsection.

(h) NATIONAL ADVISORY COUNCIL ON MATERNAL, INFANT, AND FETAL NUTRITION.—Section 17(k)(3) of the Act is amended by striking "Secretary shall designate" and inserting "Council shall elect".

(i) COMPLETED STUDY; COMMUNITY COLLEGE DEMONSTRATION; GRANTS FOR INFORMATION AND DATA SYSTEM.—Section 17 of the Act is amended by striking subsections (n), (o), and (p).

(j) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—Section 17 of the Act, as so amended, is further amended by adding at the end the following:

"(n) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this section of an approved vendor that is disqualified from accepting benefits under the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) shall not be subject to judicial or administrative review.".

SEC. 930. CASH GRANTS FOR NUTRITION EDUCATION.

Section 18 of the Child Nutrition Act of 1966 (42 U.S.C. 1787) is repealed.

SEC. 931. NUTRITION EDUCATION AND TRAINING.

(a) FINDINGS.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended—

(1) in subsection (a), by striking "that—" and all that follows through the period at the end and inserting "that effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs should be encouraged."; and

(2) in subsection (b), by striking "encourage" and all that follows through "establishing" and inserting "establish".

(b) USE OF FUNDS.—Section 19(f) of the Act is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (B); and

(B) in subparagraph (A)—

(i) by striking "(A)";

(ii) by striking clauses (ix) through (xix);

(iii) by redesignating clauses (i) through (viii) and (xx) as subparagraphs (A) through (H) and (I), respectively; and

(iv) in subparagraph (H), as so redesignated, by inserting "and" at the end;

(2) by striking paragraphs (2) and (4); and

(3) by redesignating paragraph (3) as paragraph (2).

(c) ACCOUNTS, RECORDS, AND REPORTS.—The second sentence of section 19(g)(1) of the Act is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(d) STATE COORDINATORS FOR NUTRITION; STATE PLAN.—Section 19(h) of the Act is amended—

(1) in the second sentence of paragraph (1)—

(A) by striking "as provided in paragraph (2) of this subsection"; and

(B) by striking "as provided in paragraph (3) of this subsection";

(2) in paragraph (2), by striking the second and third sentences; and

(3) by striking paragraph (3).

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 19(i) of the Act is amended—

(1) in the first sentence of paragraph (2)(A), by striking "and each succeeding fiscal year";

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

"(3) FISCAL YEARS 1997 THROUGH 2002.—

"(A) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 1997 through 2002.

"(B) GRANTS.—

"(i) IN GENERAL.—Grants to each State from the amounts made available under subparagraph (A) shall be based on a rate of 50 cents for each child enrolled in schools or institutions within the State, except that no State shall receive an amount less than $75,000 per fiscal year.

"(ii) INSUFFICIENT FUNDS.—If the amount made available for any fiscal year is insufficient to pay the amount to which each State is entitled under clause (i), the amount of each grant shall be ratably reduced.".

(f) ASSESSMENT.—Section 19 of the Act is amended by striking subsection (j).

(g) EFFECTIVE DATE.—The amendments made by subsection (e) shall become effective on October 1, 1996.

SEC. 932. BREASTFEEDING PROMOTION PROGRAM.

Section 21 of the Child Nutrition Act of 1966 (42 U.S.C. 1790) is repealed.

TITLE X—FOOD STAMPS AND COMMODITY DISTRIBUTION

SEC. 1001. SHORT TITLE.

This title may be cited as the "Food Stamp Reform and Commodity Distribution Act of 1995".

Subtitle A—Food Stamp Program

SEC. 1011. DEFINITION OF CERTIFICATION PERIOD.

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking "Except as provided" and all that follows and inserting the following: "The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each certified household every 12 months.".

SEC. 1012. DEFINITION OF COUPON.

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization card, cash or check issued in lieu of a coupon, or an access device, including an electronic benefit transfer card or personal identification number,".

SEC. 1013. TREATMENT OF CHILDREN LIVING AT HOME.

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 1014. OPTIONAL ADDITIONAL CRITERIA FOR SEPARATE HOUSEHOLD DETERMINATIONS.

Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by inserting after the third sentence the following: "Notwithstanding the preceding sentences, a State may establish criteria that prescribe when individuals who live together, and who would be allowed to participate as separate households under the preceding sentences, shall be considered a single household, without regard to the common purchase of food and preparation of meals.".

SEC. 1015. ADJUSTMENT OF THRIFTY FOOD PLAN.

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 "shall (1) make" and inserting the following: "shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting "scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following: "Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following: "Columbia; and

"(4) on October 1, 1996, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1996, the Secretary may not reduce the cost of the diet in effect on September 30, 1996.".

SEC. 1016. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting "for not more than 90 days" after "temporary accommodation".

SEC. 1017. STATE OPTION FOR ELIGIBILITY STANDARDS.

Section 5(b) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking "(b) The Secretary" and inserting the following:

"(b) ELIGIBILITY STANDARDS.—Except as otherwise provided in this Act, the Secretary".

SEC. 1018. EARNINGS OF STUDENTS.

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 "19".

SEC. 1019. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking paragraph (11) and inserting the following: "(11) a 1-time payment or allowance made under a Federal or State law 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.—

(1) Section 5(k) of the Act (7 U.S.C. 2014(k)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "plan for aid to families with dependent children approved" and inserting "program funded"; and

(ii) in subparagraph (B), by striking ", not including energy or utility-cost assistance,";

(B) in paragraph (2), by striking subparagraph (C) and inserting the following:

"(C) a payment or allowance described in subsection (d)(11);"; and

(C) by adding at the end the following:

"(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

"(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a Federal or State law to provide energy assistance to a household shall be considered money payable directly to the household.

"(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e)(7), an expense paid on behalf of a household under a Federal or State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.".

(2) Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

(A) by striking "(f)(1) Notwithstanding" and inserting "(f) Notwithstanding";

(B) in paragraph (1), by striking "food stamps,"; and

(C) by striking paragraph (2).

SEC. 1020. DEDUCTIONS FROM INCOME.

(a) IN GENERAL.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by striking subsection (e) and inserting the following:

"(e) DEDUCTIONS FROM INCOME.—

"(1) STANDARD DEDUCTION.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States of $134, $229, $189, $269, and $118, respectively.

"(2) EARNED INCOME DEDUCTION.—

"(A) DEFINITION OF EARNED INCOME.—In this paragraph, the term 'earned income' does not include income excluded by subsection (d) or any portion of income earned under a work supplementation or support program, as defined under section 16(b), that is attributable to public assistance.

"(B) DEDUCTION.—Except as provided in subparagraph (C), a household with earned income shall be allowed a deduction of 20 percent of all earned income (other than income excluded by subsection (d)) to compensate for taxes, other mandatory deductions from salary, and work expenses.

"(C) EXCEPTION.—The deduction described in subparagraph (B) shall not be allowed with respect to determining an overissuance due to the failure of a household to report earned income in a timely manner.

"(3) DEPENDENT CARE DEDUCTION.—

"(A) IN GENERAL.—A household shall be entitled, with respect to expenses (other than excluded expenses described in subparagraph (B)) for dependent care, to a dependent care deduction, the maximum allowable level of which shall be $200 per month for each dependent child under 2 years of age and $175 per month for each other dependent, for the actual cost of payments necessary for the care of a dependent if the care enables a household member to accept or continue employment, or training or education that is preparatory for employment.

"(B) EXCLUDED EXPENSES.—The excluded expenses referred to in subparagraph (A) are—

"(i) expenses paid on behalf of the household by a third party;

"(ii) amounts made available and excluded for the expenses referred to in subparagraph (A) under subsection (d)(3); and

"(iii) expenses that are paid under section 6(d)(4).

"(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

"(A) IN GENERAL.—A household shall be entitled to a deduction for child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments.

"(B) METHODS FOR DETERMINING AMOUNT.—The Secretary may prescribe by regulation the methods, including calculation on a retrospective basis, that a State agency shall use to determine the amount of the deduction for child support payments.

"(5) HOMELESS SHELTER ALLOWANCE.—A State agency may develop a standard homeless shelter allowance, which shall not exceed $139 per month, for such expenses as may reasonably be expected to be incurred by households in which all members are homeless individuals but are not receiving free shelter throughout the month. A State agency that develops the allowance may use the allowance in determining eligibility and allotments for the households, except that the State agency may prohibit the use of the allowance for households with extremely low shelter costs.

"(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

"(A) IN GENERAL.—A household containing an elderly or disabled member shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess medical expense deduction for the portion of the actual costs of allowable medical expenses, incurred by the elderly or disabled member, exclusive of special diets, that exceeds $35 per month.

"(B) METHOD OF CLAIMING DEDUCTION.—

"(i) IN GENERAL.—A State agency shall offer an eligible household under subparagraph (A) a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction in lieu of submitting information or verification on actual expenses on a monthly basis.

"(ii) METHOD.—The method described in clause (i) shall—

"(I) be designed to minimize the burden for the eligible elderly or disabled household member choosing to deduct the recurrent medical expenses of the member pursuant to the method;

"(II) rely on reasonable estimates of the expected medical expenses of the member for the certification period (including changes that can be reasonably anticipated based on available information about the medical condition of the member, public or private medical insurance coverage, and the current verified medical expenses incurred by the member); and

"(III) not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

"(7) EXCESS SHELTER EXPENSE DEDUCTION.—

"(A) IN GENERAL.—A household shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

"(B) MAXIMUM AMOUNT OF DEDUCTION.—In the case of a household that does not contain an elderly or disabled individual, the excess shelter expense deduction shall not exceed—

"(i) in the 48 contiguous States and the District of Columbia, $247 per month; and

"(ii) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $429, $353, $300, and $182 per month, respectively.

"(C) STANDARD UTILITY ALLOWANCE.—

"(i) IN GENERAL.—In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance that does not fluctuate within a year to reflect seasonal variations.

"(ii) RESTRICTIONS ON HEATING AND COOLING EXPENSES.—An allowance for a heating or cooling expense may not be used in the case of a household that—

"(I) does not incur a heating or cooling expense, as the case may be;

"(II) does incur a heating or cooling expense but is located in a public housing unit that has central utility meters and charges households, with regard to the expense, only for excess utility costs; or

"(III) shares the expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

"(iii) MANDATORY ALLOWANCE.—

"(I) IN GENERAL.—A State agency may make the use of a standard utility allowance mandatory for all households with qualifying utility costs if—

"(aa) the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling; and

"(bb) the Secretary finds that the standards will not result in an increased cost to the Secretary.

"(II) HOUSEHOLD ELECTION.—A State agency that has not made the use of a standard utility allowance mandatory under subclause (I) shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.

"(iv) AVAILABILITY OF ALLOWANCE TO RECIPIENTS OF ENERGY ASSISTANCE.—

"(I) IN GENERAL.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating or cooling costs, the standard utility allowance shall be made available to households receiving a payment, or on behalf of which a payment is made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if the household still incurs out-of-pocket heating or cooling expenses in excess of any assistance paid on behalf of the household to an energy provider.

"(II) SEPARATE ALLOWANCE.—A State agency may use a separate standard utility allowance for households on behalf of which a payment described in subclause (I) is made, but may not be required to do so.

"(III) STATES NOT ELECTING TO USE SEPARATE ALLOWANCE.—A State agency that does not elect to use a separate allowance but makes a single standard utility allowance available to households incurring heating or cooling expenses (other than a household described in subclause (I) or (II) of subparagraph (C)(ii)) may not be required to reduce the allowance due to the provision (directly or indirectly) of assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

"(IV) PRORATION OF ASSISTANCE.—For the purpose of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) shall be considered to be prorated over the entire heating or cooling season for which the assistance was provided.".

(b) CONFORMING AMENDMENT.—Section 11(e)(3) of the Act (7 U.S.C. 2020(e)(3)) is amended by striking ". Under rules prescribed" and all that follows through "verifies higher expenses".

SEC. 1021. VEHICLE ALLOWANCE.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by striking paragraph (2) and inserting the following:

"(2) INCLUDED ASSETS.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall, in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources).

"(B) ADDITIONAL INCLUDED ASSETS.—The Secretary shall include in financial resources—

"(i) any boat, snowmobile, or airplane used for recreational purposes;

"(ii) any vacation home;

"(iii) any mobile home used primarily for vacation purposes;

"(iv) subject to subparagraph (C), any licensed vehicle that is used for household transportation or to obtain or continue employment to the extent that the fair market value of the vehicle exceeds $4,600; and

"(v) any savings or retirement account (including an individual account), regardless of whether there is a penalty for early withdrawal.

"(C) EXCLUDED VEHICLES.—A vehicle (and any other property, real or personal, to the extent the property is directly related to the maintenance or use of the vehicle) shall not be included in financial resources under this paragraph if the vehicle is—

"(i) used to produce earned income;

"(ii) necessary for the transportation of a physically disabled household member; or

"(iii) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.".

SEC. 1022. 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)) is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

SEC. 1023. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i), by striking "six months" and inserting "1 year"; and

(2) in clause (ii), by striking "1 year" and inserting "2 years".

SEC. 1024. DISQUALIFICATION OF CONVICTED INDIVIDUALS.

Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)) is amended—

(1) in subclause (II), by striking "or" at the end;

(2) in subclause (III), by striking the period at the end and inserting "; or"; and

(3) by inserting after subclause (III) the following:

"(IV) a conviction of an offense under subsection (b) or (c) of section 15 involving an item covered by subsection (b) or (c) of section 15 having a value of $500 or more.".

SEC. 1025. DISQUALIFICATION.

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through the end of paragraph (1) and inserting the following:

"(d) CONDITIONS OF PARTICIPATION.—

"(1) WORK REQUIREMENTS.—

"(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

"(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required by the State agency;

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

"(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

"(v) voluntarily and without good cause—

"(I) quits a job; or

"(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

"(vi) fails to comply with section 20.

"(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

"(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

"(ii) 180 days.

"(C) DURATION OF INELIGIBILITY.—

"(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 1 month after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

"(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 3 months after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

"(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 6 months after the date the individual became ineligible;

"(III) a date determined by the State agency; or

"(IV) at the option of the State agency, permanently.

"(D) ADMINISTRATION.—

"(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

"(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

"(iii) DETERMINATION BY STATE AGENCY.—

"(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

"(aa) the meaning of any term in subparagraph (A);

"(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

"(cc) whether an individual is in compliance with a requirement under subparagraph (A).

"(II) NOT LESS RESTRICTIVE.—A State agency may not determine a meaning, procedure, or determination under subclause (I) to be less restrictive than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(v) SELECTING A HEAD OF HOUSEHOLD.—

"(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

"(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

"(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.".

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Act (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

(2) Section 20 of the Act (7 U.S.C. 2029) is amended by striking subsection (f) and inserting the following:

"(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.".

SEC. 1026. CARETAKER EXEMPTION.

Section 6(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)) is amended by striking subparagraph (B) and inserting the following: "(B) a parent or other member of a household with responsibility for the care of (i) a dependent child under the age of 6 or any lower age designated by the State agency that is not under the age of 1, or (ii) an incapacitated person;".

SEC. 1027. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (A)—

(A) by striking "Not later than April 1, 1987, each" and inserting "Each";

(B) by inserting "work," after "skills, training,"; and

(C) by adding at the end the following: "Each component of an employment and training program carried out under this paragraph shall be delivered through a statewide workforce development system, unless the component is not available locally through the statewide workforce development system.";

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking the colon at the end and inserting the following: ", except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:";

(B) in clause (i), by striking "with terms and conditions" and all that follows through "time of application"; and

(C) in clause (iv)—

(i) by striking subclauses (I) and (II); and

(ii) by redesignating subclauses (III) and (IV) as subclauses (I) and (II), respectively;

(3) in subparagraph (D)—

(A) in clause (i), by striking "to which the application" and all that follows through "30 days or less";

(B) in clause (ii), by striking "but with respect" and all that follows through "child care"; and

(C) in clause (iii), by striking ", on the basis of" and all that follows through "clause (ii)" and inserting "the exemption continues to be valid";

(4) in subparagraph (E), by striking the third sentence;

(5) in subparagraph (G)—

(A) by striking "(G)(i) The State" and inserting "(G) The State"; and

(B) by striking clause (ii);

(6) in subparagraph (H), by striking "(H)(i) The Secretary" and all that follows through "(ii) Federal funds" and inserting "(H) Federal funds";

(7) in subparagraph (I)(i)(II), by striking ", or was in operation," and all that follows through "Social Security Act" and inserting the following: "), except that no such payment or reimbursement shall exceed the applicable local market rate";

(8)(A) by striking subparagraphs (K) and (L) and inserting the following:

"(K) LIMITATION ON FUNDING.—Notwithstanding any other provision of this paragraph, the amount of funds a State agency uses to carry out this paragraph (including under subparagraph (I)) for participants who are 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.) shall not exceed the amount of funds the State agency used in fiscal year 1995 to carry out this paragraph for participants who were receiving benefits in fiscal year 1995 under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.).."; and

(B) by redesignating subparagraphs (M) and (N) as subparagraphs (L) and (M), respectively; and

(9) in subparagraph (L), as redesignated by paragraph (8)(B)—

(A) by striking "(L)(i) The Secretary" and inserting "(L) The Secretary"; and

(B) by striking clause (ii).

(b) FUNDING.—Section 16(h) of the Act (7 U.S.C. 2025(h)) is amended by striking "(h)(1)(A) The Secretary" and all that follows through the end of paragraph (1) and inserting the following:

"(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

"(1) IN GENERAL.—

"(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of—

"(i) for fiscal year 1996, $77,000,000;

"(ii) for fiscal year 1997, $79,000,000;

"(iii) for fiscal year 1998, $81,000,000;

"(iv) for fiscal year 1999, $84,000,000;

"(v) for fiscal year 2000, $86,000,000;

"(vi) for fiscal year 2001, $88,000,000; and

"(vii) for fiscal year 2002, $90,000,000.

"(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary) that gives consideration to the population in each State affected by section 6(o).

"(C) REALLOCATION.—

"(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

"(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

"(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 in each fiscal year.".

(c) ADDITIONAL MATCHING FUNDS.—Section 16(h)(2) of the Act (7 U.S.C. 2025(h)(2)) is amended by inserting before the period at the end the following: ", including the costs for case management and casework to facilitate the transition from economic dependency to self-sufficiency through work".

(d) REPORTS.—Section 16(h) of the Act (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking "(5)(A) The Secretary" and inserting "(5) The Secretary"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

SEC. 1028. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(1) by redesignating subsection (i), as added by section 107, as subsection (p); and

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

"(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

"(1) IN GENERAL.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

"(2) RULES AND PROCEDURES.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to impose the same disqualification under the food stamp program.

"(3) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking "and" at the end;

(2) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(26) the guidelines the State agency uses in carrying out section 6(i); and".

(c) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by striking "that is comparable to a requirement of paragraph (1)".

SEC. 1029. DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1028, is further amended by inserting after subsection (i) the following:

"(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.—An individual shall be ineligible to participate in the food stamp program as a member of any household for a 10-year period if the individual is found by a State agency to have made, or is convicted in a Federal or State court of having made, a fraudulent statement or representation with respect to the identity or place of residence of the individual in order to receive multiple benefits simultaneously under the food stamp program.".

SEC. 1030. DISQUALIFICATION OF FLEEING FELONS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1029, is further amended by inserting after subsection (j) the following:

"(k) DISQUALIFICATION OF FLEEING FELONS.—No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

"(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime, or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey; or

"(2) violating a condition of probation or parole imposed under a Federal or State law.".

SEC. 1031. COOPERATION WITH CHILD SUPPORT AGENCIES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1030, is further amended by inserting after subsection (k) the following:

"(l) CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in obtaining support for—

"(i) the child; or

"(ii) the individual and the child.

"(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services. The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services

provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(m) NON-CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), a putative or identified non-custodial parent of a child under the age of 18 (referred to in this subsection as 'the individual') shall not be eligible to participate in the food stamp program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in providing support for the child.

"(2) REFUSAL TO COOPERATE.—

"(A) GUIDELINES.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

"(B) PROCEDURES.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(4) PRIVACY.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.".

SEC. 1032. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1031, is further amended by inserting after subsection (m) the following:

"(n) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

"(1) IN GENERAL.—No individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) a court is allowing the individual to delay payment; or

"(B) the individual is complying with 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.) to provide support for the child of the individual.".

SEC. 1033. WORK REQUIREMENT.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1032, is further amended by inserting after subsection (n) the following:

"(o) WORK REQUIREMENT.—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under section 6(d)(4), other than a job search program or a job search training program.

"(2) WORK REQUIREMENT.—Subject to the other provisions of this subsection, no individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12-month period, the individual received food stamp benefits for not less than 4 months during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly; or

"(B) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency; or

"(C) participate in a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with responsibility for a dependent child;

"(D) otherwise exempt under section 6(d)(2); or

"(E) a pregnant woman.

"(4) WAIVER.—

"(A) IN GENERAL.—On the request of a State agency, the Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 10 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(5) SUBSEQUENT ELIGIBILITY.—

"(A) IN GENERAL.—Paragraph (2) shall cease to apply to an individual if, during a 30-day period, the individual—

"(i) works 80 or more hours;

"(ii) participates in and complies with the requirements of a work program for 80 or more hours, as determined by a State agency; or

"(iii) participates in a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(B) LIMITATION.—During the subsequent 12-month period, the individual shall be eligible to participate in the food stamp program for not more than 4 months during which the individual does not—

"(i) work 20 hours or more per week, averaged monthly;

"(ii) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency; or

"(iii) participate in a program under section 20 or a comparable program established by a State or political subdivision of a State.".

(b) TRANSITION PROVISION.—Prior to 1 year after the date of enactment of this Act, the term "preceding 12-month period" in section 6(o) of the Food Stamp Act of 1977, as amended by subsection (a), means the preceding period that begins on the date of enactment of this Act.

SEC. 1034. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

(a) IN GENERAL.—Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) ELECTRONIC BENEFIT TRANSFERS.—

"(A) IMPLEMENTATION.—Each State agency shall implement an electronic benefit transfer system in which household benefits determined under section 8(a) or 24 are issued from and stored in a central databank before October 1, 2002, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

"(B) TIMELY IMPLEMENTATION.—State agencies are encouraged to implement an electronic benefit transfer system under subparagraph (A) as soon as practicable.

"(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

"(D) OPERATION.—An electronic benefit transfer system should take into account generally accepted standard operating rules 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.";

(2) in paragraph (2)—

(A) by striking "effective no later than April 1, 1992,";

(B) in subparagraph (A)—

(i) by striking ", in any 1 year,"; and

(ii) by striking "on-line";

(C) by striking subparagraph (D) and inserting the following:

"(D)(i) measures to maximize the security of a system using the most recent technology available that the State agency considers appropriate and cost effective and which may include personal identification numbers, photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and

"(ii) effective not later than 2 years after the effective date of this clause, to the extent practicable, measures that permit a system to differentiate items of food that may be acquired with an allotment from items of food that may not be acquired with an allotment.";

(D) in subparagraph (G), by striking "and" at the end;

(E) in subparagraph (H), by striking the period at the end and inserting "; and"; and

(F) by adding at the end the following:

"(I) procurement standards."; and

(3) by adding at the end the following:

"(7) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper food stamp issuance system.

"(8) REPLACEMENT CARD FEE.—A State agency may collect a charge for replacement of an electronic benefit transfer card by reducing the monthly allotment of the household receiving the replacement card.

"(9) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

"(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

"(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.".

(b) SENSE OF CONGRESS.—It is the sense of Congress that a State that operates an electronic benefit transfer system under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) should operate the system in a manner that is compatible with electronic benefit transfer systems operated by other States.

SEC. 1035. VALUE OF MINIMUM ALLOTMENT.

The proviso in section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ", and shall be adjusted" and all that follows through "$5".

SEC. 1036. BENEFITS ON RECERTIFICATION.

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. 1037. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by striking paragraph (3) and inserting the following:

"(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.".

SEC. 1038. FAILURE TO COMPLY WITH OTHER MEANS-TESTED PUBLIC ASSISTANCE PROGRAMS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (d) and inserting the following:

"(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

"(1) IN GENERAL.—If the benefits of a household are reduced under a Federal, State, or local law relating to a means-tested public assistance program for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction—

"(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

"(B) the State agency may reduce the allotment of the household by not more than 25 percent.

"(2) RULES AND PROCEDURES.—If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to reduce the allotment under the food stamp program.".

SEC. 1039. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

"(1) IN GENERAL.—In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

"(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

"(B) the individual, if the individual leaves the center.

"(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.".

SEC. 1040. CONDITION PRECEDENT FOR APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following: "No retail food store or wholesale food concern of a type determined by the Secretary, based on factors that include size, location, and type of items sold, shall be approved to be authorized or reauthorized for participation in the food stamp program unless an authorized employee of the Department of Agriculture, a designee of the Secretary, or, if practicable, an official of the State or local government designated by the Secretary has visited the store or concern for the purpose of determining whether the store or concern should be approved or reauthorized, as appropriate.".

SEC. 1041. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)) is amended by adding at the end the following:

"(3) AUTHORIZATION PERIODS.—The Secretary shall establish specific time periods during which authorization to accept and redeem coupons, or to redeem benefits through an electronic benefit transfer system, shall be valid under the food stamp program.".

SEC. 1042. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting ", which may include relevant income and sales tax filing documents," after "submit information"; and

(2) by inserting after the first sentence the following: "The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.".

SEC. 1043. WAITING PERIOD FOR STORES THAT FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following: "A retail food store or wholesale food concern that is denied approval to accept and redeem coupons because the store or concern does not meet criteria for approval established by the Secretary may not, for at least 6 months, submit a new application to participate in the program. The Secretary may establish a longer time period under the preceding sentence, including permanent disqualification, that reflects the severity of the basis of the denial.".

SEC. 1044. OPERATION OF FOOD STAMP OFFICES.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020), as amended by section 1020(b), is further amended—

(1) in subsection (e)—

(A) by striking paragraph (2) and inserting the following:

"(2)(A) that the State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in areas in which a substantial number of members of low-income households speak a language other than English.

"(B) In carrying out subparagraph (A), a State agency—

"(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the food stamp program;

"(ii) shall develop an application containing the information necessary to comply with this Act;

"(iii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a food stamp office in person during office hours;

"(iv) shall consider an application that contains the name, address, and signature of the applicant to be filed on the date the applicant submits the application;

"(v) shall require that an adult representative of each applicant household certify in writing, under penalty of perjury, that—

"(I) the information contained in the application is true; and

"(II) all members of the household are citizens or are aliens eligible to receive food stamps under section 6(f);

"(vi) shall provide a method of certifying and issuing coupons to eligible homeless individuals, to ensure that participation in the food stamp program is limited to eligible households; and

"(vii) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State.

"(C) Nothing in this Act shall prohibit the use of signatures provided and maintained electronically, storage of records using automated retrieval systems only, or any other feature of a State agency's application system that does not rely exclusively on the collection and retention of paper applications or other records.

"(D) The signature of any adult under this paragraph shall be considered sufficient to comply with any provision of Federal law requiring a household member to sign an application or statement.";

(B) in paragraph (3)—

(i) by striking "shall—" and all that follows through "provide each" and inserting "shall provide each"; and

(ii) by striking "(B) assist" and all that follows through "representative of the State agency;";

(C) by striking paragraphs (14) and (25);

(D)(i) by redesignating paragraphs (15) through (24) as paragraphs (14) through (23), respectively; and

(ii) by redesignating paragraph (26) as paragraph (24); and

(2) in subsection (i)—

(A) by striking "(i) Notwithstanding" and all that follows through "(2)" and inserting the following:

"(i) APPLICATION AND DENIAL PROCEDURES.—

"(1) APPLICATION PROCEDURES.—Notwithstanding any other provision of law,"; and

(B) by striking "; (3) households" and all that follows through "title IV of the Social Security Act. No" and inserting a period and the following:

"(2) DENIAL AND TERMINATION.—Other than in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no".

SEC. 1045. STATE EMPLOYEE AND TRAINING STANDARDS.

Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

(1) by striking "that (A) the" and inserting "that—

"(A) the";

(2) by striking "Act; (B) the" and inserting "Act; and

"(B) the";

(3) in subparagraph (B), by striking "United States Civil Service Commission" and inserting "Office of Personnel Management"; and

(4) by striking subparagraphs (C) through (E).

SEC. 1046. EXCHANGE OF LAW ENFORCEMENT INFORMATION.

Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "that (A) such" and inserting the following: "that—

"(A) the";

(2) by striking "law, (B) notwithstanding" and inserting the following: "law;

"(B) notwithstanding";

(3) by striking "Act, and (C) such" and inserting the following: "Act;

"(C) the"; and

(4) by adding at the end the following:

"(D) notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

"(i) the member—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

"(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

"(ii) locating or apprehending the member is an official duty; and

"(iii) the request is being made in the proper exercise of an official duty; and

"(E) the safeguards shall not prevent compliance with paragraph (16);".

SEC. 1047. EXPEDITED COUPON SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking "five days" and inserting "7 days"; and

(B) by inserting "and" at the end;

(2) by striking subparagraphs (B) and (C);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B), as redesignated by paragraph (3), by striking ", (B), or (C)".

SEC. 1048. WITHDRAWING FAIR HEARING REQUESTS.

Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon at the end a period and the following: "At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw, orally or in writing, a request by the household for the fair hearing. If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the withdrawal request and providing the household with an opportunity to request a hearing".

SEC. 1049. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS VERIFICATION SYSTEMS.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(1) in subsection (e)(18), as redesignated by section 1044(1)(D)—

(A) by striking "that information is" and inserting "at the option of the State agency, that information may be"; and

(B) by striking "shall be requested" and inserting "may be requested"; and

(2) by adding at the end the following:

"(p) STATE VERIFICATION OPTION.—Notwithstanding any other provision of law, in carrying out the food stamp program, a State agency shall not be required to use an income and eligibility or an immigration status verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b-7).".

SEC. 1050. DISQUALIFICATION OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12(b) of the Food Stamp Act of 1977 (7 U.S.C. 2021(b)) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(4) for a reasonable period of time to be determined by the Secretary, including permanent disqualification, on the knowing submission of an application for the approval or reauthorization to accept and redeem coupons that contains false information about a substantive matter that was a part of the application.".

SEC. 1051. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this Act of an approved retail food store and a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same length of time as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) notwithstanding section 14, shall not be subject to judicial or administrative review.".

SEC. 1052. COLLECTION OF OVERISSUANCES.

(a) COLLECTION OF OVERISSUANCES.—Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) COLLECTION OF OVERISSUANCES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, a State agency shall collect any overissuance of coupons issued to a household by—

"(A) reducing the allotment of the household;

"(B) withholding amounts from unemployment compensation from a member of the household under subsection (c);

"(C) recovering from Federal pay or a Federal income tax refund under subsection (d); or

"(D) any other means.

"(2) COST EFFECTIVENESS.—Paragraph (1) shall not apply if the State agency demonstrates to the satisfaction of the Secretary that all of the means referred to in paragraph (1) are not cost effective.

"(3) MAXIMUM REDUCTION ABSENT FRAUD.—If a household received an overissuance of coupons without any member of the household being found ineligible to participate in the program under section 6(b)(1) and a State agency elects to reduce the allotment of the household under paragraph (1)(A), the State agency shall not reduce the monthly allotment of the household under paragraph (1)(A) by an amount in excess of the greater of—

"(A) 10 percent of the monthly allotment of the household; or

"(B) $10.

"(4) PROCEDURES.—A State agency shall collect an overissuance of coupons issued to a household under paragraph (1) in accordance with the requirements established by the State agency for providing notice, electing a means of payment, and establishing a time schedule for payment."; and

(2) in subsection (d)—

(A) by striking "as determined under subsection (b) and except for claims arising from an error of the State agency," and inserting ", as determined under subsection (b)(1),"; and

(B) by inserting before the period at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(b) CONFORMING AMENDMENTS.—Section 11(e)(8) of the Act (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "and excluding claims" and all that follows through "such section"; and

(2) by inserting before the semicolon at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(c) RETENTION RATE.—Section 16(a) of the Act (7 U.S.C. 2025(a)) is amended by striking "25 percent during the period beginning October 1, 1990" and all that follows through "error of a State agency" and inserting the following: "25 percent of the overissuances collected by the State agency under section 13, except those overissuances arising from an error of the State agency".

SEC. 1053. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended—

(1) by redesignating the first through seventeenth sentences as paragraphs (1) through (17), respectively; and

(2) by adding at the end the following:

"(18) SUSPENSION OF STORES PENDING REVIEW.—Notwithstanding any other provision of this subsection, any permanent disqualification of a retail food store or wholesale food concern under paragraph (3) or (4) of section 12(b) shall be effective from the date of receipt of the notice of disqualification. If the disqualification is reversed through administrative or judicial review, the Secretary shall not be liable for the value of any sales lost during the disqualification period.".

SEC. 1054. EXPANDED CRIMINAL FORFEITURE FOR VIOLATIONS.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—The first sentence of section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CRIMINAL FORFEITURE.—Section 15 of the Act (7 U.S.C. 2024) is amended by adding at the end the following:

"(h) CRIMINAL FORFEITURE.—

"(1) IN GENERAL.—In imposing a sentence on a person convicted of an offense in violation of subsection (b) or (c), a court shall order, in addition to any other sentence imposed under this subsection, that the person forfeit to the United States all property described in paragraph (2).

"(2) PROPERTY SUBJECT TO FORFEITURE.—All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation (other than a misdemeanor) of subsection (b) or (c), or proceeds traceable to a violation of subsection (b) or (c), shall be subject to forfeiture to the United States under paragraph (1).

"(3) INTEREST OF OWNER.—No interest in property shall be forfeited under this subsection as the result of any act or omission established by the owner of the interest to have been committed or omitted without the knowledge or consent of the owner.

"(4) PROCEEDS.—The proceeds from any sale of forfeited property and any monies forfeited under this subsection shall be used—

"(A) first, to reimburse the Department of Justice for the costs incurred by the Department to initiate and complete the forfeiture proceeding;

"(B) second, to reimburse the Department of Agriculture Office of Inspector General for any costs the Office incurred in the law enforcement effort resulting in the forfeiture;

"(C) third, to reimburse any Federal or State law enforcement agency for any costs incurred in the law enforcement effort resulting in the forfeiture; and

"(D) fourth, by the Secretary to carry out the approval, reauthorization, and compliance investigations of retail stores and wholesale food concerns under section 9.".

SEC. 1055. LIMITATION OF FEDERAL MATCH.

Section 16(a)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)(4)) is amended by inserting after the comma at the end the following: "but not including recruitment activities,".

SEC. 1056. STANDARDS FOR ADMINISTRATION.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 11(g) of the Act (7 U.S.C. 2020(g)) is amended by striking "the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) or".

(2) Section 16(c)(1)(B) of the Act (7 U.S.C. 2025(c)(1)(B)) is amended by striking "pursuant to subsection (b)".

SEC. 1057. WORK SUPPLEMENTATION OR SUPPORT PROGRAM.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by section 1056(a), is further amended by inserting after subsection (a) the following:

"(b) WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—

"(1) DEFINITION OF WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—In this subsection, the term 'work supplementation or support program' means a program under which, as determined by the Secretary, public assistance (including any benefits provided under a program established by the State and the food stamp program) is provided to an employer to be used for hiring and employing a public assistance recipient who was not employed by the employer at the time the public assistance recipient entered the program.

"(2) PROGRAM.—A State agency may elect to use an amount equal to the allotment that would otherwise be issued to a household under the food stamp program, but for the operation of this subsection, for the purpose of subsidizing or supporting a job under a work supplementation or support program established by the State.

"(3) PROCEDURE.—If a State agency makes an election under paragraph (2) and identifies each household that participates in the food stamp program that contains an individual who is participating in the work supplementation or support program—

"(A) the Secretary shall pay to the State agency an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

"(B) the State agency shall expend the amount received under subparagraph (A) in accordance with the work supplementation or support program in lieu of providing the allotment that the household would receive but for the operation of this subsection;

"(C) for purposes of—

"(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

"(ii) section 8(b), the amount received under this subsection shall be considered to be the value of an allotment provided to the household; and

"(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation or support program.

"(4) OTHER WORK REQUIREMENTS.—No individual shall be excused, by reason of the fact that a State has a work supplementation or support program, from any work requirement under section 6(d), except during the periods in which the individual is employed under the work supplementation or support program.

"(5) LENGTH OF PARTICIPATION.—A State agency shall provide a description of how the public assistance recipients in the program shall, within a specific period of time, be moved from supplemented or supported employment to employment that is not supplemented or supported.

"(6) DISPLACEMENT.—A work supplementation or support program shall not displace the employment of individuals who are not supplemented or supported.".

SEC. 1058. WAIVER AUTHORITY.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C); and

(2) in subparagraph (A)—

(A) by striking the second sentence; and

(B) by striking "benefits to eligible households, including" and inserting the following: "benefits to eligible households, and may waive any requirement of this Act to the extent necessary for the project to be conducted.

"(B) PROJECT REQUIREMENTS.—

"(i) PROGRAM GOAL.—The Secretary may not conduct a project under subparagraph (A) unless the project is consistent with the goal of the food stamp program of providing food assistance to raise levels of nutrition among low-income individuals.

"(ii) PERMISSIBLE PROJECTS.—The Secretary may conduct a project under subparagraph (A) to—

"(I) improve program administration;

"(II) increase the self-sufficiency of food stamp recipients;

"(III) test innovative welfare reform strategies; and

"(IV) allow greater conformity with the rules of other programs than would be allowed but for this paragraph.

"(iii) IMPERMISSIBLE PROJECTS.—The Secretary may not conduct a project under subparagraph (A) that—

"(I) involves the payment of the value of an allotment in the form of cash, unless the project was approved prior to the date of enactment of this subparagraph;

"(II) substantially transfers funds made available under this Act to services or benefits provided primarily through another public assistance program; or

"(III) is not limited to a specific time period.

"(iv) ADDITIONAL INCLUDED PROJECTS.—Pilot or experimental projects may include".

SEC. 1059. AUTHORIZATION OF PILOT PROJECTS.

Section 17(b)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)), as amended by section 1058, is further amended—

(1) in clause (iv), by striking "coupons. Any pilot" and inserting the following: "coupons.

"(v) CASH PAYMENT PILOT PROJECTS.—Any pilot"; and

(2) in clause (v), as so amended, by striking "1995" and inserting "2002".

SEC. 1060. RESPONSE TO WAIVERS.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)), as amended by section 1058, is further amended by adding at the end the following:

"(D) RESPONSE TO WAIVERS.—

"(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

"(I) approves the waiver request;

"(II) denies the waiver request and explains any modification needed for approval of the waiver request;

"(III) denies the waiver request and explains the grounds for the denial; or

"(IV) requests clarification of the waiver request.

"(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

"(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 1061. EMPLOYMENT INITIATIVES PROGRAM.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (d) and inserting the following:

"(d) EMPLOYMENT INITIATIVES PROGRAM.—

"(1) ELECTION TO PARTICIPATE.—

"(A) IN GENERAL.—Subject to the other provisions of this subsection, a State may elect to carry out an employment initiatives program under this subsection.

"(B) REQUIREMENT.—A State shall be eligible to carry out an employment initiatives program under this subsection only if not less than 50 percent of the households that received food stamp benefits during the summer of 1993 also received benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) during the summer of 1993.

"(2) PROCEDURE.—

"(A) IN GENERAL.—A State that has elected to carry out an employment initiatives program under paragraph (1) may use amounts equal to the food stamp allotments that would otherwise be issued to a household under the food stamp program, but for the operation of this subsection, to provide cash benefits in lieu of the food stamp allotments to the household if the household is eligible under paragraph (3).

"(B) PAYMENT.—The Secretary shall pay to each State that has elected to carry out an employment initiatives program under paragraph (1) an amount equal to the value of the allotment that each household would be eligible to receive under this Act but for the operation of this subsection.

"(C) OTHER PROVISIONS.—For purposes of the food stamp program (other than this subsection)—

"(i) cash assistance under this subsection shall be considered to be an allotment; and

"(ii) each household receiving cash benefits under this subsection shall not receive any other food stamp benefit for the period for which the cash assistance is provided.

"(D) ADDITIONAL PAYMENTS.—Each State that has elected to carry out an employment initiatives program under paragraph (1) shall—

"(i) increase the cash benefits provided to each household under this subsection to compensate for any State or local sales tax that may be collected on purchases of food by any household receiving cash benefits under this subsection, unless the Secretary determines on the basis of information provided by the State that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

"(ii) pay the cost of any increase in cash benefits required by clause (i).

"(3) ELIGIBILITY.—A household shall be eligible to receive cash benefits under paragraph (2) if an adult member of the household—

"(A) has worked in unsubsidized employment for not less than the preceding 90 days;

"(B) has earned not less than $350 per month from the employment referred to in subparagraph (A) for not less than the preceding 90 days;

"(C)(i) is 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.); or

"(ii) was 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.) at the time the member first received cash benefits under this subsection and is no longer eligible for the State program because of earned income;

"(D) is continuing to earn not less than $350 per month from the employment referred to in subparagraph (A); and

"(E) elects to receive cash benefits in lieu of food stamp benefits under this subsection.

"(4) EVALUATION.—A State that operates a program under this subsection for 2 years shall provide to the Secretary a written evaluation of the impact of cash assistance under this subsection. The State agency, with the concurrence of the Secretary, shall determine the content of the evaluation.".

SEC. 1062. ADJUSTABLE FOOD STAMP CAP.

Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended—

(1) in subsection (a)(1)—

(A) in the first sentence, by striking "1991 through 1995" and inserting "1996 through 2002"; and

(B) in the last sentence, by striking "In each monthly report, the Secretary shall also state" and inserting the following: "The Secretary shall file a report each February 15, April 15, and July 15, stating"; and

(2) by striking subsection (b) and inserting the following:

"(b) LIMITATION ON FOOD STAMP ALLOTMENTS.—

"(1) OBLIGATIONS.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, except as provided in subparagraphs (B) and (C), obligations to carry out this Act shall not exceed—

"(i) $25,443,000,000 for fiscal year 1996;

"(ii) $24,636,000,000 for fiscal year 1997;

"(iii) $25,319,000,000 for fiscal year 1998;

"(iv) $26,307,000,000 for fiscal year 1999;

"(v) $27,568,000,000 for fiscal year 2000;

"(vi) $28,602,000,000 for fiscal year 2001; and

"(vii) $29,804,000,000 for fiscal year 2002.

"(B) COST OF FOOD ADJUSTMENT.—On October 1 of each fiscal year, the Secretary shall adjust the limit on obligations under subparagraph (A) for the fiscal year to reflect any change in the cost of the program due to any increase or decrease in the cost of the thrifty food plan compared to the cost of the thrifty food plan for the same period projected by the Director of the Congressional Budget Office prior to the date of enactment of this subparagraph.

"(C) CASELOAD ADJUSTMENT.—On May 15 of each fiscal year, the Secretary shall adjust the limit on obligations under subparagraph (A) for the fiscal year to reflect any change in the cost of the program due to any increase or decrease in participation as estimated by comparing participation during the first 6 months of the fiscal year to participation for the same period projected by the Director of the Congressional Budget Office prior to the date of enactment of this subparagraph.

"(2) REDUCTION.—Notwithstanding any other provision of this Act, if the Secretary finds that for any fiscal year the requirements of participating States will exceed the amount of obligations specified in paragraph (1), the Secretary shall direct State agencies to reduce the value of allotments to be issued to households certified as eligible to participate in the food stamp program to the extent necessary to comply with paragraph (1).

"(3) REPORT.—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 concerning the methodology and assumptions under, effects of, and adjustments under, this subsection.".

SEC. 1063. REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.

The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting "$1,143,000,000 for each of fiscal years 1995 and 1996, $1,174,000,000 for fiscal year 1997, $1,204,000,000 for fiscal year 1998, $1,236,000,000 for fiscal year 1999, $1,268,000,000 for fiscal year 2000, $1,301,000,000 for fiscal year 2001, and $1,335,000,000 for fiscal year 2002".

SEC. 1064. SIMPLIFIED FOOD STAMP PROGRAM.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) DEFINITION OF FEDERAL COSTS.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

"(b) ELECTION.—Subject to subsection (d), a State may elect to carry out a Simplified Food Stamp Program (referred to in this section as a 'Program'), statewide or in a political subdivision of the State, in accordance with this section.

"(c) OPERATION OF PROGRAM.—If a State elects to carry out a Program, within the State or a political subdivision of the State—

"(1) a household in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall automatically be eligible to participate in the Program; and

"(2) subject to subsection (f), benefits under the Program shall be determined under rules and procedures established by the State under—

"(A) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(B) the food stamp program (other than section 25); or

"(C) a combination of a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and the food stamp program (other than section 25).

"(d) APPROVAL OF PROGRAM.—

"(1) STATE PLAN.—A State agency may not operate a Program unless the Secretary approves a State plan for the operation of the Program under paragraph (2).

"(2) APPROVAL OF PLAN.—The Secretary shall approve any State plan to carry out a Program if the Secretary determines that the plan—

"(A) complies with this section; and

"(B) contains sufficient documentation that the plan will not increase Federal costs for any fiscal year.

"(e) INCREASED FEDERAL COSTS.—

"(1) DETERMINATION.—During each fiscal year and not later than 90 days after the end of each fiscal year, the Secretary shall determine whether a Program being carried out by a State agency is increasing Federal costs under this Act above the Federal costs incurred under the food stamp program in operation in the State or political subdivision of the State for the fiscal year prior to the implementation of the Program, adjusted for any changes in—

"(A) participation;

"(B) the income of participants in the food stamp program that is not attributable to public assistance; and

"(C) the thrifty food plan under section 3(o).

"(2) NOTIFICATION.—If the Secretary determines that the Program has increased Federal costs under this Act for any fiscal year or any portion of any fiscal year, the Secretary shall notify the State not later than 30 days after the Secretary makes the determination under paragraph (1).

"(3) ENFORCEMENT.—

"(A) CORRECTIVE ACTION.—Not later than 90 days after the date of a notification under paragraph (2), the State shall submit a plan for approval by the Secretary for prompt corrective action that is designed to prevent the Program from increasing Federal costs under this Act.

"(B) TERMINATION.—If the State does not submit a plan under subparagraph (A) or carry out a plan approved by the Secretary, the Secretary shall terminate the approval of the State agency operating the Program and the State agency shall be ineligible to operate a future Program.

"(f) RULES AND PROCEDURES.—

"(1) IN GENERAL.—In operating a Program, a State or political subdivision of a State may follow the rules and procedures established by the State or political subdivision under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under the food stamp program.

"(2) STANDARDIZED DEDUCTIONS.—In operating a Program, a State or political subdivision of a State may standardize the deductions provided under section 5(e). In developing the standardized deduction, the State shall consider the work expenses, dependent care costs, and shelter costs of participating households.

"(3) REQUIREMENTS.—In operating a Program, a State or political subdivision shall comply with the requirements of—

"(A) subsections (a) through (g) of section 7;

"(B) section 8(a) (except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.));

"(C) subsection (b) and (d) of section 8;

"(D) subsections (a), (c), (d), and (n) of section 11;

"(E) paragraphs (8), (12), (16), (18), (20), (24), and (25) of section 11(e);

"(F) section 11(e)(10) (or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

"(G) section 16.

"(4) LIMITATION ON ELIGIBILITY.—Notwithstanding any other provision of this section, a household may not receive benefits under this section as a result of the eligibility of the household under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for the program.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)), as amended by sections 1028(b) and 1044, is further amended by adding at the end the following:

"(25) if a State elects to carry out a Simplified Food Stamp Program under section 24, the plans of the State agency for operating the program, including—

"(A) the rules and procedures to be followed by the State agency to determine food stamp benefits;

"(B) how the State agency will address the needs of households that experience high shelter costs in relation to the incomes of the households; and

"(C) a description of the method by which the State agency will carry out a quality control system under section 16(c).".

(c) CONFORMING AMENDMENTS.—

(1) Section 8 of the Act (7 U.S.C. 2017), as amended by section 1039, is further amended—

(A) by striking subsection (e); and

(B) by redesignating subsection (f) as subsection (e).

(2) Section 17 of the Act (7 U.S.C. 2026) is amended—

(A) by striking subsection (i); and

(B) by redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

SEC. 1065. STATE FOOD ASSISTANCE BLOCK GRANT.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by section

1064, is further amended by adding at the end the following:

"SEC. 25. STATE FOOD ASSISTANCE BLOCK GRANT.

"(a) DEFINITIONS.—In this section:

"(1) FOOD ASSISTANCE.—The term 'food assistance' means assistance that may be used only to obtain food, as defined in section 3(g).

"(2) STATE.—The term 'State' means each of the 50 States, the District of Columbia, Guam, and the Virgin Islands of the United States.

"(b) ESTABLISHMENT.—The Secretary shall establish a program to make grants to States in accordance with this section to provide—

"(1) food assistance to needy individuals and families residing in the State; and

"(2) funds for administrative costs incurred in providing the assistance.

"(c) ELECTION.—

"(1) IN GENERAL.—A State may annually elect to participate in the program established under subsection (b) if the State—

"(A) has fully implemented an electronic benefit transfer system that operates in the entire State;

"(B) has a payment error rate under section 16(c) that is not more than 6 percent as announced most recently by the Secretary; or

"(C) has a payment error rate in excess of 6 percent and agrees to contribute non-Federal funds for the fiscal year of the grant, for benefits and administration of the State's food assistance program, the amount determined under paragraph (2).

"(2) STATE MANDATORY CONTRIBUTIONS.—

"(A) IN GENERAL.—In the case of a State that elects to participate in the program under paragraph (1)(C), the State shall agree to contribute, for a fiscal year, an amount equal to—

"(A)(i) the benefits issued in the State; multiplied by

"(ii) the payment error rate of the State; minus

"(B)(i) the benefits issued in the State; multiplied by

"(ii) 6 percent.

"(B) DETERMINATION.—Notwithstanding sections 13 and 14, the calculation of the contribution shall be based solely on the determination of the Secretary of the payment error rate.

"(C) DATA.—For purposes of implementing subparagraph (A) for a fiscal year, the Secretary shall use the data for the most recent fiscal year available.

"(3) ELECTION LIMITATION.—

"(A) RE-ENTERING FOOD STAMP PROGRAM.—A State that elects to participate in the program under paragraph (1) may in a subsequent year decline to elect to participate in the program and instead participate in the food stamp program in accordance with the other sections of this Act.

"(B) LIMITATION.—Subsequent to re-entering the food stamp program under subparagraph (A), 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 be eligible to elect to participate in the program established under subsection (b).

"(4) PROGRAM EXCLUSIVE.—

"(A) IN GENERAL.—A State that is participating in the program established under subsection (b) shall not be subject to, or receive any benefit under, this Act except as provided in this section.

"(B) CONTRACT WITH FEDERAL GOVERNMENT.—Nothing in this section shall prohibit a State from contracting with the Federal Government for the provision of services or materials necessary to carry out a program under this section.

"(d) LEAD AGENCY.—A State desiring to receive a grant under this section shall designate, in an application submitted to the Secretary under subsection (e)(1), an appropriate State agency responsible for the administration of the program under this section as the lead agency.

"(e) APPLICATION AND PLAN.—

"(1) APPLICATION.—To be eligible to receive assistance under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall by regulation require, including—

"(A) an assurance that the State will comply with the requirements of this section;

"(B) a State plan that meets the requirements of paragraph (3); and

"(C) an assurance that the State will comply with the requirements of the State plan under paragraph (3).

"(2) ANNUAL PLAN.—The State plan contained in the application under paragraph (1) shall be submitted for approval annually.

"(3) REQUIREMENTS OF PLAN.—

"(A) LEAD AGENCY.—The State plan shall identify the lead agency.

"(B) USE OF BLOCK GRANT FUNDS.—The State plan shall provide that the State shall use the amounts provided to the State for each fiscal year under this section—

"(i) to provide food assistance to needy individuals and families residing in the State, other than residents of institutions who are ineligible for food stamps under section 3(i); and

"(ii) to pay administrative costs incurred in providing the assistance.

"(C) GROUPS SERVED.—The State plan shall describe how and to what extent the program will serve specific groups of individuals and families and how the treatment will differ from treatment under the food stamp program under the other sections of this Act of the individuals and families, including—

"(i) elderly individuals and families;

"(ii) migrants or seasonal farmworkers;

"(iii) homeless individuals and families;

"(iv) individuals and families who live in institutions eligible under section 3(i);

"(v) individuals and families with earnings; and

"(vi) members of Indian tribes or tribal organizations.

"(D) ASSISTANCE FOR ENTIRE STATE.—The State plan shall provide that benefits under this section shall be available throughout the entire State.

"(E) NOTICE AND HEARINGS.—The State plan shall provide that an individual or family who applies for, or receives, assistance under this section shall be provided with notice of, and an opportunity for a hearing on, any action under this section that adversely affects the individual or family.

"(F) ASSESSMENT OF NEEDS.—The State plan shall assess the food and nutrition needs of needy persons residing in the State.

"(G) ELIGIBILITY STANDARDS.—The State plan shall describe the income, resource, and other eligibility standards that are established for the receipt of assistance under this section.

"(H) DISQUALIFICATION OF FLEEING FELONS.—The State plan shall provide for the disqualification of any individual who would be disqualified from participating in the food stamp program under section 6(k).

"(I) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—The State plan shall provide for the disqualification of any individual who would be disqualified from participating in the food stamp program under section 6(n).

"(J) RECEIVING BENEFITS IN MORE THAN 1 JURISDICTION.—The State plan shall establish a system for the exchange of information with other States to verify the identity and receipt of benefits by recipients.

"(K) PRIVACY.—The State plan shall provide for safeguarding and restricting the use and disclosure of information about any individual or family receiving assistance under this section.

"(L) OTHER INFORMATION.—The State plan shall contain such other information as may be required by the Secretary.

"(4) APPROVAL OF APPLICATION AND PLAN.—The Secretary shall approve an application and State plan that satisfies the requirements of this section.

"(f) NO INDIVIDUAL OR FAMILY ENTITLEMENT TO ASSISTANCE.—Nothing in this section—

"(1) entitles any individual or family to assistance under this section; or

"(2) limits the right of a State to impose additional limitations or conditions on assistance under this section.

"(g) BENEFITS FOR ALIENS.—

"(1) ELIGIBILITY.—No individual who is an alien shall be eligible to receive benefits under a State plan approved under subsection (e)(4) if the individual is not eligible to participate in the food stamp program due to the alien status of the individual.

"(2) INCOME.—The State plan shall provide that the income of an alien shall be determined in accordance with section 5(i).

"(h) EMPLOYMENT AND TRAINING.—

"(1) WORK REQUIREMENTS.—No individual or household shall be eligible to receive benefits under a State plan funded under this section if the individual or household is not eligible to participate in the food stamp program under subsection (d) or (o) of section 6.

"(2) WORK PROGRAMS.—Each State shall implement an employment and training program in accordance with the terms and conditions of section 6(d)(4) for individuals under the program and shall be eligible to receive funding under section 16(h).

"(i) ENFORCEMENT.—

"(1) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this section and the State plan approved under subsection (e)(4).

"(2) NONCOMPLIANCE.—

"(A) IN GENERAL.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds that—

"(i) there has been a failure by the State to comply substantially with any provision or requirement set forth in the State plan approved under subsection (e)(4); or

"(ii) in the operation of any program or activity for which assistance is provided under this section, there is a failure by the State to comply substantially with any provision of this section;

the Secretary shall notify the State of the finding and that no further grants will be made to the State under this section (or, in the case of noncompliance in the operation of a program or activity, that no further grants to the State will be made with respect to the program or activity) until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

"(B) OTHER PENALTIES.—In the case of a finding of noncompliance made pursuant to subparagraph (A), the Secretary may, in addition to, or in lieu of, imposing the penalties described in subparagraph (A), impose other appropriate penalties, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

"(C) NOTICE.—The notice required under subparagraph (A) shall include a specific identification of any additional penalty being imposed under subparagraph (B).

"(3) ISSUANCE OF REGULATIONS.—The Secretary shall establish by regulation procedures for—

"(A) receiving, processing, and determining the validity of complaints made to the Secretary

concerning any failure of a State to comply with the State plan or any requirement of this section; and

"(B) imposing penalties under this section.

"(j) GRANT.—

"(1) IN GENERAL.—For each fiscal year, the Secretary shall pay to a State that has an application approved by the Secretary under subsection (e)(4) an amount that is equal to the grant of the State under subsection (m) for the fiscal year.

"(2) METHOD OF GRANT.—The Secretary shall make a grant to a State for a fiscal year under this section by issuing 1 or more letters of credit for the fiscal year, with necessary adjustments on account of overpayments or underpayments, as determined by the Secretary.

"(3) SPENDING OF GRANTS BY STATE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a grant to a State determined under subsection (m)(1) for a fiscal year may be expended by the State only in the fiscal year.

"(B) CARRYOVER.—The State may reserve up to 10 percent of a grant determined under subsection (m)(1) for a fiscal year to provide assistance under this section in subsequent fiscal years, except that the reserved funds may not exceed 30 percent of the total grant received under this section for a fiscal year.

"(4) FOOD ASSISTANCE AND ADMINISTRATIVE EXPENDITURES.—In each fiscal year, not more than 6 percent of the Federal and State funds required to be expended by a State under this section shall be used for administrative expenses.

"(5) PROVISION OF FOOD ASSISTANCE.—A State may provide food assistance under this section in any manner determined appropriate by the State, such as electronic benefit transfer limited to food purchases, coupons limited to food purchases, or direct provision of commodities.

"(k) QUALITY CONTROL.—Each State participating in the program established under this section shall maintain a system in accordance with, and shall be subject to section 16(c), including sanctions and eligibility for incentive payment under section 16(c), adjusted for State specific characteristics under regulations issued by the Secretary.

"(l) NONDISCRIMINATION.—

"(1) IN GENERAL.—The Secretary shall not provide financial assistance for any program, project, or activity under this section if any person with responsibilities for the operation of the program, project, or activity discriminates with respect to the program, project, or activity because of race, religion, color, national origin, sex, or disability.

"(2) ENFORCEMENT.—The powers, remedies, and procedures set forth in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) may be used by the Secretary to enforce paragraph (1).

"(m) GRANT CALCULATION.—

"(1) STATE GRANT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), from the amounts made available under section 18 for each fiscal year, the Secretary shall provide a grant to each State participating in the program established under this section an amount that is equal to the sum of—

"(i) the greater of, as determined by the Secretary—

"(I) the total dollar value of all benefits issued under the food stamp program established under this Act by the State during fiscal year 1994; or

"(II) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during each of fiscal years 1992 through 1994; and

"(ii) the greater of, as determined by the Secretary—

"(I) the total amount received by the State for administrative costs under section 16(a) (not including any adjustment under section 16(c)) for fiscal year 1994; or

"(II) the average per fiscal year of the total amount received by the State for administrative costs under section 16(a) (not including any adjustment under section 16(c)) for each of fiscal years 1992 through 1994.

"(B) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of grants 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 grants for the fiscal year, the Secretary shall reduce the grants made to States under this subsection, on a pro rata basis, to the extent necessary.

"(2) REDUCTION.—The Secretary shall reduce the grant of a State by the amount a State has agreed to contribute under subsection (c)(1)(C).".

(b) EMPLOYMENT AND TRAINING FUNDING.—Section 16(h) of the Act (7 U.S.C. 2025(a)), as amended by section 1027(d)(2), is further amended by adding at the end the following:

"(6) BLOCK GRANT STATES.—Each State electing to operate a program under section 25 shall—

"(A) receive the greater of—

"(i) the total dollar value of the funds received under paragraph (1) by the State during fiscal year 1994; or

"(ii) the average per fiscal year of the total dollar value of all funds received under paragraph (1) by the State during each of fiscal years 1992 through 1994; and

"(B) be eligible to receive funds under paragraph (2), within the limitations in section 6(d)(4)(K).".

(c) RESEARCH ON OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.—Section 17 of the Act (7 U.S.C. 2026), as amended by section 1064(c)(2), is further amended by adding at the end the following:

"(l) RESEARCH ON OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.—The Secretary may conduct research on the effects and costs of a State program carried out under section 25.".

SEC. 1066. AMERICAN SAMOA.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by section 1065, is further amended by adding at the end the following:

"SEC. 26. TERRITORY OF AMERICAN SAMOA.

From amounts made available to carry out this Act, the Secretary may pay to the Territory of American Samoa not more than $5,300,000 for each of fiscal years 1996 through 2002 to finance 100 percent of the expenditures for the fiscal year for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).".

SEC. 1067. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by section 1066, is further amended by adding at the end the following:

"SEC. 27. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

"(a) DEFINITION OF COMMUNITY FOOD PROJECTS.—In this section, the term 'community food project' means a community-based project that requires a 1-time infusion of Federal assistance to become self-sustaining and that is designed to—

"(1) meet the food needs of low-income people;

"(2) increase the self-reliance of communities in providing for their own food needs; and

"(3) promote comprehensive responses to local food, farm, and nutrition issues.

"(b) AUTHORITY TO PROVIDE ASSISTANCE.—

"(1) IN GENERAL.—From amounts made available to carry out this Act, the Secretary may make grants to assist eligible private nonprofit entities to establish and carry out community food projects.

"(2) LIMITATION ON GRANTS.—The total amount of funds provided as grants under this section for any fiscal year may not exceed $2,500,000.

"(c) ELIGIBLE ENTITIES.—To be eligible for a grant under subsection (b), a private nonprofit entity must—

"(1) have experience in the area of—

"(A) community food work, particularly concerning small and medium-sized farms, including the provision of food to people in low-income communities and the development of new markets in low-income communities for agricultural producers; or

"(B) job training and business development activities for food-related activities in low-income communities;

"(2) demonstrate competency to implement a project, provide fiscal accountability, collect data, and prepare reports and other necessary documentation; and

"(3) demonstrate a willingness to share information with researchers, practitioners, and other interested parties.

"(d) PREFERENCE FOR CERTAIN PROJECTS.—In selecting community food projects to receive assistance under subsection (b), the Secretary shall give a preference to projects designed to—

"(1) develop linkages between 2 or more sectors of the food system;

"(2) support the development of entrepreneurial projects;

"(3) develop innovative linkages between the for-profit and nonprofit food sectors; or

"(4) encourage long-term planning activities and multi-system, interagency approaches.

"(e) MATCHING FUNDS REQUIREMENTS.—

"(1) REQUIREMENTS.—The Federal share of the cost of establishing or carrying out a community food project that receives assistance under subsection (b) may not exceed 50 percent of the cost of the project during the term of the grant.

"(2) CALCULATION.—In providing for the non-Federal share of the cost of carrying out a community food project, the entity receiving the grant shall provide for the share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services.

"(3) SOURCES.—An entity may provide for the non-Federal share through State government, local government, or private sources.

"(f) TERM OF GRANT.—

"(1) SINGLE GRANT.—A community food project may be supported by only a single grant under subsection (b).

"(2) TERM.—The term of a grant under subsection (b) may not exceed 3 years.

"(g) TECHNICAL ASSISTANCE AND RELATED INFORMATION.—

"(1) TECHNICAL ASSISTANCE.—In carrying out this section, the Secretary may provide technical assistance regarding community food projects, processes, and development to an entity seeking the assistance.

"(2) SHARING INFORMATION.—

"(A) IN GENERAL.—The Secretary may provide for the sharing of information concerning community food projects and issues among and between government, private for-profit and nonprofit groups, and the public through publications, conferences, and other appropriate forums.

"(B) OTHER INTERESTED PARTIES.—The Secretary may share information concerning community food projects with researchers, practitioners, and other interested parties.

"(h) EVALUATION.—

"(1) IN GENERAL.—The Secretary shall provide for the evaluation of the success of community food projects supported using funds under this section.

"(2) REPORT.—Not later than January 30, 2002, the Secretary shall submit a report to Congress regarding the results of the evaluation.".

Subtitle B—Commodity Distribution Programs

SEC. 1071. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) FUNDING.—Section 5 of the Act (Public Law 93–86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking "1995" and inserting "2002"; and

(2) in subsection (d)(2), by striking "1995" and inserting "2002".

SEC. 1072. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) DEFINITIONS.—Section 201A of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended to read as follows:

"SEC. 201A. DEFINITIONS.

"In this Act:

"(1) ADDITIONAL COMMODITIES.—The term 'additional commodities' means commodities made available under section 214 in addition to the commodities made available under sections 202 and 203D.

"(2) AVERAGE MONTHLY NUMBER OF UNEMPLOYED PERSONS.—The term 'average monthly number of unemployed persons' means the average monthly number of unemployed persons in each State in the most recent fiscal year for which information concerning the number of unemployed persons is available, as determined by the Bureau of Labor Statistics of the Department of Labor.

"(3) ELIGIBLE RECIPIENT AGENCY.—The term 'eligible recipient agency' means a public or nonprofit organization—

"(A) that administers—

"(i) an emergency feeding organization;

"(ii) a charitable institution (including a hospital and a retirement home, but excluding a penal institution) to the extent that the institution serves needy persons;

"(iii) a summer camp for children, or a child nutrition program providing food service;

"(iv) a nutrition project operating under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), including a project that operates a congregate nutrition site and a project that provides home-delivered meals; or

"(v) a disaster relief program;

"(B) that has been designated by the appropriate State agency, or by the Secretary; and

"(C) that has been approved by the Secretary for participation in the program established under this Act.

"(4) EMERGENCY FEEDING ORGANIZATION.—The term 'emergency feeding organization' means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

"(5) FOOD BANK.—The term 'food bank' means a public or charitable institution that maintains an established operation involving the provision of food or edible commodities, or the products of food or edible commodities, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

"(6) FOOD PANTRY.—The term 'food pantry' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

"(7) POVERTY LINE.—The term 'poverty line' has the same meaning given the term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(8) SOUP KITCHEN.—The term 'soup kitchen' means a public or charitable institution that, as integral part of the normal activities of the institution, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

"(9) TOTAL VALUE OF ADDITIONAL COMMODITIES.—The term 'total value of additional commodities' means the actual cost of all additional commodities made available under section 214 that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).

"(10) VALUE OF ADDITIONAL COMMODITIES ALLOCATED TO EACH STATE.—The term 'value of additional commodities allocated to each State' means the actual cost of additional commodities made available under section 214 and allocated to each State that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).".

(b) STATE PLAN.—Section 202A of the Act (7 U.S.C. 612c note) is amended to read as follows:

"SEC. 202A. STATE PLAN.

"(a) IN GENERAL.—To receive commodities under this Act, a State shall submit a plan of operation and administration every 4 years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

"(b) REQUIREMENTS.—Each plan shall—

"(1) designate the State agency responsible for distributing the commodities received under this Act;

"(2) set forth a plan of operation and administration to expeditiously distribute commodities under this Act;

"(3) set forth the standards of eligibility for recipient agencies; and

"(4) set forth the standards of eligibility for individual or household recipients of commodities, which shall require—

"(A) individuals or households to be comprised of needy persons; and

"(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of applying for assistance.

"(c) STATE ADVISORY BOARD.—The Secretary shall encourage each State receiving commodities under this Act to establish a State advisory board consisting of representatives of all interested entities, both public and private, in the distribution of commodities received under this Act in the State.".

(c) AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE FUNDS.—Section 204(a)(1) of the Act (7 U.S.C. 612c note) is amended—

(1) in the first sentence—

(A) by striking "1991 through 1995' and inserting "1996 through 2002"; and

(B) by striking "for State and local" and all that follows through "under this title" and inserting "to pay for the direct and indirect administrative costs of the State related to the processing, transporting, and distributing to eligible recipient agencies of commodities provided by the Secretary under this Act and commodities secured from other sources"; and

(2) by striking the fourth sentence.

(d) DELIVERY OF COMMODITIES.—Section 214 of the Act (7 U.S.C. 612c note) is amended—

(1) by striking subsections (a) through (e) and (j);

(2) by redesignating subsections (f) through (i) as subsections (a) through (d), respectively;

(3) in subsection (b), as redesignated by paragraph (2)—

(A) in the first sentence, by striking "subsection (f) or subsection (j) if applicable," and inserting "subsection (a)"; and

(B) in the second sentence, by striking "subsection (f)" and inserting "subsection (a)";

(4) by striking subsection (c), as redesignated by paragraph (2), and inserting the following:

"(c) ADMINISTRATION.—

"(1) IN GENERAL.—Commodities made available for each fiscal year under this section shall be delivered at reasonable intervals to States based on the grants calculated under subsection (a), or reallocated under subsection (b), before December 31 of the following fiscal year.

"(2) ENTITLEMENT.—Each State shall be entitled to receive the value of additional commodities determined under subsection (a).."; and

(5) in subsection (d), as redesignated by paragraph (2), by striking "or reduce" and all that follows through "each fiscal year".

(e) TECHNICAL AMENDMENTS.—The Act (7 U.S.C. 612c note) is amended—

(1) in the first sentence of section 203B(a), by striking "203 and 203A of this Act" and inserting "203A";

(2) in section 204(a), by striking "title" each place it appears and inserting "Act";

(3) in the first sentence of section 210(e), by striking "(except as otherwise provided for in section 214(j))"; and

(4) by striking section 212.

(f) REPORT ON EFAP.—Section 1571 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 612c note) is repealed.

(g) AVAILABILITY OF COMMODITIES UNDER THE FOOD STAMP PROGRAM.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by section 1067, is further amended by adding at the end the following:

"SEC. 28. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

"(a) PURCHASE OF COMMODITIES.—From amounts appropriated under this Act, for each of fiscal years 1997 through 2002, the Secretary shall purchase $300,000,000 of a variety of nutritious and useful commodities of the types that the Secretary has the authority to acquire through the Commodity Credit Corporation or under section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c), and distribute the commodities to States for distribution in accordance with section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note).

"(b) BASIS FOR COMMODITY PURCHASES.—In purchasing commodities under subsection (a), the Secretary shall, to the extent practicable and appropriate, make purchases based on—

"(1) agricultural market conditions;

"(2) preferences and needs of States and distributing agencies; and

"(3) preferences of recipients.".

(h) EFFECTIVE DATE.—The amendments made by subsection (d) shall become effective on October 1, 1996.

SEC. 1073. FOOD BANK DEMONSTRATION PROJECT.

Section 3 of the Charitable Assistance and Food Bank Act of 1987 (Public Law 100–232; 7 U.S.C. 612c note) is repealed.

SEC. 1074. HUNGER PREVENTION PROGRAMS.

The Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) by striking section 110;

(2) by striking subtitle C of title II; and

(3) by striking section 502.

SEC. 1075. REPORT ON ENTITLEMENT COMMODITY PROCESSING.

Section 1773 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law

101–624; 7 U.S.C. 612c note) is amended by striking subsection (f).

SEC. 1076. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1995" and inserting "2002".

TITLE XI—MISCELLANEOUS

SEC. 1101. EXPENDITURE OF FEDERAL FUNDS IN ACCORDANCE WITH LAWS AND PROCEDURES APPLICABLE TO EXPENDITURE OF STATE FUNDS.

(a) IN GENERAL.—Notwithstanding any other provision of law, any funds received by a State under the provisions of law specified in subsection (b) shall be expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, including appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

(b) PROVISIONS OF LAW.—The provisions of law specified in this subsection are the following:

(1) Part A of title IV of the Social Security Act (relating to block grants for temporary assistance for needy families).

(2) Section 25 of the Food Stamp Act of 1977 (relating to the optional State food assistance block grant).

(3) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care).

SEC. 1102. ELIMINATION OF HOUSING ASSISTANCE WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) ELIGIBILITY FOR ASSISTANCE.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 6(l)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by inserting immediately after paragraph (6) the following new paragraph:

"(7) provide that it shall be cause for immediate termination of the tenancy of a public housing tenant if such tenant—

"(A) is 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 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) is violating a condition of probation or parole imposed under Federal or State law."; and

(2) in section 8(d)(1)(B)—

(A) in clause (iii), by striking "and" at the end;

(B) in clause (iv), by striking the period at the end and inserting "; and"; and

(C) by adding after clause (iv) the following new clause:

"(v) it shall be cause for termination of the tenancy of a tenant if such tenant—

"(I) is 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 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

"(II) is violating a condition of probation or parole imposed under Federal or State law;".

(b) PROVISION OF INFORMATION TO LAW ENFORCEMENT AGENCIES.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by section 601 of this Act, is amended by adding at the end the following:

"SEC. 28. EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.

"Notwithstanding any other provision of law, each public housing agency that enters into a contract for assistance under section 6 or 8 of this Act with the Secretary shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of assistance under this Act, if the officer—

"(1) furnishes the public housing agency with the name of the recipient; and

"(2) notifies the agency that—

"(A) such recipient—

"(i) is 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 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

"(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;

"(B) the location or apprehension of the recipient is within such officer's official duties; and

"(C) the request is made in the proper exercise of the officer's official duties.".

SEC. 1103. 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 One Hundred Fourth 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.

SEC. 1104. SENSE OF THE SENATE REGARDING THE INABILITY OF THE NON-CUSTODIAL PARENT TO PAY CHILD SUPPORT.

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 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.

SEC. 1105. FOOD STAMP ELIGIBILITY.

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.".

SEC. 1106. ESTABLISHING NATIONAL GOALS 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) preventing out-of-wedlock teenage pregnancies, 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).

SEC. 1107. 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.

SEC. 1108. SANCTIONING FOR TESTING POSITIVE FOR CONTROLLED SUBSTANCES.

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.

SEC. 1109. ABSTINENCE EDUCATION.

(a) INCREASES IN FUNDING.—Section 501(a) of the Social Security Act (42 U.S.C. 701(a)) is amended in the matter preceding paragraph (1) by striking "Fiscal year 1990 and each fiscal year thereafter" and inserting "Fiscal years 1990 through 1995 and $761,000,000 for fiscal year 1996 and each fiscal year thereafter".

(b) ABSTINENCE EDUCATION.—Section 501(a)(1) of such Act (42 U.S.C. 701(a)(1)) is amended—

(1) in subparagraph (C), by striking "and" at the end;

(2) in subparagraph (D), by adding "and" at the end; and

(3) by adding at the end the following new subparagraph:

"(E) to provide 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.".

(c) ABSTINENCE EDUCATION DEFINED.—Section 501(b) of such Act (42 U.S.C. 701(b)) is amended by adding at the end the following new paragraph:

"(5) ABSTINENCE EDUCATION.—For purposes of this subsection, the term 'abstinence education' means 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.".

(d) SET-ASIDE.—

(1) IN GENERAL.—Section 502(c) of such Act (42 U.S.C. 702(c)) is amended in the matter preceding paragraph (1) by striking "From" and inserting "Except as provided in subsection (e), from".

(2) SET-ASIDE.—Section 502 of such Act (42 U.S.C. 702) is amended by adding at the end the following new subsection:

"(e) Of the amounts appropriated under section 501(a) for any fiscal year, the Secretary shall set aside $75,000,000 for abstinence education in accordance with section 501(a)(1)(E).

SEC. 1110. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) is amended—

(1) by striking "(d) In the event" and inserting "(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—In the event"; and

(2) by adding at the end the following new paragraph:

"(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

"(A) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer program established under State or local law or administered by a State or local government.

"(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (A) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the recipient of the benefit.

"(C) RULE OF CONSTRUCTION.—No provision of this paragraph may be construed as—

"(i) affecting or altering the protections otherwise applicable with respect to benefits established by Federal, State, or local law; or

"(ii) otherwise superseding the application of any State or local law.

"(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

"(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

"(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits established by Federal, State, or local governments.".

SEC. 1111. REDUCTION IN BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.

Section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) is amended—

(1) by striking "and" at the end of paragraph (4); and

(2) by striking paragraph (5) and inserting the following:

"(5) $2,800,000,000 for each of the fiscal years 1990 through 1996 and for each fiscal year after fiscal year 2002; and

"(6) $2,520,000,000 for each of the fiscal years 1997 through 2002.".

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, amend the title so as to read as follows: "An Act to restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence, and control welfare spending.".

And the Senate agree to the same.

BILL ARCHER,
BILL GOODLING,
PAT ROBERTS,
E. CLAY SHAW, JR.,
JAMES TALENT,
JIM NUSSLE,
TIM HUTCHINSON,
JIM MCCRERY,
LAMAR SMITH,
NANCY L. JOHNSON,
DAVE CAMP,
GARY A. FRANKS,

As an additional conferee:

BILL EMERSON,

As an additional conferee:

RANDY "DUKE" CUNNINGHAM,

Managers on the Part of the House.

WILLIAM V. ROTH, JR.,
BOB DOLE,
JOHN H. CHAFEE,
CHARLES GRASSLEY,
ORRIN HATCH,

From the Committee on Labor and Human Resources:

NANCY LANDON KASSEBAUM,
JIM JEFFORDS,
DAN COATS,
JUDD GREGG,

From the Committee on Agriculture, Nutrition, and Forestry:

JESSE HELMS,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

TABLE 1.—ORGANIZATION OF CONFERENCE COMPARISON DOCUMENT BY TITLE AS COMPARED WITH TITLES OF HOUSE BILL AND SENATE AMENDMENT

Name of title	Conference title	House title	Senate title
Part 1:			
Block Grants for Temporary Assistance for Needy Families.	I	I	I
Supplemental Security Income.	II	VI	II
Child Support Enforcement.	III	VII	IX
Restricting Welfare and Public Benefits in for Aliens.	IV	IV	V
Reductions in Federal Government Positions.	V		XII
Housing	VI		X
Protection of Battered Individuals.	(1)		VIII
Miscellaneous	XI	VIII	XIII
Part 2:			
Child Protection	VII	II	XI
Adoption Expenses	VII		VIII
Child Care Block Grant.	VIII	III	VI
Part: 3			
Child Nutrition	IX	III	IV
Food Stamp Reform	X	V	III
Commodity Distribution.	X	V	IV

[1] Not included.

TITLE I. BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

1. SHORT TITLE (SECTION 1)

Present law

Not applicable.

House bill

The Personal Responsibility Act of 1995.

Senate amendment

The Work Opportunity Act of 1995.

Conference agreement

The conference agreement follows the House bill and the Senate amendment as follows: The personal Responsibility and Work Opportunity Act of 1995.

2. OBJECTIVES

Present law

To provide for the general welfare by enabling the several States to make more adequate provision for dependent children. (Social Security Act, 1935)

House bill

To restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

Senate amendment

To enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.

Conference agreement

The conference agreement follows the House bill and the Senate amendment as follows: To restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence, and control welfare spending.

3. SENSE OF THE CONGRESS ON FAMILIES (SECTION 101)

Present law

To provision.

House bill

It is the sense of the Congress that marriage is the foundation of a successful society, and an essential social institution which promotes the interests of children and society at large. The negative consequences of an out-of-wedlock birth on the child, the mother, and society are well documented. Yet the nation suffers unprecedented and growing levels of illegitimacy. In light of this crisis, the reduction of out-of-wedlock births is an important government interest and the policy contained in provisions of this title address the crisis.

Senate amendment

Congress finds that marriage is the foundation of a successful society and an essential institution that promotes the interests of children. Promotion of responsible fatherhood and motherhood is integral to successful child-rearing and well-being of children. It is the sense of Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important government interests and that the policy contained in provisions of this title is intended to address the crisis.

Conference agreement

The conference agreement follows the Senate amendment.

4. REFERENCE TO SOCIAL SECURITY ACT (SECTION 102)

Present law

Not applicable.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

Except as otherwise specifically provided, wherever in this title 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.

5. GRANTS TO STATES FOR NEEDY FAMILIES (SECTION 103)

A. Purpose

Present law

Title IV-A, which provides grants to States for aid and services to needy families with children (AFDC), is designed to encourage care of dependent children in their own homes by enabling States to provide cash aid and services, maintain and strengthen family life, and help parents attain maximum self-support consistent with maintaining parental care and protection.

House bill

Block grants for temporary assistance for needy families (Title IV-A) are established to increase the flexibility of States in operating a program designed to:

(1) provide assistance to needy families so that children may be cared for in their homes or in the homes of relatives;

(2) end the dependence of needy parents on government benefits by promoting work and marriage; and

(3) discourage out-of-wedlock births.

Senate amendment

Block grants for temporary assistance for needy families (Title IV-A) are established to increase the flexibility of States in operating a program designed to:

(1) provide assistance to needy families with minor children;

(2) provide job preparation and opportunities for such families; and

(3) prevent and reduce the incidence of out-of-wedlock pregnancies, with a special emphasis on teen pregnancies, and establish annual goals for preventing and reducing these pregnancies for fiscal years 1996 through 2000.

Conference agreement

The conference agreement follows the House bill and the Senate amendment to read as follows:

Block grants for temporary assistance for needy families (Title IV-A) are established to increase the flexibility of States in operating a program designed to:

(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

(4) encourage the formation and maintenance of two-parent families.

B. Eligible States; State Plan

Present law

A State must have an approved State plan for aid and services to needy families containing 43 provisions, ranging from single-agency administration to overpayment recovery rules. State plans explain the aid and services that are offered by the State. Aid is defined as money payments. For most parents without a child under age 3, States must provide education, work, or training under the JOBS program to help needy families with children avoid long-term welfare dependence. To receive Federal funds, States must share in program costs. The Federal share of costs (matching rate) varies among States and is inversely related to the square of State per capita income. For AFDC benefits and child care, the Medicaid matching rate is used. This rate now ranges from 50 percent to 79 percent among States and averages about 55 percent. For JOBS activities, the rate averages 60 percent; for administrative costs, 50 percent. In FY 1995, 20 percent of employable (nonexempt) adult recipients must participate in education, work, or training under JOBS, and at least one parent in 50 percent of unemployed-parent families must participate at least 16 hours weekly in an unpaid work experience or other work program. States must restrict disclosure of information to purposes directly connected to administration of the program and to any connected investigation, prosecution, legal proceeding or audit. Each State must offer family planning services to all "appropriate" cases, including minors considered sexually active. States may not require acceptance of these services. States must have in effect an approved child support program. States must also have an approved plan for foster care and adoption assistance. States must have an income and verification system (covering AFDC, Medicaid, unemployment compensation, food stamps, and—in outlying areas—adult cash aid) in accordance with Sec. 1137 of the Social Security Act.

House bill

An "eligible State" is a State that, during the 3-year period immediately preceding the fiscal year, had submitted a plan to the Secretary of HHS for approval. The plan must include:

(1) A written document describing how the State will:

a. conduct a program that provides cash benefits to needy families with children, and provides parents with help in preparing for and obtaining employment and becoming self-sufficient;

b. require at least one parent in a family that has received benefits for 24 months to engage in work activities defined by the State;

c. ensure that parents engage in work activities in accord with section 404;

d. treat interstate immigrants, if their benefits differ from State residents;

e. take such reasonable steps as State deems necessary to restrict use and disclosure of information about recipients;

f. take actions to reduce out-of-wedlock pregnancies, including helping unmarried mothers and fathers avoid subsequent pregnancies and provide care for their children; and

g. reduce teen pregnancy, including through the provision of education and counseling to male and female teens.

(2) Certification by the Governor that the State will operate a child support enforcement program.

(3) Certification by the Governor that the State will operate a child protection program, including a foster care and adoption program.

(4) The Secretary shall determine whether the State plan contains the material required.

Senate amendment

An "eligible State" is a State that annually submits to the Secretary: an outline of its program; a 3-year strategic plan; various certifications on programs offered by the State; and an estimate of State and local expenditures. The detailed requirements of State plan submissions to the Secretary are:

(1) A written document outlining how the State intends to:

a. provide aid to needy families with at least one minor child (or any expectant family); and provide a parent or (other) caretaker in these families with work activities and support services to enable them to leave the program and become self-sufficient;

b. conduct a program designed to serve all political subdivisions;

c. 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;

d. require a parent or caretaker to engage in work, as defined by the State, after 24 months of benefits, or, if earlier, when the State finds the person ready for work (see i. below for community service rule after 3 months of benefits;

e. satisfy the minimum participation rate specified in section 404;

f. treat families with minor children moving into the State; and noncitizens of the U.S.;

g. safeguard and restrict use and disclosure of information about recipients;

h. establish goals and take action to prevent and reduce out-of-wedlock pregnancies, with emphasis on teenage pregnancies; and

i. unless the State ops out by notice to the Secretary, require participation in community service (with hours and tasks set by the State), after 3 months of benefits, by a parent or caretaker not exempt from work requirements (effective 2 years after enactment).

(2) A strategic plan that shall include:

a. a description of the goals of the 3-year strategic plan, including outcome-related

goals of, and benchmarks for, program activities;

b. a description of how the above goals and benchmarks will be achieved, or progress made toward them, in the current year;

c. a description of performance indicators to be used in measuring/assessing output service levels and outcomes of activities;

d. information on external factors that could significantly affect attainment of goals and benchmarks;

e. information on a mechanism for conducting program evaluation, for use in comparing results with goals and benchmarks;

f. information on how minimum participation rates specified in section 404 will be satisfied; and

g. an estimate of the total amount of State and local expenditures under the program for the current fiscal year.

(3) Certification that the State will operate a child support enforcement program.

(4) Certification that the State will operate child protection programs, including a foster care and adoption programs, under parts B and E.

(5) Certification by the Chief Executive Officer that the State will participate during the fiscal year in the income and eligibility verification system (IEVS) required by Section 1137 of Social Security Act.

(6) Certification by the Chief Executive Officer specifying which State agency or agencies will administer and supervise the program and ensuring that local governments and private sector organizations have been consulted about the plan and design of welfare services in the State.

(7) Certification by the Chief Executive Officer that the State shall provide the Secretary with required reports.

(8) Estimate of the total amount of State and local expenditures under the State program for the fiscal year.

(9) The Chief Executive Officer must certify that the State will provide Indians in each tribe that does not have a tribal family assistance plan with equitable access to assistance under the State block grant program.

(10) The State shall make available to the public a summary of the State plan and shall provide a copy to the "approved entity" conducting the audit of State expenditures from the block grant.

Conference agreement

An "eligible State" is a State that once every two years submits to the Secretary an outline of its program and various certifications on programs offered by the State. The detailed requirements of State plan submissions to the Secretary are:

(1) A written document describing how the State will:

a. conduct a program that provides assistance to needy families with children (or families that include a pregnant mother) and provides parents with job preparation, work and support services to enable them to leave the program and become self-sufficient;

b. conduct a program designed to serve all political subdivisions;

c. require a parent or caretaker to engage in work, as defined by the State, after 24 months of benefits, or, if earlier, when the State finds the person ready for work;

d. ensure that families engage in work activities in accord with section 407;

e. treat families moving into the State from another State, if such families are to be treated differently than other families;

f. take such reasonable steps as State deems necessary to safeguard and restrict the use and disclosure of information about recipients;

g. establish goals and take action to prevent and reduce out-of-wedlock pregnancies, with emphasis on teenage pregnancies; and

h. treat noncitizens, if the benefits for which they may be eligible will be different than those available to citizens.

(2) Certification by the chief executive officer that the State operate a child support enforcement program;

(3) Certification by the chief executive officer that the State will operate a child protection program and a foster care and adoption program under part B;

(4) Certification by the chief executive officer specifying which State agency or agencies will administer and supervise the program and ensuring that local governments and private sector organizations have had 60 days to submit comments about the plan and the design of welfare services in the State;

(5) Certification by the chief executive officer that the State will provide Indians in each tribe that does not have a tribal family assistance plan with equitable access to assistance under the program; and

(6) The State shall make available to the public a summary of the State plan.

For purposes of this section, the term "Eligible State" means, with respect to a fiscal year, a State that has submitted to the Secretary the plan described above within 3 months after the date of enactment.

C. Payments to States

(1) Entitlements

Present law

AFDC entitles States to Federal matching funds. Current law provides permanent authority for appropriations without limit for grants to States for AFDC benefits, administration, and AFDC-related child care. Over the years, because of court rulings, AFDC has evolved into an entitlement for individuals to receive cash benefits. In general, States must give AFDC to all persons whose income and resources are below State-set limits if they are in a class or category eligible under Federal rules.

There are no grants increased to reward states that reduce out-of-wedlock births (illegitimacy ratio).

There is no adjustment for population growth. Instead, current law provides unlimited matching funds. When AFDC enrollment climbs, Federal funding automatically rises.

There is no adjustment for emergency assistance (EA) plan amendments. Current law provides unlimited matching funds for EA expenditures.

There is no job placement performance bonus, performance bonus, or high performance bonus.

The law imposes an aggregate ceiling on matching funds for AFDC, adult cash welfare (aged, blind, disabled), and foster care and adoption assistance in Guam, Puerto Rico, the Virgin Islands, and American Samoa (AFDC, foster care, and adoption assistance only). (Sec. 1108(a) and (d) of the Social Security Act.) The Federal matching rate is 75 percent, except for adoption assistance and foster care maintenance payments, whose matching rate is 50 percent. (Note: American Samoa has not implemented AFDC). Separate funding ceilings apply to matching funds for AFDC family planning services (75 percent Federal) and for Medicaid (50 percent Federal) in each territory (sec. 1108(b) and (c) of the Social Security Act). The outlying areas listed above are entitled to JOBS matching funds (75 percent Federal), allocated on the same basis as States (by share of AFDC adult recipients). (Sec. 403(1)(1)(A) of the Social Security Act.)

Indian tribes and Alaska native organizations receive no special treatment regarding AFDC, and tribes and native organizations do not administer AFDC funds. Indian and Alaska families with children receive AFDC benefits on the same terms as other families in their States or from State or local AFDC agencies. More than 80 tribes and native organizations in 24 States are JOBS grantees, having applied to conduct JOBS within 6 months of enactment of the law establishing it. Their allocation of JOBS funds is based on the percentage of AFDC adult recipients within the State who are in the tribal service area. Their JOBS allocation is subtracted from that of their State. JOBS funds granted to Indians and Alaska natives are 100 percent Federal, requiring no matching. Further, their JOBS programs need not meet participation rules of the regular JOBS program. In FY 1995 the estimated allocation of JOBS funds for these groups totaled $8.9 million.

House bill

Each eligible State is entitled to receive a grant from the Secretary for each of 5 fiscal years (1996–2000) in the amount equal to the State family assistance grant for the fiscal year. There is no individual entitlement (implicit in bill). For each fiscal year beginning with 1998, a State's grant amount is increased by 5 percent if the State illegitimacy ratio is 1 percentage point lower in that year than its 1995 illegitimacy ratio; the State grant is increased 10 percent if the illegitimacy ratio is 2 or more percentage points lower than its 1995 illegitimacy ration. In 1997, 1998, 1999, and 2000, a State's grant amount is increased by the State's percentage share of national population growth among growing States multiplied by $100 million. States that have negative population growth are omitted from the calculation. The House bill entitles territories to a cash block grant for temporary assistance to needy families (on same basis as States). It repeals AFDC and foster care/adoption assistance (and, accordingly, territorial ceilings for them and for AFDC family planning). (Sec. 104(e)(1) of H.R. 4.) It establishes new separate territorial ceilings for adult cash welfare. The bill retains territorial ceilings for Medicaid, but repeals ceilings for AFDC family planning (along with AFDC itself). As noted, the bill repeals JOBS. The basic cash block grant for outlying areas includes base-year level JOBS funds. Indian tribes and Alaska native organizations receive no special treatment regarding the cash block grant that will replace AFDC. Tribes and native organizations would not administer the new grants. The bill repeals JOBS (sec. 104(c)), and the basic cash block grant includes base-year level JOBS funds of each State (those funds include ones earmarked previously for administration by Indian tribes and Alaska native organizations). Tribes and native organizations would not administer the new grants.

Senate amendment

The Secretary is required to pay each eligible State for each of 5 fiscal years (1996–2000) a grant equal to the State family assistance grant for the fiscal year. The amendment states that no person is entitled to any assistance under Title IV–A. For fiscal years 1998, 1999 and 2000, a State's grant amount is increased if the State illegitimacy ratio is at least 1 percentage point lower than its 1995 illegitimacy ratio and the State rate of "induced pregnancy terminations" is no higher than in 1995. The bonus equals $25 times the

number of children in the State in families with income below the poverty line, according to the most recently available Census data. The bonus is $50 per poor child if the illegitimacy ratio is at least 2 percentage points lower and the abortion rate no higher than in 1995. The bonus shall not be paid if the Secretary finds that the illegitimacy ratio declined, or the abortion rate held steady, because of a change in State reporting methods. The amendment authorizes to be appropriated, and appropriates, sums necessary for these grants. For each of fiscal years 1997, 1998, 1999, and 2000, qualifying States shall receive a supplemental grant amount equal to 2.5 percent of the block grant received in the preceding fiscal year. For this purpose, a qualifying State is one with an average level of State welfare spending per poor person in the preceding fiscal year below the national average and with an estimated rate of State population growth above the average growth rate for all States for the most recent fiscal year for which information is available. Additionally, States whose population rose more than 10 percent from April 1, 1990, to July 1, 1994, are deemed eligible, as are States with a FY 1996 level of State welfare spending per poor person that is less than 35 percent of the national average level. State welfare spending per poor person is defined as the State cash block grant divided by the number of persons in the State who had an income below the poverty line, according to the 1990 decennial census. For these grants, a total of $878 million is authorized to be appropriated, and is appropriated to be spent in 1997, 1998, 1999, and 2000. The Senate amendment makes available up to a total of $800 million for grants for years FY 1996 through FY 2000 equal to increased EA expenditures in fiscal year 1995 attributable to State EA plan amendments made during fiscal year 1994. If this amount is insufficient, State EA adjustment grants are to be reduced proportionately. For each of 2 years (FY 1998 and 1999) the Secretary shall pay a job placement performance bonus to eligible States. This bonus fund shall equal 3 percent of the national cash block grant for FY1998 and 4 percent for FY1999. The DHHS Secretary shall develop a formula for allocating funds to States on the basis of the number of families who, during the previous year, lost eligibility for continued aid from the cash block grant program because of obtaining unsubsidized employment. The formula must provide a larger bonus for families who remain employed for longer periods or who are at greater risk of long-term welfare enrollment and take into account each State or geographic area's unemployment condition. For FY 2000, the Secretary shall pay a performance bonus to each qualified State. To qualify for a performance bonus, a State must exceed overall average performance of all States in a measurement category (in the time period starting 6 months after enactment and ending on September 30, 1999) or improve its own performance in a category by at least 15 percent over that of FY1994. The 5 measurement categories are: reduction in average length of time families receive cash aid, increase in the percentage of recipient families that receive child support payments, increase in the number of families who lose eligibility for continued cash aid as a result of unsubsidized work, increase in earnings of recipient families, and reduction in percentage of families that become re-eligible for cash aid within 18 months after leaving the program. The bonus fund shall equal 5 percent of the national cash block grant and is to be deducted from that grant (by reducing each State's FY2000 grant by 5 percent). For FY 2000, in addition, "high performance" States shall be entitled to a share of a high performance bonus fund. Appropriated for the high performance bonus fund is an amount equal to penalties imposed on States (and "collected" by reductions in State grants) for FYs 1996–1999. High performance bonuses will be awarded for each of the 5 measurement categories to the 5 States with the highest per entage of improvement over their FY94 baseline in the category and to the 5 States with the highest overall average performance in the category. Retains but increases aggregate ceilings in each of the territories for cash aid to needy families, cash aid to needy aged, blind or disabled adults, and foster care/adoption assistance. Ends requirement that territories share cost of cash aid for needy families. Ceilings for Puerto Rico, Guam, and the Virgin Islands would rise by $19.521 million (representing a 12.5 percent increase in the old ceilings, plus $8.446 million for their FY1994 JOBS funds). Retains territorial ceilings for Medicaid, but repeals ceilings for AFDC family planning (along with AFDC itself). The Senate amendment repeals JOBS, but increases ceilings for the outlying areas to include their base-year level JOBS funds. The Senate amendment allows block grant funds to be directly administered by Indian tribes and Alaska native organizations. The amount is the total of Federal AFDC payments to the State for FY 1994 attributable to Indiana families. The Senate amendment requires the DHHS Secretary to continue to pay Indian tribes and Alaska native organizations that have been JOBS grantees an annual grant equal to the amount they received in FY95 for JOBS for each of fiscal years 1996, 1997, 1998, 1999 and 2000. For this purpose it appropriates $7,638,474 for each year. These funds are separate from, and in addition to, the national cash block grant.

Conference agreement

The conference agreement follows the House bill and the Senate amendment on grants for family assistance, so that each eligible State is entitled to receive a grant equal to the State family assistance grant from the Secretary for each of 5 fiscal years. The conference agreement follows the Senate amendment on the explicit statement that no person is entitled to any assistance under Title IV–A of the Social Security Act.

The conference agreement follows the House bill with respect to the amount of Grant Increases to Reward States that Reduce Out-of-Wedlock births (namely grant increases of 5 percent and 10 percent, based on reductions in illegitimacy). The conference agreement follows the Senate amendment with respect to the determination of how States may qualify for grant increases for this purpose, including the prohibition on a State's receiving a grant increase for this purpose if the State's rate of induced pregnancy terminations is higher than in 1995.

For purposes of this part, the Secretary is to disregard changes in rates of illegitimacy due to a change in State methods of reporting such data.

The conference agreement generally follows the Senate amendment with regard to the Adjustment for Population Growth, with the modification that $800 million is authorized and appropriated for this purpose.

The conference agreement follows the House bill regarding the adjustment for Emergency Assistance Plan Amendments (no provision).

The conference agreement follows the House bill regarding the Job Placement Performance Bonus (no provision).

The conference agreement follows the Senate amendment regarding the Performance Bonus, except that States that are most successful or most improved in moving families off welfare into work may reduce their 75 percent State maintenance of effort requirement by up to 8 percentage points.

The conference agreement follows the House bill regarding the High Performance Bonus (no provision).

The conference agreement generally follows the Senate amendment regarding the treatment of outlying areas, with increases to the aggregate ceilings on cash benefits for the specified territories.

The conference agreement on H.R. 4 would:

Increase the limits on Federal grants to the territories for adult assistance and benefits and services for families with children;

Replace AFDC, EA, and JOBS with the Temporary Assistance for Needy Families (TANF) block grant;

Replace the child welfare services and family preservation program with a child protection block grant;

Continue the existing programs of adult assistance; and

Provide explicit authority for the territories to transfer funds among adult assistance, temporary assistance for needy families with children, and child protection programs.

The conference agreement would require that the territories maintain their own funding effort under adult assistance, assistance for needy families with children, and child protection. For a territory to receive funds above the FY 1995 level, it would have to spend at least as much as the Federal Government counted toward their reimbursable FY 1995 spending for the replaced programs.

The chart below provides the mandatory caps and the authorization of discretionary funds for the territories agreed to by conferees. The final column of the chart shows the maximum potential payments to the territories for adult assistance, TANF, and child protection these figures represent the level of funds that each territory would receive if the territory reached its respective cap under the mandatory programs and if Congress appropriated the full authorization amount for the discretionary grant. Under P.L. 94–241, the Northern Mariana Islands are provided the same treatment as Guam under financial assistance programs.

CAPS ON MANDATORY PAYMENTS AND AUTHORIZATION OF DISCRETIONARY GRANTS TO THE TERRITORIES PROPOSED IN H.R. 4.

[In thousands of dollars]

Territory	Cap on mandatory payments	Authorization of discretionary grant	Maximum potential payment to the territories
Puerto Rico	105,538	7,951	113,489
Guam	4,902	345	5,247
Virgin Islands	3,742	275	4,017
American Samoa	1,122	190	1,312

The conference agreement generally follows the Senate amendment regarding the treatment of Indian tribes and Alaska native organizations, except that these groups will receive benefits through their State's block grant in FY1996 and will be eligible to receive direct funding to administer their own family assistance program in FY1997 and thereafter. In order to be eligible to receive direct funding, an Indian tribe or Alaska native organization must submit a three year plan to the Secretary of HHS outlining how the will administer their program. The tribal assistance plan is subject to the approval of the Secretary of HHS. Tribes and native organizations must meet minimum work participation rates established jointly by each tribe and native organization and the Secretary of HHS. Tribes and native organizations will be subject to the same penalties as States for misusing funds, failing to pay back Federal loan funds, and failing to meet established work participation rates. Tribes and native organizations will also be required to abide by the same data collection and reporting requirements as States. In addition, all tribes and native organizations that currently receive direct funding under the JOBS program will continue to receive an annual grant equal to the amount they received in FY1995.

(2) Definitions

Present law

AFDC law defines "State" to include the 50 States, the District of Columbia, Puerto Rico, Virgin Islands, Guam, and American Samoa. However, special funding ceilings apply to them.

House bill

The "State family assistance grant" is determined by the greater of (1) the average of Federal obligations to the State for selected programs (AFDC benefits and administration, Emergency Assistance, and JOBS) authorized by Title IV-A for FY 1992-1994; or (2) the amount of Federal obligations for FY 1994, multiplied by the total amount of State outlays for these programs for FY 1994, divided by the amount of Federal obligations for FY 1994. The selected programs are all those authorized under Title IV-A of current law except the day care programs (the at-risk program, AFDC/JOBS day care, and transitional day care). If the sum of all the State shares, as calculated here, exceeds (or falls short of) the national block grant amount below ((2)(b)), each State's share will be reduced (or increased) proportionately.

In each fiscal year between 1996 and 2000, the "National Block Grant Amount" available to all eligible States will be equal to $15,390,296,000.

The State's "Illegitimacy Ratio" for a fiscal year is the sum of the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which the data are available and the amount, if any, by which the number of abortions performed in the State during the most recent year for which information is available exceeds the number of abortions performed in the State during the fiscal year that immediately precedes such most recent fiscal year, divided by the number of births that occurred in the State for the most recent fiscal year.

The term "State" includes the 50 States, the District of Columbia, Puerto Rico, Virgin Islands Guam, and American Samoa.

Senate amendment

The State share of the block grant for each year equals the total Federal payments to the State under Title IV-A in Fiscal Year 1994 (for AFDC benefits and administration, Emergency Assistance, JOBS, and three child care programs—AFDC/JOBS child care, "transitional" child care, and "at-risk child care"); reduced by any amount set aside for tribal family assistance programs in the State and (FY 2000 only) by 5 percent (for the performance bonus fund) and increased by the amount, if any, of increased FY95 Emergency Assistance spending attributable to FY94 amendments.

The block grant amount is $16,803,769,000.

(Note: A major reason for the difference between the House and Senate block grant amount is that the House removed mandatory child care funds currently authorized under Title IV-A and placed most of the money in a separate discretionary child care block grant, while the Senate kept IV-A child care funds in the cash block grant but earmarked them for child care.)

The term "illegitimacy ratio" means the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which the data are available, divided by the number of births that occurred in the State during the most recent fiscal year for which the data are available.

The term "State" is identical to the House bill. However, for supplemental grants for population increases, the term "State" applies only to the 50 States.

In general, the terms "Indian," "Indian tribe organization" have the meaning given by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b). The Senate amendment provides that only 12 specified regional non-profit corporations of Alaska natives can administer tribal family assistance grants.

Conference agreement

The conference agreement follows the House bill and Senate amendment with regard to the State family assistance grant, except that the State share of the block grant is determined by the greater of (1) the average of Federal payments for FY 1992-94; (2) Federal payments in FY 1994; or (3) Federal payments in FY 1995. House conferees recede with regard to the proportionate reduction in State shares included in the House bill. For all programs except JOBS, Federal payments represent the Federal share of a State's total expenditures on these programs, as reported by the States. For JOBS, the payment represents the grant amount. Table 2 summarizes the annual State allocation under the basic TANF Block Grant.

Table 2.—Estimated Annual State Allocations Under the Temporary Assistance for Needy Families Block Grant

[In thousands of dollars]

State:	*Amount*
Alabama	93,006
Alaska	63,609
Arizona	222,420
Arkansas	56,733
California	3,733,818
Colorado	135,553
Connecticut	258,392
Delaware	32,291
District of Columbia	92,610
Florida	558,436
Georgia	330,742
Hawaii	98,905
Idaho	31,851
Illinois	585,057
Indiana	206,799
Iowa	130,088
Kansas	101,931
Kentucky	181,288
Louisiana	163,972
Maine	78,121
Maryland	229,098
Massachusetts	451,843
Michigan	775,353
Minnesota	265,203
Mississippi	86,768
Missouri	211,588
Montana	45,534
Nebraska	58,029
Nevada	43,977
New Hampshire	38,263
New Jersey	394,955
New Mexico	126,103
New York	2,359,975
North Carolina	302,240
North Dakota	24,684
Ohio	717,863
Oklahoma	148,014
Oregon	167,925
Pennsylvania	719,499
Rhode Island	95,022
South Carolina	99,968
South Dakota	21,352
Tennessee	183,236
Texas	486,257
Utah	74,952
Vermont	47,353
Virginia	158,285
Washington	399,637
West Virginia	110,176
Wisconsin	318,188

	Amount
Wyoming	21,781
Total	16,338,743

Source.—Table prepared by the Congressional Research Service (CRS), based on data from the U.S. Department of Health and Human Services (DHHS). Allocations based on the sum of the Federal share of expenditures for Title IV-A programs (except child care) and the grant amount for the Job Opportunity and Basic Skills (JOBS) program. Title IV-A expenditure data are based on reports by the States to the DHHS. FY1992 to FY1994 data reflect information available from DHHS, April 1995. Preliminary FY1995 data are the first 3 quarters of FY 1995 data, as reported by the States to DHHS, divided by 0.75. JOBS grant amount includes adjustments to obligations made after the close of the fiscal year. FY1992 and FY1993 JOBS grants reflect information available from DHHS, January 1995. FY1994 JOBS grants reflect information available from DHHS, April 1995. FY1995 JOBS data represent grant awards for the 4 quarters of FY1995. FY1995 data reflect information available October 1995. Allocations include an adjustment for States that had EA plan amendments related to family preservation activities in FY 1994. Estimates are based on FY1995 EA data available in August 1995. They are also based on a list of 13 States with FY 1994 EA plan amendments related to family preservation obtained by CRS from DHHS. If more States amended their EA plans for family preservation in FY 1994, the allocations for some States would be different.

The conference agreement follows the Senate amendment regarding the definition of a State's Illegitimacy Ratio.

The conference agreement follows the House bill and Senate amendment regarding the definition of "State", but the House recedes to the Senate so that, for purposes of the supplemental grants for population increases only, the term "State" applies only to the 50 States and the District of Columbia.

The conference agreement follows the Senate amendment regarding the definition of "Indian."

For purposes of determining the Federal and State shares pursuant to section 457(a)(1) of the Social Security Act of amounts collected on behalf of families receiving assistance, it is the intent of the conferees that amounts collected on behalf of families receiving assistance do not include amounts distributed to the family by the State that would have been authorized as gap payments pursuant to Section 402(a)(28) of the Social Security Act as in effect on the day before enactment of the Personal Responsibility and Work Opportunity Act of 1995.

(3) Use of grant

Present law

AFDE and JOBS funds are to be used in conformity with State plans. A State may replace a caretaker relative with a protective payee or a guardian or legal representative.

Current law sets aside some JOBS funds (deducting them from State allocations) for Indian tribes and Native Alaska organizations. See (4)(C)(1)(f).

Regulations permit States to receive Federal reimbursement funds (50 percent administrative cost-sharing rate) for operation of electronic benefit systems. To do so, States must receive advance approval from DHHS and must comply with automatic data processing rule.

House bill

States may use funds in any manner reasonably calculated to accomplish the purpose of this part (except for prohibitions listed below under (4)(F)). No part of the grant may be used to provide medical services. Explicitly allowed are noncash aid to mothers under the age of 18 assistance to low-income households for heating and cooling costs.

The House bill has no set-aside provision.

In the case of families that have lived in a State for less than 12 months, States are authorized to provide them with the benefit level of the State from which they moved.

States may transfer up to 30 percent of the funds paid to the State under this section to any or all of the following: (1) child protection block grant; (2) social services block grant under the XX of the Social Security Act; (3) any food and nutrition block grant passed during the 104th Congress; and (4) the child care and development block grant program. Rules of the recipient program will apply to the transferred funds.

States are allowed to reserve some block grant funds received for any fiscal year for the purpose of providing emergency assistance under the block grant program.

States are encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose. In general, exempt State and local government electronic transfers of need-based benefits from certain rules issued by the Federal Reserve Board regarding electronic fund transfers, (i.e., Regulation E, which limits liability of cardholders).

Senate amendment

States may use funds in any manner reasonably calculated to accomplish the purpose of this part, provided that administrative costs not exceed 15 percent of the State's grant (except from prohibitions listed below, under section F).

The following rules apply to set-asides under the Senate amendment: (1) maintains current law set-asides for JOBS funding for Indian tribes and Alaska native organizations; (2) from the national cash block grant, the State Amendment earmarks for child care annually the amount paid with Federal funds in FY1994 for AFDC-related child care (about $980 million); and (3) for the Performance fund (FY2000 only), each State's share of the family assistance block grant shall be reduced by 5 percent. The set-aside funds are to finance FY2000 performance bonuses.

With regard to the treatment of "interstate immigrants", the Senate amendment includes a similar provision, with slight differences in wording, in relation to the House bill.

States may transfer up to 30 percent of block grant funds to the child care and development block grant program.

A State may reserve amounts paid to the State for any fiscal year for the purpose of providing assistance under this part. Reserve funds can be used in any fiscal year. Any funds set aside for child care, if reserved, must be used only for child care.

States may use a portion of the temporary assistance block grant to make payments (or provide job placement vouchers) to State-approved agencies that provide employment services to recipients of cash aid.

Conference agreement

The conference agreement follows the House bill and Senate amendment with respect to the general uses of the grant, clarifying that the grant may be used in any manner reasonably calculated (including activities now authorized under titles IV-A and IV-F of the Social Security Act and providing low-income households with assistance in meeting home heating and cooling costs) to increase the flexibility of States in operating a program designed to:

(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

(4) encourage the formation and maintenance of two-parent families.

The conference agreement follows the Senate amendment's 15 percent cap on administrative spending. However, spending for information technology and computerization needed to implement the tracking and monitoring required by this title are excluded from this limitation.

The conference agreement follows the House bill with regard to set-asides for child care and the performance fund, and follows the Senate amendment with regard to the set-aside for Indians (no provision).

With regard to the treatment of "interstate immigrants", the conferees agree to follow the House bill and Senate amendment.

The conference agreement follows the House bill with regard to transfer of funds.

The conference agreement follows the Senate amendment on reservation of funds.

The conference agreement follows the House bill with regard to the Electronic Benefit Transfer System.

The conference agreement follows the Senate amendment on the authority of States to use funds to operate an employment placement program.

It is the intent of Congress that, after the date of enactment, neither the Federal nor State governments can be made liable for retroactive payments required to be made by States by court order to AFDC recipients under the current AFDC program.

(4) Cost-sharing (maintenance of effort)

Present law

Current law requires States to share program costs. For administrative costs the rate is 50 percent. For other costs it varies among States (and, within limits, is inversely related to the square of State per capita income, compared to the square of National per capita income). For AFDC benefits and AFDC-related child care, the Medicaid Federal matching rate is used; it now ranges among States from a floor of 50 percent to 79 percent. For JOBS activities, the law provides an "enhanced" rate, ranging from 60 percent to 79 percent.

House bill

No cost-sharing required.

Senate amendment

The Senate amendment requires State cost-sharing for the temporary assistance block grant for 4 years, starting in FY1997. To receive the full grant for one of these years, States must spend in the preceding year from their own funds under their temporary assistance program at least 80 percent of the amount they spent in FY1994 on the replaced programs—AFDC benefits, AFDC-related child care, Emergency Assistance, and JOBS. Grants are to be reduced one dollar for each dollar by which a State falls short of this requirement. Cost-sharing also is required for "contingency" funds and additional child care funds. To qualify for contingency funds, States must spend at least 100 percent of FY1994 expenditures on programs replaced by the cash block grant. For additional child care funds they must spend at least 100 percent of FY1994 expenditures on AFDC-related child care.

Conference agreement

The conference agreement follows the Senate amendment, with the modification that

States must spend at least 75 percent of the amount they spent in FY1994.

(5) Timing of payments

Present law

The Secretary pays AFDC funds to the State on a quarterly basis.

House bill

The Secretary shall make each grant payable to a State in quarterly installments.

Senate amendment

Similar to the House provision.

Conference agreement

The conference agreement follows the House bill.

(6) Penalties

Present law

If the Secretary finds that a State has failed to comply with the State plan, she is to withhold all payments from the State (or limit payments to categories not affected by noncompliance).

There is no specific penalty for failure to submit a report, although the general noncompliance penalty could apply.

The Secretary is to reduce payments by 1 percent for failure to offer an provide family planning services to all appropriate AFDC recipients who request them.

Except as expressed provided, the Secretary may not regulate the conduct of the States or enforce any provisions of this paragraph.

The penalty against a State for noncompliance with child support enforcement rules—loss of AFDC matching funds—shall be suspended if a State submits and implements a corrective action plan.

House bill

The Secretary shall reduce the funds paid to a State by any amount found by audit to be in violation of this part, but the Secretary cannot reduce any quarterly payment by more than 25 percent. If necessary, funds will be withheld from the State's payments during the following year.

The Secretary must reduce by 3 percent the amount otherwise payable to a State for a fiscal year if the State has not submitted the annual report regarding the use of block grant funds within 6 months after the end of the immediately preceding fiscal year. The penalty is rescinded if the report has been submitted within 12 months.

The Secretary must reduce by 1 percent the amount of a State's annual grant if the State fails to participate in the IEVS designed to reduce welfare fraud.

With regard to failure to offer and provide family services, there is no penalty specified, but States are allowed to use block grant funds to pay for family planning services.

Except as expressly provided, the Secretary may not regulate the conduct of States under Part A of Title IV or enforce any provision of it.

There is no provision in the House bill regarding overdue repayments to the Federal rainy day loan fund, which is described below.

Senate amendment

For all penalties, the Secretary may not impose any of the penalties if she finds the State had reasonable cause for its failure to comply with the relevant provision. The State must spend on the block grant program a sum of its own funds to equal the amount of withheld Federal dollars. No quarterly payment may be reduced more than 25 percent. If necessary, penalty funds will be withheld from the State's payment for the next year. Except for the first item, all penalties take effect October 1, 1996.

The Secretary shall reduce funds paid to a State by any amount found by audit to be in violation of this part. If the State does not prove to the Secretary that the unlawful expenditure was not made intentionally, the Secretary shall impose an additional penalty of 5 percent of the basic block grant.

If a State fails to submit the annual report required by sec. 409 within 6 months after the end of a fiscal year, the Secretary shall reduce by 5 percent the amount otherwise payable to the State for the next year. However, the penalty shall be rescinded if the State submits the report before the end of the year in which the report was due.

The Secretary shall reduce by not more than 5 percent the annual grant of a State, if the State fails to participate in the IEVS designed to reduce welfare fraud.

If the Secretary determines that a State does not enforce penalties requested by the Title IV-D child support enforcement agency against receipts of cash aid who fail to cooperate in establishing paternity in accordance with Part D, the Secretary shall reduce the cash assistance block grant by not more than 5 percent.

Except as expressly provided, neither the DHHS Secretary nor the Treasury Secretary may regulate the conduct of States under Part A of Title IV nor enforce any provision of it.

If a State fails to pay any amount borrowed from the Federal Loan Fund for State Welfare Programs within the maturity period, plus any interest owed, the Secretary shall reduce the State's cash assistance block grant for the immediately succeeding fiscal year quarter by the outstanding loan amount, plus the interest owed on it. The Secretary may not forgive these overdue debts.

The Senate amendment requires the Federal government, before assessing a penalty against a State under any program established or modified by the act, to notify the State about the violation and allow it to enter into a corrective compliance plan within 60 days after notification. The Federal government shall have 60 days to accept or reject the plan; if it accepts the plan, and if the State corrects the violation, no penalty shall be assessed. If the State fails to make a timely correction, some or all of the penalty shall be assessed. An alternate corrective action section requires a State to correct the violation pursuant to its plan within 90 days after the Federal government accepts the plan.

Conference agreement

The conference agreement follows the Senate amendment on the general conditions for setting penalties; i.e., penalties may not be imposed if the Secretary finds the State has reasonable cause for its failure to comply; the State must spend on the block grant program a sum of its own funds to equal the amount of withheld Federal dollars; no quarterly payment may be reduced more than 25 percent; if necessary, penalty funds will be withheld from the State's payment for the next year; and that, except for the first item, all penalties take effect October 1, 1996.

The conference agreement follows the Senate amendment on penalties for use of the grant for unauthorized purposes. The conferees also agreed that if a State could not demonstrate to the Secretary that the State did not intend to use the amount in violation of this part, an additional penalty of 5 percent is imposed on the grant amount. The conference agreement follows the House bill and the Senate amendment regarding penalties for State failure to submit the required report, except that the penalty is to be a reduction of 4 percent in the block grant. The conference agreement follows the House bill and the Senate amendment regarding penalties for State failure to participate in the Income and Eligibility Verification System, except that the penalty is to be 2 percent.

The conference agreement follows the Senate amendment on penalties for State failure to cooperate on child support enforcement. The conference agreement follows the House bill and the Senate amendment regarding penalties for failure to offer and provide family planning services (no provision). The conference agreement includes penalties for failure to satisfy minimum work participation rates. The conference agreement follows the Senate amendment regarding the limitation of Federal authority.

The conference agreement follows the Senate amendment regarding the penalty for failure to timely repay the Federal loan fund for State welfare programs. The conference agreement follows the Senate amendment regarding the Corrective Action Plan.

(7) Federal rainy day loan fund

Present law

No provision. Instead, current law provides unlimited matching funds.

House bill

The Federal government will establish a fund of $1 billion modeled on the Federal Unemployment Account, which is part of the Unemployment Compensation system. The fund is to be administered by the Secretary of Health and Human Services, who must deposit into the fund any principal or interest payments received with respect to a loan made under this provision. Funds are to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest. States must repay their loans, with interest, within 3 years. The rate of interest will equal the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan. At any given time, no State can borrow more from the fund than half its annual share of block grant funds or $100 million, whichever is less. States may borrow from the fund if their total unemployment rate for any given 3-month period is more than 6.5 percent and is at least 110 percent of the same measure in the corresponding quarter of the previous 2 years.

Senate amendment

Establishes a $1.7 billion revolving loan fund called the "Federal Loan Fund for State Welfare Programs." The Secretary shall make loans, and the rate of interest will equal the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan. Ineligible are States that have been penalized for misspending block grant funds as determined by an audit. Loans are to mature in 3 years, at the latest, and the maximum amount loaned to a State cannot exceed 10 percent of its basic block grant, and States face penalties for failing to make timely payments on their loan.

Conference agreement

The conference agreement follows the Senate amendment.

(8) Contingency fund (for States with high unemployment)

Present law

No provision. Current law provides unlimited matching funds.

House bill

No provision.

Senate amendment

Establishes a "Contingency Fund for State Welfare Programs" and appropriates funds of up to $1 billion for a total period of 7 years (FY 1996–2002). The fund would provide matching grants (at the Medicaid matching rate) to States that have unemployment rates above specified levels, provided they first spend from their own funds a yearly sum a least equal to their FY 1994 expenditures on AFDC, AFDC-related child care, Emergency Assistance, and JOBS. The maximum contingency grant could not exceed 20 percent of a State's temporary assistance block grant. Eligible would be States that met the maintenance of effort requirement and had an average rate of total unemployment, seasonally adjusted, of at least 6.5 percent during the most recent 3 months with published data and a rate at least 10 percent above that of either or both of the corresponding 3-month periods in the 2 preceding calendar years.

Conference agreement

The conference agreement follows the Senate amendment.

(9) Additional day care funds

Present law

No provision. Current law provides unlimited matching funds for AFDC/JOBS child care and transition child care (but a capped amount for "at-risk" care).

House bill

No provision.

Senate amendment

The Senate amendment authorizes to be appropriated, and appropriates, $3 billion in matching grants to States for the 5-year period beginning in FY1996 for child care assistance (in addition to Federal funds set aside for child care in the family assistance block grant). The funds, which are allocated among the States on the basis of their share of the nation's child population, are to be used to reimburse a State, at the Medicaid matching rate, for child care spending in a fiscal year that exceeds its share of child care set-aside funds (100 percent Federal) plus the amount it spent from its own funds in FY1994 for AFDC/JOBS child care, transitional child care, and at-risk child care. Funds are to be used only for child care assistance under Part IV–A. In the last quarter of the fiscal year, FY2000, if any portion of a State allotment is not used, the Secretary shall make it available to applicant States. Notwithstanding section 658T of the Child Care and Development Block Grant Act, the State agency administering the family assistance block grant shall determine eligibility for all child care assistance provided under Title IV–A. (For budget scoring, the Amendment states that the baseline shall assume that no grant will be made after FY2000.)

Conference agreement

See discussion in Title VIII of the conference agreement under Child Care and Development Block Grant. In general, conferees agree on a child care block grant that provides States with a total of $18 billion in funds for child care, $11 billion of which is entitlement funding.

D. Contracts/Client Agreements

(1) Terms

Present law

After assessing the needs and skills of recipients and developing an employability plan, States may require JOBS participants to negotiate and enter into an agreement that specifies their obligations.

House law

No provision.

Senate amendment

States must assess, through a case manager, the skills of each parent for use in developing and negotiating a personal responsibility contract (PRC). Each recipient family must enter into a contract developed by the State or into a limited benefit plan. The PRC means a binding contract outlining steps to be taken by the family and State to get the family "off of welfare" and specifying a negotiated time-limited period of eligibility for cash aid. An alternate provision requires the case manager to consult with the parent applicant (client) in developing a PRC, lists client activities that the PRC might require, specifies that clients must agree to accept a bona fide offer of an unsubsidized full-time job unless they have good cause not to, but does not require a time limit in the PRC nor make provision for a limited benefit plan. A State may exempt a battered person from entering into a PRC if its terms would endanger his/her well-being.

Conference agreement

The conference agreement follows the House bill (no provision).

(2) Penalties

Present law

No provision.

House bill

No provision.

Senate amendment

The PRC is to provide that if a family fails to comply with its terms, the family automatically will enter into a limited benefit plan (with a reduced benefit and later termination of aid, in accordance with a schedule determined by the State). If the State agency violates the PRC, the contract shall be invalid. The State is to establish a procedure, including the opportunity for hearing, to resolve disputes concerning participation in the PRC. The alternate PRC language provides these penalties: for the first act of noncompliance with the PRC, 33 percent reduction in the family's benefit for one month; for the second act, 66 percent reduction for 3 months; for third and subsequent acts of noncompliance, loss of eligibility for 6 months. Job refusal without good cause is treated as a third violation. However, in no case shall the penalty period extend beyond the duration of noncompliance.

Conference agreement

The conference agreement follows the House bill (no provision).

E. Mandatory Work Requirements

(1) Work activities

Present law

JOBS programs must include specified educational activities (high school or equivalent education, basic and remedial education, and education for those with limited English proficiency); jobs skills training, job readiness activities, and job development and placement. In addition, States must offer at least two of these four items: group and individual job search; on-the-job training; work supplementation or community work experience program (CWEP) (or another work experience program approved by the DHHS Secretary). The State also may offer postsecondary education in "appropriate" cases.

House bill

"Work activities" are defined as unsubsidized employment, subsidized employment, subsidized public sector employment or work experience, on-the-job training, job search, education and training directly related to employment, and jobs skills training directly related to employment. Satisfactory attendance at secondary school, at State option, may be included as a work activity for a parent under 20 who has not completed high school.

Senate amendment

Establishes this list of work activities: unsubsidized employment, subsidized employment, on-the-job training, community service programs, job search (first 4 weeks only) and vocational educational training (12 months maximum). For work participation requirements, the proportion of persons counted as engaged in "work" through participation in vocational educational training cannot exceed 25 percent. For each tribe receiving a family assistance block grant, the Secretary, with participation of Indians tribes, shall establish minimum work participation rules, appropriate time limits for benefits, and penalties, similar to the general family assistance rules but consistent with the economic conditions and resources of the tribe.

Conference agreement

The conference agreement follows the House bill and the Senate amendment, with the modification that, for the work participation requirements, the proportion of persons counted as engaged in work through participation in vocational education cannot exceed 20 percent.

(2) Participation requirements: all families

Present law

The following minimum percentage of nonexempt AFDC families must participate in JOBS:

	Minimum Percentage
Fiscal year:	
1995 (last year)	20
1996 and thereafter (no requirement)	0

Exempt from JOBS are parents whose youngest child is under 3 (1, at State option). Other exemptions include persons who are ill, incapacitated or needed at home because of illness or incapacity of another person. Also exempt are parents of a child under 6, unless the State guarantees child care and requires no more than 20 hours weekly of JOBS activity.

Participation rates are calculated for each month. A State's rate, expressed as a percentage, equals the number of actual JOBS participants divided by the number of AFDC recipients required to participate (non-exempt from JOBS).

In calculating a State's overall JOBS participation rate, a standard of 20 hours per week is used. The welfare agency is to count as participants the largest number of persons whose combined and averaged hours in JOBS activities during the month equal 20 per week.

The law requires States to guarantee child care when needed for JOBS participants and for other AFDC parents in approved education and training activities. Regulations require States to guarantee care for children

under age 13 (older if incapable of self-care) to the extent that it is needed to permit the parent to work, train, or attend school. States must continue child care benefits for 1 year to ex-AFDC working families, but must charge them an income-related fee.

House bill

The following minimum percentages of all families receiving cash assistance must engage in work activities:

Minimum Percentage

Fiscal year:	
1996	10
1997	15
1998	20
1999	25
2000	27
2001	29
2002	40
2003 or thereafter	50

If States achieve net caseload reductions, they receive credit for the number of families by which the caseload is reduced for purposes of meeting the overall family participation requirements. The minimum participation rate shall be reduced by the percentage by which the number of recipient families during the fiscal year falls below the number of AFDC families in fiscal year 1995, except to the extent that the Secretary determines that the caseload reduction was required by terms of Federal law.

The fiscal year participation rates are the average of the rates for each month during the year. The monthly participation rates are measured by the number of recipient families in which an individual is engaged in work activities for the month, divided by the total number of recipient families that include a person who is 18 or older.

To be counted as engaged in work activities for a month, the recipient must be making progress in qualified activities for at least the minimum average number of hours per week shown in the table below. Of these hours, at least 20 hours must be spent in unsubsidized employment, subsidized private sector employment, subsidized public sector employment, work experience, or on-the-job training. During the first 4 weeks of required work activity, hourly credit also is given for job search and job readiness assistance.

Minimum average hours weekly

Fiscal year:	
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35

Although a person must work at least 20 hours weekly in order for any hours of their training or education to count toward required participation, the bill does not prohibit a State from offering cash recipients an opportunity to participate in education or training before requiring them to work. In this case, however, participation does not count toward fulfillment of the State mandatory participation rate. Note: although the above table is in a paragraph entitled "requirements applicable to all families receiving assistance," another paragraph establishes a higher hourly requirement (35 hours weekly) in all years for 2-parent families. See below.

Senate amendment

The following minimum percentages of all families receiving cash assistance (except those with a child under 1, if exempted by the State) must participate in work activities:

Minimum percentage

Fiscal year:	
1996	25
1997	30
1998	35
1999	40
2000 or thereafter	50

The Secretary is directed to prescribe regulations for reducing the minimum participation rate required for a State if its caseload under the new program is smaller than in the final year of AFDC, but not if the decrease was required by Federal law or results from changes in eligibility criteria adopted by the State. With these qualifications, the regulations are to reduce the participation rate by the number of percentage points, if any, by which the caseload in a fiscal year is smaller than in FY1995.

States may exempt a parent or caretaker relative of a child under one year old and may exclude them from the participation rate calculation. States may exempt a battered person if their well-being would be endangered by a work requirement.

As in the House bill, the fiscal year participation rate is the average of the rates for each month of the year. However, overall monthly rates are measured by adding (1) the number of recipient families with an adult engaged in work for the month, (2) the number subject to a work refusal penalty in the month (if not subject to the penalty for more than 3 months out of the preceding 12), and (3) the number who worked their way off the program in the previous 6 months and that include an adult who is working for the month, and then dividing this total by the number of families enrolled in the program during the month that include an adult recipient. States have the option to include in the calculation of monthly participation rates families who receive assistance under a tribal family assistance plan if the Indian or Alaska Native is participating in work under standards comparable to those of the State for being engaged in work.

To be counted as engaged in work for a month, an adult must be participating in work for at least the minimum average number of hours per week shown in the table below (of which not fewer than 20 hours per week are attributable to a work activity). See list of work activities above.

Exception to the table: In FY1999 and thereafter, when required weekly hours rise above 20, a State may count a single parent with a child under age 6 as engaged in work for a month if the parent works an average of 20 hours weekly. Also, community service participants may be treated as engaged in work if they provide child care services for another participant for the number of hours deemed appropriate by the State.

Minimum average hours weekly

Fiscal year:	
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35

Note: Although the above table is in a paragraph entitled "all families," another paragraph establishes a higher hourly requirement (35 hours weekly) in all years for 2-parent families. See below.

The Senate amendment states that nothing in sec. 421 (amounts for child care) shall be construed to provide an entitlement to child care services to any child.

Conference agreement

The conference agreement follows the House bill and the Senate amendment as follows:

The following minimum percentages of all families receiving cash assistance (except those with a child under 1, if exempted by the State) must participate in work activities:

Minimum percentage

Fiscal year:	
1996	15
1997	20
1998	25
1999	30
2000	35
2001	40
2002 or thereafter	50

The conference agreement generally follows the Senate amendment regarding reduction in the participation rate, including the requirement that regulations shall not take into account families diverted from the State program as a result of differences in eligibility criteria under the State program (in comparison with the AFDC program that operated prior to the date of enactment). The conferees agree to modify the Senate provision by requiring that regulations shall place the burden on the Secretary to prove that families were diverted as a direct result of differences in eligibility criteria.

The conference agreement follows the House bill regarding exemptions from the work requirement for battered individuals, and follows the Senate amendment regarding the State option to exempt families with a child under 1.

The conference agreement follows the House bill and the Senate amendment regarding the calculation of the fiscal year rate. The conference agreement generally follows the Senate amendment regarding the calculation of monthly rates, except that the Senate recedes on counting people who have worked their way off the rolls in the previous 6 months and including sanctioned individuals in the numerator; conferees agree that sanctioned persons are to be subtracted from the denominator in determining monthly rates.

The conference agreement follows the House bill with regard to the number counted as engaged in work, except that the phrase "making progress in qualified activities" is replaced with "participating in qualified activities."

The conference agreement follows the House bill and the Senate amendment regarding the minimum average hours of weekly work required. Conferees did not agree to the Senate provision that States have the option of allowing single parents with children under 6 to work only 20 hours per week and still count toward the participation standard.

(3) Participation requirements: Two-parent families

Present law

The following minimum percentages of two-parent families receiving cash assistance must participate in specified work activities:

Minimum percentage

Fiscal year:	
1995	50
1996	60
1997	75
1998 (last year)	75

Minimum percentage—Continued

1999 and thereafter (no requirement)	0

Participation rates for a month equal the number of parents who participate divided by the number of principal earners in AFDC-UP families (but excluding families who received aid for 2 months or less, if one parent engaged in intensive job search).

One parent in the 2-parent family must participate at least 16 hours weekly in on-the-job training, work supplementation, community work experience program, or a State-designated work program.

House bill

The following minimum percentages of two-parent families receiving cash assistance must engage in work activities:

	Minimum percentage
Fiscal year:	
1996	50
1997	50
1998 (last year)	90
1999 and thereafter	90

Participation rates for a month are measured by the number of two-parent recipient families in which at least one adult is engaged in work activities for the month, divided by the total number of two-parent families that received cash aid during the month.

An adult in a 2-parent family is engaged in work activities when making progress in them for 35 hours per week, at least 30 of which are in unsubsidized employment, subsidized private sector employment, subsidized public sector employment, work experience, or on-the-job training (or job search and job readiness assistance for the first 4 weeks only).

Senate amendment

The following minimum percentages of two-parent families receiving cash assistance must participate in work:

	Minimum percentage
Fiscal year:	
1996	60
1997	75
1998	75
1999 and thereafter	90

Participation rates for 2-parent families are measured (like those for all families) by adding (1) the number of 2-parent recipient families with an adult engaged in work for the month; (2) the number of 2-parent families subject to a work refusal penalty in the month (if not subject to the penalty for more than 3 months out of the preceding 12); and (3) the number of 2-parent families who worked their way off the program in the previous 6 months and that include an adult who is working for the month, and then dividing this total by the number of 2-parent families enrolled in the program during the month that include an adult recipient.

An adult in a 2-parent family must participate in work for at least 35 hours per week during the month, and at least 30 hours weekly must be attributable to one or more of the 6 work activities listed above in "4.E. Mandatory Work Requirements."

Conference agreement

The conference agreement follows the House bill and Senate amendment so that the following minimum percentages of two-parent families receiving cash assistance must participate in specified work activities:

	Minimum percentage
Fiscal year:	
1996	50

99-059 O—97 Vol. 141 (Pt. 26) 29

Minimum percentage—Continued

1997	75
1998	75
1999 and thereafter	90

With regard to participation rates for a month, the conference agreement for 2-parent families matches the agreement for all families described above, so that the rates equal the number of two-parent recipient families in which at least one adult is engaged in work activities for the month, divided by the total number of two-parent families that received cash assistance minus sanctioned persons.

The conference agreement follows the House bill and the Senate amendment regarding creditable activities, except the House and Senate compromise so that the percentage of the caseload able to be counted as engaged in a work activity through vocational education training cannot exceed 20 percent.

(4) Penalties

Present law

For failure to meet JOBS requirements without good cause, AFDC benefits are denied to the offending parent and payments for the children are made to a third party.

In a 2-parent family, failure of 1 parent to meet JOBS requirements without good cause results in denial of benefits for both parents (unless the other parent participates) and third-party payment on behalf of the children. Repeated failures to comply bring potentially longer penalty periods.

If a State fails to achieve the two required participation rates (overall and for 2-parent families), the Federal reimbursement rate for its JOBS spending (which ranges among States from 60 percent to 79 percent for most JOBS costs) is to be reduced to 50 percent.

House bill

If recipients refuse to participate in required work activities, their cash assistance is reduced by an amount to be determined by individual States, subject to good cause and other exceptions that the State may establish.

Recipients in two-parent families who fail to work the required number of hours receive the proportion of their monthly cash grant that equals the proportion of required work hours they actually worked during the month, or less at State option.

No officer or employee of the Federal government may regulate the conduct of States under this paragraph (about penalties against individuals) or enforce this paragraph against any State.

States not meeting the required participation rates have their overall grant (calculated without the bonus for reducing out-of-wedlock births and before other penalties listed in C(5) above) reduced by up to 5 percent the following fiscal year; penalties shall be based on the degree of noncompliance as determined by the Secretary.

Senate amendment

If an adult recipient refuses to engage in required work, the State shall reduce the amount of assistance to the family pro rata (or more, at State option) with respect to the period of work refusal, or shall discontinue aid, subject to good cause and other exceptions that the State may establish. A State may not penalize a single parent caring for a child under age 6 for refusal to work if the parent has a demonstrated inability to obtain needed child care. Penalties against individuals in 2-parent families follow those against individuals, except that the penalties may apply against parents of children under 6 who refuse to work due to an inability to obtain child care.

No specific provision about regulation of penalties against individuals. However, the amendment provides that neither the DHHS Secretary nor the Treasury Secretary may regulate the conduct of States under Title IV-A or enforce any of its provisions, except to the extent expressly provided in the Act.

If a State fails to meet minimum work participation rates, the Secretary is to reduce the family assistance block grant as follows: For the first year of failure, by 5 percent (applied in the next year); for subsequent years of failure, by an additional 5 percent (thus, by 5.25 percent). The Secretary shall impose reductions on the basis of the degree of noncompliance.

Conference agreement

The conference agreement follows the Senate amendment regarding penalties against individuals, with the modification that the burden of proof to demonstrate an inability to find needed child care rests on the parent of a child under age 6. The conference agreement follows the Senate amendment regarding penalties against individuals in two-parent families.

The conference agreement follows the House bill on penalties against States not meeting work requirements, except the House recedes to the Senate on the corrective action provision.

(5) Rule of interpretation (concerning education and training)

Present law

JOBS programs must include specified educational activities and job skills training.

House bill

This part does not prohibit a State from establishing a program for recipients that involves education and training.

Senate amendment

No provision. However, the amendment qualifies vocational educational training as a "work activity," with a 12-month maximum and a limit on the proportion of vocational educational trainees who can be counted in calculating work participation rates.

Conference agreement

The House recedes (no provision). Vocational training, however, counts in the calculation of participation standards with the limitation described above.

(6) Research (about work programs)

Present law

Authorizes States to make "initial" evaluations (in FY 1991) of demographic characteristics of JOBS participants and requires the DHHS Secretary, in consultation with the Labor Secretary, to assist the States as needed.

House bill

The Secretary is to conduct research on the costs and benefits of mandatory work requirements in the Act, and to evaluate promising State approaches in employing welfare recipients. See also "Research, Evaluations, and National Studies" below.

Senate amendment

The Secretary is to conduct research on the costs, benefits, and effects of operating different State programs of temporary assistance to needy families, including their time limits. Research shall include studies of effects on employment rates. See also "Research, Evaluations, and National Studies" below.

Conference agreement

The conference agreement generally follows the House bill and the Senate amendment.

(7) Evaluation of innovative approaches to employing recipients of assistance

Present law

No provision.

House bill

The Secretary shall evaluate innovative approaches by the States to employ recipients of assistance.

Senate amendment

The Secretary may assist States in developing, and shall evaluate innovative approaches for reducing welfare dependency and increasing the well-being of minor children, using random assignments in these evaluations "to the maximum extent feasible."

Conference agreement

The conference agreement follows the Senate amendment.

(8) Annual ranking of States and review of work programs

Present law

No provision.

House bill

The Secretary must annually rank the States in the order of their success in moving recipients into long-term private sector jobs, and review the 3 most and 3 least successful programs. HHS will develop these rankings based on data collected under the bill.

Senate amendment

Taking account of the number of poor children in the State and funds provided for them, the Secretary of HHS shall rank the States annually in the order of their success in placing recipients into long-term private sector jobs, reducing the overall caseload, and, when a practicable method for calculation becomes available, diverting persons from application and entry into the program. The Secretary shall review the 3 most and 3 least successful programs that provide work experience, help in finding jobs, and provide other support services to enable families to become independent of the program.

Conference agreement

The conference agreement follows the House bill.

(9) Annual ranking of States and review of out-of-wedlock births

Present law

No provision.

House bill

No provision.

Senate amendment

The Secretary is to annually rank States in the order of their success in reducing out-of-wedlock births and to review the programs of the 5 ranked highest and 5 ranked lowest in decreasing their absolute out-of-wedlock birth ratios (defined as the total number of out-of-wedlock births in families receiving cash assistance, divided by the total number of births in recipient families).

Conference agreement

The conference agreement follows the Senate amendment.

(10) Sense of Congress on work priority for mothers without young children

Present law

No provision.

House bill

It is the sense of Congress that States should give highest priority to requiring families with older preschool children or school-aged children to engage in work activities.

Senate amendment

Adds to highest priority group "adults in 2-parent families and adults in single-parent families with children that are older than preschool age."

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

(11) Work/school requirements for noncustodial parents

Present law

The Secretary shall permit up to 5 States, on a voluntary or mandatory basis, to provide JOBS services to unemployed noncustodial parents unable to pay child support

House bill

States must adopt procedures to ensure that persons owing past-due support to a child (or to a child and parent) receiving Title IV–A either work or have a plan for payment of that support. States must seek a court order requiring the parent to make payment, in accordance with a court-approved plan to work (unless incapacitated). It is the sense of Congress that States should require non-custodial, non-supporting parents under age 18 to fulfill community work obligations and attend appropriate parenting or money management classes after school.

Senate amendment

States must seek a court order or administrative order requiring a person who owes support to a child receiving Title IV–D services to pay the support in accordance with a court-approved plan or to work (unless incapacitated).

Conference agreement

The conference agreement follows the House bill.

(12) Delivery of work activities

Present law

Current law permits States to carry out JOBS programs directly or through arrangement or under contracts with administrative entities under the Job Training Partnership Act (JTPA), with State and local educational agencies or with private organizations, including community-based organizations as defined in JTPA (Section 485(A) of Social Security Act).

House bill

No provision.

Senate amendment

Requires that work activities for recipients of the temporary family assistance program be delivered through the Statewide workforce development system that was earlier included in the Work Opportunity Act, unless a required activity is not available locally through the Statewide workforce development system. However, as passed, the amendment does not include the workforce development title.

Conference agreement

The conference agreement follows the House bill (no provision).

(13) Displacement of workers

Present law

Under JOBS law, no work assignment may displace any currently employer worker or position (including partial displacement such as a reduction in hours of non-overtime work, wages, or employment benefits). Nor may a JOBS participant fill a position vacant because of layoff or because the employer has reduced the workforce with the effect of creating a position to be subsidized.

House bill

No provision.

Senate amendment

Provides that no adult in a Title IV–A work activity shall be employed or assigned when another person is on layoff from the same or a substantially equivalent job, or when the employer has terminated the employment of a regular worker or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy thus created with a subsidized worker. This provision does not preempt or supersede any State or local law providing greater protection from displacement.

Conference agreement

The conference agreement follows the Senate amendment.

F. Prohibitions

(1) Families without a minor child

Present law

Only families with dependent children (under age 18, or 19 at State option if the child is still in secondary school or in the equivalent level of vocational or technical training) can participate in the program.

House bill

Only families with minor children (under 18 years of age or under 19 years of age for full-time students in a secondary school or the equivalent) can participate in the program.

Senate amendment

Similar to House bill, but specifies that the minor children must live with their parent or other caretaker relative.

Conference agreement

The conference agreement follows the House bill and the Senate amendment, with the modification that a pregnant individual may receive assistance under the block grant.

(2) Assistance for aliens

Present law

Illegal aliens are ineligible, but legal aliens and others permanently residing under color of law are eligible for Federal means-tested benefit programs. States must operate a System for Verification of Eligibility (SAVE) for determination of immigration or citizenship status of applicants and must verify the immigration status of aliens with the Immigration and Naturalization Service.

House bill

Block grant funds may not be used to provide cash benefits to a non-citizen unless the individual is a refugee under section 207 of the Immigration and Nationality Act who has been in the U.S. for under 5 years, a legal permanent resident over age 75 who has lived in the U.S. at least 5 years, a veteran (or the spouse or unmarried dependent child of a veteran) honorably discharged from the U.S. Armed Forces, or a legal permanent resident unable because of disability or mental impairment to comply with certain naturalization requirements. In addition, legal permanent residents who are current beneficiaries retain eligibility for the first year after enactment.

Senate amendment

Aliens entering after enactment are barred from receiving benefits for 5 years, with exceptions similar to House bill. Separately, States have the option to deny non-citizens benefits using block grant funds. Eligibility

may be affected by changes in the sponsor-to-alien deeming provisions. These changes may affect their eligibility even after aliens have attained citizenship.

Conference agreement

The conference agreement generally follows the Senate amendment so that noncitizens arriving after the date of enactment may not receive benefits from the block grant during their first 5 years in the U.S.; the conference agreement modifies the Senate amendment so that there is a State option to provide block grant assistance to noncitizens currently residing in the U.S., except that noncitizens receiving AFDC benefits on the date of enactment would continue to be eligible to receive block grant benefits until January 1, 1997. The conference agreement makes specific exceptions to these restrictions for refugees, asylees, veterans and active duty military, and aliens who have worked at least 40 calendar quarters as defined under title II of the Social Security Act. For further details see Title IV: Noncitizens.

(3) No cash assistance for out-of-wedlock births

Present law

No provision forbidding eligibility. Current law permits a State to provide AFDC to an unwed mother under 18 and her child only if they live with their parent or another adult relative or in another adult-supervised arrangement; exceptions are allowed (Sec. 402(A)).

AFDC law has no provision directly comparable for funding second-chance homes (see below).

AFDC law requires States, to the extent resources permit, to require mothers under age 20 who failed to complete high school to participate in an educational activity, even if they otherwise would be exempt because of having a child under age 3 (or, at State option, under age 1). However, States may exempt some school dropout mothers under 18 years old from this requirement.

House bill

Temporary Assistance for Needy Families Block Grant funds may not be used to provide cash benefits to a child born out-of-wedlock to a mother under age 18 or to the mother until the mother reaches age 18. States must exempt mothers to whom children are born as a result of rape or incest. Block grant funds can be used to provide non-cash (e.g. voucher) assistance to young mothers and their children.

Senate amendment

Explicitly permits States to decide whether or not to give assistance to a child born out-of-wedlock to a mother under 18 years old, and to the mother until she reaches 18. However, if a State elects to extend assistance to these families, the minor mother must live with a parent, legal guardian or other adult relative unless they have no such appropriate relative or the State agency determines (1) that they had suffered, or might suffer, harm in the relative's home or (2) that the requirement should be waived for the sake of the child.

The State shall provide or assist a minor mother in finding a suitable home, a second chance home, maternity home, or other appropriate adult-supervised supportive living arrangement. The amendment authorizes to be appropriated, and appropriates funding for second-chance homes for unmarried teenage parents ($25 million yearly for FYs 1996 and 1997 and $20 million yearly for FYs 1998–2000).

Further, if a State aids these unwed minor mothers, it must require those who have not completed high school, or its equivalent, to attend school unless their child is under 12 weeks old. If the mother fails to attend high school or an approved alternative training program, the State must reduce her benefit or end it.

Conference agreement

The conference agreement follows the Senate amendment regarding the state option to deny cash assistance for out-of-wedlock births. The conference agreement follows the Senate amendment with regard to second chance homes, except that funding is authorized but not appropriated for this purpose. The conference agreement follows the Senate amendment regarding the school requirement for unwed minor mothers.

(4) No additional assistance for additional children

Present law

No provision.

House bill

Block grant funds may not be used to provide additional cash benefits for a child born to a recipient of cash welfare benefits, or an individual who received cash benefits at any time during the 10-month period ending with the birth of the child. Mothers to whom children are born as a result of rape or incest are exempted. Block grant funds can be used to provide non-cash (voucher) assistance to young mothers and their children.

Senate amendment

Explicitly permits States to deny aid to child born to a mother already receiving aid under the program or to one who received benefits from the program at any time during the 10 months ending with the baby's birth.

Conference agreement

The conference agreement represents a compromise between the House and Senate provisions. The compromise is that States must deny additional assistance to mothers already receiving assistance who have babies, but that States can exempt themselves from this requirement if they enact a law to the effect that the State wants to be excluded from this Federal requirement.

(5) No assistance for more than 5 years

Present law

No provision.

House bill

Block grant funds may not be used to provide cash benefits for the family of an individual who, after attaining 18 years of age, has received block grant funds for 60 months, whether or not successive; States are permitted to provide hardship exemptions from the 60-month time limit for up to 10 percent of their caseload.

Senate amendment

Block grant funds may not be used to provide cash benefits for the family of a person who has received block grant aid for 60 months (or less at State option), whether or not consecutive. States may give hardship exemptions to up to 20 percent of their caseload. (Exempted from the 60-month time limit is a person who received aid as a minor child and who later applied as the head of her own household with a minor child.)

Conference agreement

The conference agreement follows the Senate amendment, with the modification that no assistance may be provided beyond 5 years and that States may exempt up to 15 percent of their caseload from this limit. Battered individuals may qualify for this exemption, but States are not required to exempt such individuals.

(6) Reduction or elimination of assistance for noncooperation in child support

Present law

As a condition of eligibility, applicants or recipients must cooperate in establishing paternity of a child born out-of-wedlock, in obtaining support payments, and in identifying any third party who may be liable to pay for medical care and services for the child.

House bill

Block grant funds may not be used to provide cash benefits to persons who fail to cooperate with the State child support enforcement agency in establishing the paternity of any child of the individual; the child support agency defines cooperation.

Senate amendment

Maintains current law. In addition, see "Payments To States" for penalty against a State that fails to enforce penalty requested by the IV–D against a person who does not cooperate in establishing paternity.

Conference agreement

The conference agreement follows the Senate amendment with the modification that States must deny a parent's share of the family welfare benefit if the parent fails to cooperate; the State may deny benefits to the entire family for failure to cooperate.

(7) No assistance for families not assigning support rights to the State

Present law

As a condition of AFDC eligibility, applicants must assign child support and spousal support rights to the State.

House bill

Block grant funds may not be used to provide cash benefits to a family with an adult who has not assigned to the State rights to child support or spousal support.

Senate amendment

Gives States the option to require applicants for temporary family assistance (and recipients) to assign child support and spousal support rights to the State.

Conference agreement

The conference agreement follows the House bill.

(8) Withholding portion of aid for child whose paternity is not established

Present law

No provision.

House bill

If, at the time a family applies for assistance, the paternity of a child in the family has not been established, the State must impose a financial penalty ($50 or 15 percent of the monthly benefits of a family of that size, whichever the State chooses) until the paternity of the child is established. Once paternity is established, all the money withheld as a penalty must be remitted to the family if it is still eligible for aid. Mothers to whom children are born as a result of rape or incest are exempted from this penalty. Provision effective 1 year after enactment (2 years at State option).

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with the modification that States may, but are not required to, impose a financial penalty if paternity is not established.

(9) Denial of benefits to persons who fraudulently received aid in two States

Present law

No provision.

House bill

Ineligible for block grant assistance for 10 years is any individual convicted of having fraudulently misrepresented residence (or found by a State to have made a fraudulent statement) in order to obtain benefits or services from two or more States from the block grant, Medicaid, Food Stamps, or Supplemental Security Income.

Senate amendment

Ineligible for block grant assistance for 10 years is any person convicted in Federal court or State court of having fraudulently misrepresented residence in order to obtain benefits or services from two or more States from the cash block grant, Medicaid, Food Stamps, or Supplemental Security Income.

Conference agreement

The conference agreement follows the Senate amendment.

(10) Denial of aid for fugitive felons, probation and parole violators

Present law

No provision.

House bill

No assistance may be provided to an individual who is fleeing to avoid prosecution, custody or confinement after conviction for a crime (or an attempt to commit a crime) that is a felony (or, in New Jersey, a high misdemeanor), or who violates probation or parole imposed under Federal or State law.

Any safeguards established by the State against use or disclosure of information about individual recipients shall not prevent the agency, under certain conditions, from providing the address of a recipient to a law enforcement officer who is pursuing a fugitive felon or parole or probation violator. This provision applies also to a recipient sought by an officer not because he is a fugitive but because he has information that the officer says is necessary for his official duties. In both cases the officer must notify the State that location or apprehension of the recipient is within his official duties.

Senate amendment

A State shall furnish law enforcement officers, upon their request, the address, social security number, and photograph (if available) of any recipient if the officers notify the agency that the recipient is a fugitive felon, or a violator of probation or parole, or that he has information needed by the officers to perform their duties, and that the location or apprehension of the recipient is within the officers' official duties.

Conference agreement

The conference agreement follows the House bill.

(11) No assistance for minor children who are absent, or relatives who fail to notify agency of child's absence

Present law

Regulations allow benefits to continue for children who are "temporarily absent" from home.

House bill

No assistance may be provided for a minor child who has been absent from the home for 45 consecutive days or, at State option, between 30 and 90 consecutive days. States may establish a good cause exemption as long as it is detailed in the State report to the Secretary. No assistance can be given to a parent or caretaker who fails to report a missing minor child within 5 days of the time it is clear that the child is absent.

Senate amendment

Similar provision to House bill, with different wording.

Conference agreement

The conference agreement follows the House bill.

G. Income/Resource Limits, Treatment of Earnings and Other Income

(1) Resource limits

Present law

$1,000 per family in counted resources (excluding home and some of the value of an auto, funeral arrangements, burial plots, real property that the family is attempting to sell, and—for two months—refunds of the Earned Income Tax Credit (EITC)).

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment (no provision).

(2) Income limits

Present law

Gross family income limit: 185 percent of the State standard of need.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment (no provision).

(3) Earnings

Present law

Mandatory disregard: during first 4 months of a job, $120 and one-third, plus child care costs up to a limit; next 8 months, $120 plus child care; after 12 months, $90 plus child care.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment (no provision).

(4) Earned income tax credit

Present law

Mandatory disregard: advance EITC payments must be disregarded.

House bill

Repeals mandatory EITC disregard (a provision of AFDC law). States would set policy about treatment of EITC payments by block grant program.

Senate amendment

Provision is identical to House position.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

(5) Child support

Present law

Mandatory disregard: first $50 monthly in child support collections is passed through to the family. In some States, child support payments that fill some or all of the gap between payment and need standard must be ignored.

House bill

In determining a family's eligibility and payment amount under the block grant, a State may not disregard child support collected by the State and distributed to the family.

Senate amendment

States are given the option of disregarding child support. Repeals required disregard of the first $50 monthly in child support collections distributed to the family (a provision of AFDC law).

Conference agreement

The conference agreement follows the Senate amendment.

(6) Other cash aid

Present law

AFDC benefits may not be paid to a recipient of old-age assistance (predecessor to Supplemental Security Income (SSI) and now available only in Puerto Rico, Guam, and the U.S. Virgin Islands), SSI, or AFDC foster care payments.

House bill

If block grant funds are used to provide payments to a recipient of old-age assistance, SSI, or payments under the Child Protection Block grant, a State may not disregard these other payments in determining a family's eligibility for and payment amount from the block grant.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

H. Various Procedural and Policy Rules

(1) Statewide requirement

Present law

AFDC must be available in all political subdivisions, and, if administered by them, be mandatory upon them.

House bill

No provision.

Senate amendment

Under the State plan, a State must outline how it intends to conduct a family assistance program "designed to serve all political subdivisions in the State."

Conference agreement

The conference agreement follows the Senate amendment.

(2) Single State agency

Present law

Single agency must administer or supervise administration of the plan.

House bill

No provision.

Senate amendment

The State's Chief Executive Officer must certify which State agency or agencies are responsible for administration and supervision of the program for the fiscal year.

Conference agreement

The conference agreement follows the Senate amendment, with the modification that public and local agencies must have 60 days to submit comments.

(3) State cost sharing

Present law

State must share in program costs.

House bill

No provision.

Senate amendment

States must continue to spend at least 80 percent of what they expended in FY1994 on AFDC or face a dollar-for-dollar reduction in their basic block grant amount for FY1997–2000.

In order to qualify for additional funding under the contingency fund or additional child care funds, States must continue to spend at least 100 percent of what they expended in FY1994.

Conference agreement

The conference agreement generally follows the House bill and the Senate amendment with the modification to require a 75 percent maintenance of effort for the basic family assistance block grant, but no maintenance of effort for child care funds under the CCDBG.

(4) Aid to all eligibles

Present law

State must furnish aid to eligible persons with reasonable promptness and give opportunity to make application to all wishing to do so.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment (no provision).

(5) Fair hearing

Present law

State must give fair hearing opportunity to person whose claim is denied or not acted upon promptly.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment (no provision).

(6) Administrative methods

Present law

State must adopt administrative methods found necessary by the Secretary.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment (no provision).

(7) Zero benefit below $10, rounding benefits

Present law

State cannot pay AFDC below $10 monthly and must round down to the next lower dollar both the need standard and the benefit.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment (no provision).

(8) Pre-eligibility fraud detection

Present law

State must have measures to detect fraudulent applications for AFDC before establishing of eligibility.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment (no provision).

(9) Correction of erroneous payments

Present law

State must promptly correct overpayments and underpayments.

House bill

No provision.

Senate amendment

Requires the Treasury Secretary, upon notification from a State that it has overpaid a former recipient of temporary cash assistance and has attempted unsuccessfully to collect the overpayment, to collect the sum from Federal tax refunds.

Conference agreement

The conference agreement follows the Senate amendment.

(10) Appeal procedure (for States)

Present Law

Current law (sec. 1116 of the Social Security Act) entitles a State to a reconsideration, which DHHS must grant upon request, of any disallowed reimbursement claim for an item or class of items. The section also provides for administrative and judicial review, upon petition of a State, of DHHS decisions about approval of State plans. At the option of a State, any plan amendment may be treated as the submission of a new plan.

House bill

Repeals reference to Title IV-A in section 1116.

Senate amendment

Requires the Secretary to notify the Governor of a State of any adverse decision or action under Title IV-A, including any decision about the State's plan or imposition of a penalty. Provides for administrative review by a Departmental Appeals Board within DHHS and requires a Board decision within 60 days after an appeal is filed. Provides for judicial review (by a United States district court) within 90 days after a final decision by the Board. The Amendment also repeals the reference to Title IV-A in section 1116.

Conference agreement

The conference agreement follows the Senate amendment.

I. Quality Control/Audits

Present law

The Secretary must operate a quality control system to determine the amount of Federal matching funds to be disallowed, if any, because of erroneous payments. The law also prescribes penalties for payment error rates above the national average. AFDC payments to States are subject to audits conducted under the Single Audit Act [Ch. 75, Title 31, U.S.C.]

House bill

Family assistance block grants are subject to the Single Audit Act. If an audit conducted under this Act finds that a State has used block grant funds in violation of the law, its grant for the next year is to be reduced by that amount (but no quarterly payment is to be reduced by more than one-fourth).

Senate amendment

Requires a State to offset loss of Federal funds with its own, maintaining the full block grant level. Also, the penalty shall not be imposed if the State proves to the Secretary that the violation was not intentional, and if the State implements an approved corrective action plan. Each State must audit its cash block grant expenditures annually and submit a copy to the State legislature, Treasury Secretary and DHHS Secretary. The audit must be conducted by an entity that is independent from any agency administering activities under title IV-A. Also subject to the Single Audit Act.

Conference agreement

The conference agreement follows the House bill regarding audits to review States' use of funds with the modification that the funds come directly from the Department of Treasury. (See also the Penalties section below on States misusing funds and States failing to meet work requirements.)

J. Data Collection and Reporting

(1) Reporting requirements

Present law

States are required to report the average monthly number of families in each JOBS activity, their types, amounts spent per family, length of JOBS participation and the number of families aided with AFDC/JOBS child care services, the kinds of child care services provided, and sliding fee schedules. States that disallow AFDC for minor mothers in their own living quarters are required to report the number living in their parent's home or in another supervised arrangement. States also must report data (including numbers aided, types of families, how long aided, payments made) for families who receive transitional Medicaid benefits. DHHS collects data about demographic characteristics and financial circumstances of AFDC families from its National Integrated Quality Control System (NIQCS) and publishes State and national information that represents average monthly amounts for a fiscal year. The NIQCS uses monthly samples of AFDC cases.

House bill

States are required, not later than 6 months after the end of each fiscal year, to transmit to the Secretary the following aggregate information on families receiving block grant benefits during the fiscal year:

(a) the number of adults receiving assistance;

(b) the number of children receiving assistance and the average age of children;

(c) the employment status and average earnings of employed adults;

(d) the number of one-parent families in which the sole parent is a widow or widower, is divorced, is separated, or is never married;

(e) the age, race, educational attainment, and employment status of parents;

(f) the average assistance provided to families;

(g) whether, at the time of application, the families or anyone in the families receive benefits from the following public programs:

(1) Housing

(2) Food Stamps

(3) Head Start

(4) Job Training;

(h) the number of months the families have been on welfare during their current spell;

(i) the total number of months for which benefits have been provided to the families;

(j) data necessary to indicate whether the State is in compliance with the State's plan;

(k) the components of any employment and training activities, and the average monthly number of adults in each component; and

(l) the number of part-time and full-time job placements made by the program, the number of cases with reduced assistance, and the number of cases closed due to employment.

Senate amendment

States are required to make quarterly reports based on sample case records providing disaggregated data for the quality assurance system, including:

(a) age of adults and children (including pregnant women) in each family;

(b) marital and familial status of each family member (including whether family includes 2 parents and whether child is living with an adult relative other than a parent);

(c) gender, educational level, work experience, and race of each family head;

(d) health status of each family member (including whether any is seriously ill, disabled, or incapacitated and is being care for by another family member);

(e) type and amount of any benefit or assistance received, including amount of and reason for any benefit reduction, and if help is ended, whether this is because of employment, sanction, or time limit;

(f) any benefit or assistance received by a family member with respect to housing, food stamps, job training, or Head Start;

(g) number of months since the family's most recent application for aid, and if application was denied, the reason;

(h) number of times a family applied for and received aid from the cash block grant program and the number of months were received in each "spell" of assistance;

(i) employment status of adults in family (including hours worked and amount earned);

(j) date on which an adult family member began to engage in work, hours worked, work actively performed, amount of child care assistance, if any;

(k) number of persons in each family receiving, and the number not receiving, assistance, and the relationship of each person to the youngest child in the family;

(l) citizenship status of each family member;

(m) housing arrangement of each family member;

(n) amount of unearned income, child support, assets and other financial factors relevant to eligibility;

(o) location in the State of each recipient family; and

(p) any other data determined by Secretary to be necessary for efficient and effective administration.

States are required to report the following aggregated monthly data about families who received temporary family assistance for each month in the calendar quarter preceding the one in which the data are submitted, families applying for assistance in the preceding quarter, and families that became ineligible for aid during that quarter:

(1) number of families,

(2) number of adults in each family,

(3) number of children in each family, and

(4) number of families whose assistance ended because of employment, sanctions, or time limits.

The Secretary shall determine appropriate subsets of the data listed above that a State is required to submit regarding applicant and no-longer eligible families.

Conference agreement

The conference agreement generally follows the House bill and the Senate amendment, but with some modifications. Specifically, beginning July 1, 1996, each State must collect on a monthly basis, and report to the Secretary on a quarterly basis, the following information on individual families receiving assistance:

(1) the county of residence of the family;

(2) whether a child receiving assistance or an adult in the family is disabled;

(3) the ages of the members of such families;

(4) the number of individuals in the family, and the relationship of each family member to the youngest child in the family;

(5) the employment status and earnings of the employed adult in the family;

(6) the marital status of the adults in the family, including whether such adults are never married, widowed, or divorced;

(7) the race and education status of each adult in the family;

(8) the race and educational status of each child in the family;

(9) whether the family received subsidized housing, Medicaid, food stamps, or subsidized child care, and if the later two, the amount received;

(10) the number of months the family has received each type of assistance under the program;

(11) if the adults participated in, and the number of hours per week of participation in, the following activities;

(A) education;

(B) subsidized private sector employment;

(C) unsubsidized employment;

(D) public sector employment, work experience, or community service;

(E) job search;

(F) job skills training or on-the-job training; and

(G) vocational education;

(12) information necessary to calculate participation rates under section 407;

(13) the type and amount of assistance received under the program, including the amount of and reason for any reduction of assistance (including sanctions);

(14) from a sample of closed cases, whether the family left the program, and if so whether the family left due to

(A) employment;

(B) marriage;

(C) the prohibition set forth in section 408(a)(8);

(D) sanction; or

(E) State policy;

(15) any amount of unearned income received by any member of the family; and

(16) the citizenship of the members of the family.

(2) Authority of States to use estimates

Present law

The National Integrated Quality Control System (above) uses monthly samples of AFDC cases. JOBS regulations require States to submit a sample of monthly unaggregated case record data.

House bill

States may use scientifically acceptable sampling methods to estimate the data elements required for annual reports.

Senate amendment

The Secretary shall provide States with case sampling plans and data collection procedures deemed necessary for statistically valid estimates.

Conference agreement

The conference agreement follows the House bill and the Senate amendment and clarifies that sampling methods used by States must be approved by the Secretary.

(3) Other State reporting requirements

Present law

Regulations require each State to submit quarterly estimates of the total amount (and the Federal share) of expenditures for AFDC benefits and administration.

Required quarterly reports include estimates of the Federal share of child support collections made by the State; see above for transitional child care and Medicaid reporting requirements.

House bill

The report submitted by the State each fiscal year must also include:

(1) a statement of the percentage of the funds paid to the State that are used to cover administrative costs or overhead;

(2) a statement of the total amount expended by the State during the fiscal year on programs for needy families; and

(3) the number of noncustodial parents in the State who participated in work activities as defined in the bill during the fiscal year.

Senate amendment

The report required by a State for a fiscal year must include:

(1) a statement of the total amount and percentage of Federal funds paid to the State under Title IV-A that are used for administrative costs or overhead;

(2) a statement of the total amount of State funds expended on programs for the needy;

(3) the number of noncustodial parents who participated in work activities during the fiscal year;

(4) the total amount of child support collected by the State IV-D agency on behalf of a family in the cash assistance program;

(5) the total amount spent by the State for child care under Title IV-A, with a description of the types of care, including transitional care for families who no longer receive assistance because of work and "at-risk" care for persons who otherwise might become eligible for assistance; and

(6) the total amount spent by the State for providing transitional services to a family that no longer receive assistance because of employment, along with a description of those services.

Conference agreement

The conference agreement follows the House bill and Senate amendment as follows:

(1) follow the House bill regarding administrative funds;

(2) follow the House bill regarding reports of State expenditures;

(3) follow the House bill regarding noncustodial parent participation;

(4) follow the House bill regarding child support (no provision; separate reporting requirement);

(5) follow the House bill regarding child care (no provision; separate reporting requirement); and

(6) follow the Senate amendment regarding reports on transitional services.

K. Reports Required by DHHS Secretary (Sections 103, 106, and 107)

Present law

The law requires the DHHS Secretary to report promptly to Congress the results of State reevaluations of AFDC need standards and payment standards required at least every 3 years. The Secretary is to annually compile and submit to Congress annual State reports on at-risk child care. The Family Support Act required the Secretary to submit recommendations regarding JOBS performance standards by a deadline that was extended.

House bill

The DHHS Secretary must report to Congress within 6 months on the status of automatic data processing systems in the States and on what would be required to produce a system capable of tracking participants in

public programs over time and checking case records across States to determine whether some individuals are participating in public programs in more than one State. The report should include a plan for building on the current automatic data processing system to produce a system capable of performing these functions as well as an estimate of the time required to put the system in place and the cost of the system.

The DHHS Secretary must, to the extent feasible, produce and publish for each State, county, and local unit of government for which data have been compiled in the most recent census of population, and for each school district, data about the incidence of poverty. Data shall include, for each school district, the number of children age 5 to 17 inclusive, in families below the poverty level, and, for each State and county for which data have been compiled by the Census Bureau, the number of persons aged 65 or older. Data shall be published for each State, county and local unit of government in 1996 and at least every second year thereafter; and for each school district, in 1998 and at least every second year thereafter. Data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable information. If reliable data could not be otherwise produced, the Secretary is given authority to aggregate school districts. The DHHS Secretary is to consult with the Secretary of Education in producing data about school districts. If unable to produce and publish the required data, the Secretary must submit a report to the President of the Senate and the Speaker of the House not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reason for the exclusion.

Senate amendment

The Secretary must in cooperation with the States, study and analyze measures of program outcomes (as an alternative to minimum participation rates) for evaluating the success of State block grant programs in helping recipients leave welfare. The study must include a determination of whether outcomes measures should be applied on a State or national basis and a preliminary assessment of the job placement performance bonus established in the Act. The Secretary must report findings to the Committee on Finance and the Committee on Ways and Means not later than September 30, 1998.

The Secretary is to report by Dec. 31, 1997, to the Committee on Ways and Means and the Committee on Economic and Educational Opportunities of the House and the Committee on Finance, the Committee on Labor and Human Resources, and the Special Committee on Aging of the Senate setting forth findings of a study on the effects of welfare changes made by the Act on grandparents who are primary caregivers for their grandchildren. The study is to identify barriers to participation in public programs by grandparent caregivers, including inconsistent policies, standards, and definitions of programs providing medical aid, cash, child support enforcement, and foster care.

Not later than March 31, 1998, and each fiscal year thereafter, the Secretary shall send Congress a report describing:

(1) whether States are meeting minimum participation rates and whether they are meeting objectives of increasing employment and earnings of needy families, increasing child support collections, and decreasing out-of-wedlock pregnancies and child poverty;

(2) demographic and financial characteristics of applicant families, recipient families, and those no longer ineligible for temporary family assistance;

(3) characteristics of each State program of temporary family assistance; and

(4) trends in employment and earnings of needy families with minor children.

Conference agreement

The conference agreement follows the House bill and Senate amendment as follows:

(1) follow the House bill with regard to the Secretary's report on data processing;

(2) follow the Senate amendment on the report on poverty (no provision);

(3) follow the Senate amendment with regard to the report on alternative outcome measures;

(4) follow the House bill on the report on grandparent caregivers (no provision); and

(5) follow the Senate amendment with regard to the annual report on State process.

L. Research, Evaluations, and National Studies

Present law

The law authorizes $5 million annually for cooperative research or demonstration projects, such as those relating to the prevention and reduction of dependency.

House bill

The Secretary may conduct research on the effects, costs, benefits, and caseloads of State programs funded under this part. The Secretary may assist the States in developing, and shall evaluate (using random assignment to experimental and control groups to the maximum extent feasible), innovative approaches to employing recipients of cash aid under this part. The Secretary may conduct studies of the welfare caseloads of States operating welfare reform programs. The Secretary shall develop innovative methods of disseminating information on research, evaluations, and studies.

Senate amendment

The Secretary may conduct research on the effects, benefits, and costs of operating different State programs of Temporary Assistance for Needy Families, including time limits for eligibility. The research shall include studies on the effects of different programs and the operation of the programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other appropriate area. The Secretary may assist States in developing, and shall evaluate innovative approaches for reducing welfare dependency and increasing the well-being of minor children, using random assignments in these evaluations "to the maximum extent feasible."

The Secretary shall develop innovative methods of disseminating information on research, evaluations, and studies, including ways to facilitate sharing of information via computers and other technologies.

The Senate amendment makes a State eligible to receive funding to evaluate its family assistance program if it submits an evaluation design determined by the Secretary to be rigorous and likely to yield credible and useful information. The State must pay 10 percent of the study's cost, unless the Secretary waives this rule. For these State-initiated evaluation studies of the family assistance program (and for costs of operating and evaluating demonstration projects begun under the AFDC waiver process) the amendment authorizes to be appropriated, and appropriates, to total of $20 million annually for 5 years (FYs 1996–2000).

Conference agreement

The conference agreement follows the Senate amendment except that $15 million is appropriated annually for this purpose. Conferees agree that the Secretary can use funds appropriated for research to pay for evaluations conducted by both governmental and non-governmental organizations.

M. Waivers

Present law

The law authorizes the DHHS Secretary to waive specified requirements of State AFDC plans in order to enable a State to carry out any experimental, pilot, or demonstration project that the Secretary judges likely to assist in promoting the program's objective. (Sec. 1115 of Social Security Act) Some 34 States have received waivers from the Clinton Administration for welfare reforms of their own.

House bill

Repeals AFDC. Also, expressly repeals authority for waiver of specified provisions of AFDC law (Sec. 402, State plan requirements, and Sec. 403, terms of payment to States) for demonstration projects.

Senate amendment

Provides that terms of AFDC waivers in effect, or approved, as of October 1, 1995, will continue until their expiration, except that beginning with FY1996 a State operating under a waiver shall receive the block grant described under Section 403 in lieu of any other payment provided for in the waiver. The amendment gives States the option to terminate waivers before their expiration, but requires that early-ended projects be summarized in written reports. The amendment provides that a State that submits a request to end a waiver by January 1, 1996, or 90 days after adjournment of the first regular session of the State legislature that begins after the date of enactment, shall be held harmless for accrued cost neutrality liabilities incurred under the waiver.

The Secretary is directed to encourage any State now operating a waiver to continue the project and to evaluate its result or effect. The amendment allows a State to elect to continue one or more individual waivers.

Conference agreement

The conference agreement follows the Senate amendment.

N. Studies by the Census Bureau (Sections 103 and 105)

Present law

No provision.

House bill

The Census Bureau must expand the Survey of Income and Program Participation (SIPP) to evaluate the impact of welfare reforms made by this title on a random national sample of recipients and, as appropriate, other low-income families. The study should focus on the impact of welfare reform on children and families, and should pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells. $10 million per year for 7 years in entitlement funds are authorized for this study.

Senate amendment

Expansion of SIPP is identical to House provision.

In addition, the Secretary of Commerce shall expand the Census Bureau's question (for the decennial census and mid-decade census) concerning households with both grandparents and their grandchildren so as to distinguish between households in which a grandparent temporarily provides a home and those where the grandparent serves as primary caregiver.

Conference agreement

The conference agreement follows the House bill regarding the expansion of SIPP to evaluate welfare programs and follows the Senate amendment regarding census data on grandparents as caregivers.

O. Services From Charitable, Religious, or Private Organizations (Section 104)

Present law

The Child Care and Development Block Grant Act prohibits use of any financial assistance provided through any grant or contract for any sectarian purpose or activity. In general, it requires religious nondiscrimination, but it does allow a sectarian organization to require employees to adhere to its religious tenets and teachings.

House bill

No provision.

Senate amendment

Authorizes States to administer and provide family assistance services (and services under Supplemental Security Income and public housing) through contracts with charitable, religious, or private organizations. Authorizes States to pay recipients by means of certificates, vouchers, or other forms of disbursement that are redeemable with these private organizations. States that religious organizations are eligible, on the same basis as any other private organization, to provide assistance as contractors or to accept certificates and vouchers so long as their programs "are implemented consistent with" the Establishment Clause of the Constitution. Stipulates that any religious organization with a contract to provide welfare services shall retain independence from all units of government and that such a religious organization (or not that redeems welfare certificates) may require employees who render service related to the contract or certificates to adhere to the religious tenets and teaching of the organization and to its rules, if any, regarding use of drugs or alcohol. Provides that, except as otherwise allowed by law, a religious organization administering the program may not discriminate against beneficiaries on the basis of religious belief, or refusal to participate in a religious practice. Requires States to provide an alternative provider for a beneficiary who objects to the religious character of the designated organization. Provides that no funds provided directly to institutions or organizations to provide services and administer programs shall be spent for sectarian worship or instruction, but does not apply this limitation to financial assistance in the form of certificates or vouchers, if the beneficiary may choose where the aid is redeemed.

Conference agreement

This section (section 104) generally follows the Senate amendment. Subsection (j) states that no funds provided directly to institutions or organizations to provide services and administer programs under subsection (a)(1)(A) shall be expended for sectarian worship, instruction, or proselytization. Subsection (a)(1)(A) refers to contracts that States may have with charitable, religious, or private organizations. While Congress recognizes the need to ensure that money provided directly through contracts should not be expended for worship, instruction, or proselytization, Congress does not intend that the prohibition should apply when beneficiaries receive benefits in the form of certificates, vouchers, or other forms of disbursement redeemable with nongovernmental entities. Where the character of the aid goes directly to the ultimate beneficiary in the form of a voucher or certificate, the beneficiary exercises personal choice as to where to use the voucher or certificate, and may or may not choose to redeem it at a religious provider which incorporates worship or instruction in its provision of services. Congress has recognized and allowed such use of vouchers and certificates in the Child Care and Development Block Grant of 1990 (42 U.S.C. 9858 et seq.)

More importantly, a beneficiary's redemption of a government-provided voucher at a religious entity has been determined as nonviolative of the Establishment Clause by the Supreme Court provided that the beneficiary has genuine choice about where to redeem the voucher or certificate. The Court has consistently held that government may confer a benefit on individuals in a manner which allows them to exercise personal choice among similarly qualified institutions, whether public, private non-sectarian, or religious, even when the benefit can be said to indirectly advance religion. *Zobrest v. Catalina Foothills School Dist.*, 113 S. Ct. 2462 (1993) (providing special education services to Catholic student not prohibited by Establishment Clause); *Witters v. Washington Dep't of Services for the Blind*, 474 U.S. 481 (1986) (upholding a State vocational rehabilitation grant to disabled student choosing to use grant for training as cleric); *Mueller v. Allen*, 463 U.S. 388 (1983) (upholding State income tax deduction for parents for educational expenses).

Subsection (k) states that nothing in this section shall be construed to preempt State constitutions or statutes which restrict the expenditure of State funds in or by religious organizations. In some States, provisions of the State constitution or a State statute prohibit the expenditure of public funds in or by sectarian institutions. It is the intent of Congress, however, to encourage States to involve religious organizations in the delivery of welfare services to the greatest extent possible. The conferees do not intend that this language be construed to require that funds provided by the Federal government referred to in subsection (a) be segregated and expended under rules different than funds provided by the State for the same purposes; however, States may revise such laws, or segregate State and Federal funds, as necessary to allow full participation in these programs by religious organizations.

In addition, the conference agreement revises Senate language on employment discrimination by religious organizations by stating that the exemption provided under section 702 of the Civil Rights Act of 1964 is not affected by participation in or receipt of funds from programs described in subsection (a).

6. TRANSFERS (SECTION 103)

A. Child Support Penalties

Present law

If a State's child support plan fails to comply substantially with Federal requirements, the Secretary is to reduce its AFDC matching funds by percentages that rise for successive violations (Sec. 403(h) of the Social Security Act).

House bill

The provision for child support review penalties—loss of Federal payments of up to 5 percent of the block grant amount—now found in 403(h) of part A of the Social Security Act is retained in the block grant.

Senate amendment

No provision. However, there is a penalty assessed against States for failure to enforce penalties requested by child support agency against recipients who do not cooperate in establishing paternity.

Conference agreement

The conference agreement follows the House bill.

B. Assistant Secretary for Family Support

Present law

An Assistant Secretary for Family Support, appointed by the President by and with consent of the Senate, is to administer AFDC, child support enforcement, and the Jobs Opportunities and Basic Skills (JOBS) program.

House bill

The provision for an Assistant Secretary for Family Support now found in section 417 of Part A of the Social Security Act is retained in the block grant (as sec. 409), but modified to remove the reference to JOBS (which the House bill repeals).

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

7. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT AND THE FOOD STAMP ACT (SECTIONS 108 AND 109)

Present law

No provision.

House bill

These sections make a series of technical amendments that conform the provisions of the House bill with various titles of the Social Security Act and the Food Stamp Act and provide for the repeal of Part F of Title IV (the JOBS program).

Senate amendment

This section makes a series of amendments that conform provisions of the Senate amendment with various titles of the Social Security Act and the Food Stamp Act.

Conference agreement

The conference agreement generally follows the House bill and the Senate amendment, with changes made as appropriate.

8. CONFORMING AMENDMENTS TO OTHER LAWS (SECTION 110)

Present law

No provision.

House bill

This section makes a series of technical amendments to conform provisions of the House bill to the Internal Revenue Code, the Omnibus Reconciliation Act of 1987, the Housing and Urban-Rural Recovery Act of 1983, the Tax Equity and Fiscal Responsibility Act of 1982, and the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.

Senate amendment

Section 107 makes a series of amendments that conform provisions of the Senate amendment to the Food Stamp Act, the Agriculture and Consumer Protection Act, the National School Lunch Act, and the Child Nutrition Act.

Section 108 makes a series of amendments that conform provisions of the Senate amendment to the Unemployment Compensation Amendments of 1976, the Omnibus Budget Reconciliation Act of 1987, the House and Urban-Rural Recovery Act of 1983, the Tax Equity and Fiscal Responsibility Act of 1982, the Social Security Amendments of 1967, the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, the Higher

Education Act of 1965, the Carl D. Perkins Vocational and Applied Technology Education Act, the Elementary and Secondary Education Act of 1965, Public Law 99-88, the Internal Revenue Code of 1986, the Wagner-Peyser Act, the Job Training Partnership Act, the Low-Income Home Energy Assistance Act of 1981, the Family Support Act of 1988, the Balanced Budget and Emergency Deficit Control Act of 1985, the Immigration and Nationality Act, the Head Start Act, and the School-to-Work Opportunities Act of 1994.

Conference agreement

The conference agreement generally follows the House bill and the Senate amendment, with changes made as appropriate.

9. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM (SECTION 114)

Present law

States must continue Medicaid (or pay premiums for employer-provided health insurance) for 6 months to a family that loses AFDC eligibility because of hours of, or income from, work of the caretaker relative, or because of loss of the earned income disregard after 4 months of work. States must offer an additional 6 months of medical assistance, for which it may require a premium payment if the family's income after child care expenses is not above the poverty guideline. For extended medical aid, families must submit specified reports. States must continue Medicaid for 4 months to those who lose AFDC because of increased child or spousal support.

House bill

Although AFDC would be repealed, its standards would continue to be used by the Medicaid program. States would have to give Medicaid to families who would have received AFDC if it still existed as in effect on March 7, 1995. The frozen AFDC rules would govern Medicaid eligibility for both recipients and non-recipients of the new block grant funds, including those categorically ineligible for cash benefits.

Senate amendment

Same as House provision except for date at which AFDC rules would be "frozen" (June 1, 1995, rather than March 7, 1995). If an AFDC waiver (as of June 1, 1995) affects Medicaid eligibility, the State has the option to continue to apply the waiver in regard to Medicaid after the date when the waiver otherwise would end.

Conference agreement

The conference agreement changes both the House bill and the Senate amendment because of pending changes in Medicaid legislation. In conforming with this legislation, conferees agree that States will determine Medicaid eligibility for recipients of block grant assistance.

10. EFFECTIVE DATES (SECTION 116)

Present law

No provision.

House bill

The amendments and repeals made by this title take effect on October 1, 1995. The authority to reduce assistance for certain families that include a child whose paternity is not established will begin 1 year after the effective date or, at the option of the State, 2 years after the effective date.

Amendments made by Title I (Block Grants for Temporary Assistance for Needy Families) shall not apply to powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, or services provided (under AFDC) before the effective date of the Act. Nor shall amendments of the bill apply to administrative actions and proceedings commenced or authorized before the effective date of the bill.

Senate amendment

AFDC is repealed effective October 1, 1995. Family assistance block grant provisions also take effect October 1, 1995 (except for penalties, most of which are effective October 1, 1996), but expire on September 30, 2000. A State may continue to operate its AFDC program for 9 months, until June 30, 1996. If it does so, its FY 1996 cash block grant under the new program shall be reduced by the amount of Federal matching funds received for that year for AFDC expenditures.

Conference agreement

Conferees agree that States must begin their block grant program under this title by 1 October, 1996. However, States have the option of initiating their block grant program at any time after the date of enactment.

11. MISCELLANEOUS

A. County Authority for Demonstration Projects

Present law

No provision.

House bill

No provision.

Senate amendment

Requires the DHHS Secretary and the Agriculture Secretary jointly to enter into negotiations with all counties having a population greater than 500,000 that desire to conduct a demonstration project in which: (1) the county shall have the authority and duty to administer the operation of the family assistance program as if the county were considered a State; (2) the State shall pass through directly to the county the portion of the block grant that the State determines is attributable to the residents of the county; and (3) the project shall last 5 years.

To be eligible: (1) a county already must be administering the Title IV-A program; (2) must represent less than 25 percent of the State's total welfare caseload; and (3) the State must have more than one county with a population of greater than 500,000.

Not later than 56 months after the end of a county demonstration project, the two Secretaries shall send a report to Congress that includes a description of the project, its rules, and innovations (if any).

Conference agreement

The conference agreement follows the House bill.

B. Collection of Overpayments from Federal Tax Refunds

Present law

No provision.

House bill

No provision.

Senate amendment

Requires the Treasury Secretary, upon notification from a State that it has overpaid a former recipient of temporary cash assistance and has attempted unsuccessfully to collect the overpayment, to collect the sum from Federal tax refunds.

Conference agreement

The conference agreement follows the Senate amendment.

C. Tamper-Proof Social Security Card (Section 111)

Present law

No provision.

House bill

No provision.

Senate amendment

Requires the Commissioner of Social Security to develop a prototype of a counterfeit-resistant social security card. The card must be made of a durable, tamper-resistant material such as plastic or polyester, employ technologies that provide security features, and be developed so as to provide individuals with reliable proof of citizenship of legal resident alien status. The Commissioner is to report to Congress on the cost of issuing a tamper-proof card for all persons over a 3-, 5-, and 10-year period. Copies of the report, along with a facsimile of the prototype card, shall be submitted to the Committees on Ways and Means and Judiciary of the House and the Committees on Finance and Judiciary of the Senate within one year of enactment.

Conference agreement

The conference agreement follows the Senate amendment except that funding is not made through Title II of the Social Security Act.

D. Disclosure of Receipt of Federal Funds (Section 112)

Present law

No provision.

House bill

No provision.

Senate amendment

Requires disclosure of specified public funds received by 501(c) organizations, which are non-profit and tax-exempt. When a 501(c) organization that accepts Federal funds under the Work Opportunity Act makes any communication that intends to promote public support or opposition to any governmental policy (Federal, State or local) through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, the communication must state: "This was prepared and paid for by an organization that accepts taxpayer dollars".

Conference agreement

The conference agreement follows the Senate amendment.

E. Projects to Expand Job Opportunities for Certain Low-Income Individuals (JOLI) (Section 113)

Present law

The Family Support Act of 1988 (Sec. 505) directed the Secretary to enter into agreement with between 5 and 10 nonprofit organizations to conduct demonstrations to create job opportunities for AFDC recipients and other low-income persons. For these projects, $6.5 million was authorized to be appropriated for each fiscal year, 1990-1992.

House bill

No provision.

Senate amendment

Strikes the word "demonstration" from the description of these projects and converts them to grant status. The provision requires the Secretary to enter into agreements with nonprofit organizations to conduct projects that create job opportunities for recipients of family assistance and other persons with income below the poverty guideline. The sum of $25 million annually is authorized for these projects.

Conference agreement

The conference agreement follows the Senate amendment.

F. Demonstration Projects To Expand Use of Schools

Present law

The 21st Century Community Learning Centers Act (established by P.L. 103-382) makes available funds directly to rural or inner-city schools, or consortia of them, to act as centers for providing education and human resources services. Services allowed include: literacy education, parenting skills education, employment counseling, training and placement. The Elementary and Secondary Education Act includes a program called "Extend Time for Learning and Longer School Year," which support local educational agencies' efforts to lengthen learning time. Grantees may engage other community members in these efforts.

House bill

No provision.

Senate amendment

The Secretary of Education is required to make grants to not more than 5 States for demonstration grants to increase the number of hours when public school facilities are available for use. Schools selected must have a significant percentage of students receiving family assistance benefits. The longer hours are intended to enable volunteers and parents or professionals paid from other sources to teach, tutor, coach, organize, advise, or monitor students. Grants are intended also to make school facilities available for clubs, civic associations, Boy and Girl Scouts and other groups. The amendment authorizes $10 million annually (FYs 1996-2000) for grants plus $1 million annually for administration by the Secretary.

Conference agreement

The conference agreement follows the House bill (no provision).

G. Secretarial Submission of Legislative Proposal for Technical and Conforming Amendments (Section 115)

Present law

No provision.

House bill

No provision.

Senate amendment

Not later than 90 days after enactment of this Act, the Secretary must submit to the appropriate committees of Congress a legislative proposal providing for technical and conforming amendments.

Conference agreement

The conference agreement follows the Senate amendment.

TITLE II. SUPPLEMENTAL SECURITY INCOME

SUBTITLE A—ELIGIBILITY RESTRICTIONS

1. DENIAL OF SUPPLEMENTAL SECURITY INCOME BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS

A. In General

Present law

Individuals whose drug addiction or alcoholism is a contributing factor material to their disability are eligible to receive SSI cash benefits for up to three years if they meet SSI income and resource requirements. These recipients must have a representative payee, must participate in an approved treatment program when available and appropriate, and must allow their participation in a treatment program to be monitored. Medicaid benefits continue beyond the 3-year limit, as long as the individual remains disabled, unless the individual was expelled from SSI for failure to participate in a treatment program.

House bill

Under the House provision, an individual is not considered disabled if drug addiction or alcoholism is a contributing factor material to his or her disability. Individuals with drug addiction and/or alcoholism who cannot qualify based on another disabling condition will not be eligible for SSI benefits.

Senate amendment

Identical to House bill.

Conference agreement

This section was deleted from the conference agreement on H.R. 4 because it was included in H.R. 2684, The Senior Citizens' Right to Work Act.

B. Representative Payee Requirements

Present law

SSI law requires that the SSI payments of individuals whose drug addiction or alcoholism is a contributing factor material to their disability must be made to another individual, or an appropriate public or private organization (i.e., the individual's "representative payee") for the use and benefit of the individual or eligible spouse.

House bill

No provision.

Senate amendment

Under the Senate amendment, if a disabled person also has an alcoholism or drug addiction condition (as determined by the Commissioner of Social Security), their SSI checks must be sent to a representative payee.

Conference agreement

This section was deleted from the conference agreement on H.R. 4 because it was included in H.R. 2684, The Senior Citizens' Right to Work Act.

C. Treatment Referrals for Individuals With an Alcoholism or Drug Addiction Condition

Present law

Federal law requires SSI recipients whose drug addiction or alcoholism is a contributing factor material to their disability to undergo appropriate treatment, if it is available.

House bill

No provision.

Senate amendment

The Senate amendment requires the Commissioner of Social Security to refer to the appropriate State agency administering the State plan for substance abuse services any disabled SSI recipient who is identified as having an alcoholism or drug addiction condition. Any individual who refuses to accept the referred services without good cause is no longer eligible for SSI benefits.

Conference agreement

This section was deleted from the conference agreement on H.R. 4 because it was included in H.R. 2684, The Senior Citizens' Right to Work Act.

D. Conforming Amendments

E. Supplemental Funding for Alcohol and Substance Abuse Treatment Programs

Present law

SSI cash benefits are limited to 3 years for recipients whose drug addiction or alcoholism is a contributing factor material to their disability. These individuals must undergo "appropriate substance abuse treatment." While the Social Security Administration currently contracts with agencies for referral, monitoring and reporting of compliance with treatment, it does not pay for treatment. Medicaid benefits are to continue beyond the 3-year limit, as long as the individual remains disabled, unless the individual was expelled from SSI for noncompliance with treatment.

House bill

For four years beginning with FY 1997, $100 million of the savings realized from denying cash SSI payments and Medicaid coverage to individuals whose drug addiction or alcoholism is a contributing factor material to their disability will be targeted to drug treatment and drug abuse research. Each year, $95 million will be expended through the Federal Capacity Expansion Program (CEP) to expand drug treatment availability and $5 million will be allocated to the National Institute on Drug Abuse to be expended solely on the medication development project to improve drug abuse and drug treatment research.

Senate amendment

For two years beginning with FY 1997, $50 million will be spent to fund additional drug (including alcohol) treatment programs and services through Substance Abuse Prevention and Treatment Block Grant.

Conference agreement

This section was deleted from the conference agreement on H.R. 4 because it was included in H.R. 2684, The Senior Citizens' Right to Work Act.

F. Effective Dates

Present law

Not applicable.

House bill

This section of the bill becomes effective on October 1, 1995, and applies with respect to months beginning on or after that date.

Senate amendment

Generally, changes apply to applicants for benefits for months beginning on or after the date of enactment. An individual receiving benefits on the date of enactment whose eligibility would end would continue to be eligible for benefits until January 1, 1997. The Commissioner of Social Security shall notify individuals losing eligibility within three months of the date of enactment.

In addition, in the case of an individual with an alcoholism or drug addiction condition who is receiving SSI benefits on the date of enactment, the representative payee requirement will apply on or after the first continuing disability review occurring after enactment. For recipients with an addiction who are over the age of 65, the Commissioner will determine appropriate representative payee requirements.

Conference agreement

This section was deleted from the conference agreement on H.R. 4 because it was included in H.R. 2684, The Senior Citizens' Right to Work Act.

Reapplication

Present law

Not applicable.

House bill

No provision.

Senate amendment

Individuals receiving SSI benefits on the date of enactment who are notified of their termination of eligibility and who desire to reapply for benefits must do so within four months after the date of enactment. The Commissioner of Social Security will determine within one year after the date of enactment the eligibility of individuals who reapply.

Conference agreement

This section was deleted from the conference agreement on H.R. 4 because it was

included in H.R. 2684, The Senior Citizens' Right to Work Act.

2. 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 201)

See description in section 103 of title 1 of the conference agreement.

SUBTITLE B—BENEFITS FOR DISABLED CHILDREN

1. DEFINITION AND ELIGIBILITY RULES (SECTION 211)

A. Definition of Childhood Disability

Comparable severity repealed

Present law

A needy individual under age 18 is determined eligible for SSI "if he suffers from any medically determinable physical or mental impairment of comparable severity" with that of an adult considered work disabled and otherwise eligible for SSI benefits.

House bill

The "comparable severity" test in statute for determining disability of children (defined as individuals under 18) is repealed.

Senate amendment

Similar to the House bill.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

Disability definition

Present law

There is no definition of childhood disability in the statute. Under current disability evaluation procedures, to be found disabled, a child must have a medically determinable physical or mental impairment that substantially reduces his or her ability to independently and effectively engage in age-appropriate activities. This impairment must be expected to result in death or to last for a continuous period of not less than 12 months.

House bill

Eligibility, as determined by the Commissioner of Social Security, for cash benefits or new medical or non-medical services described below will be based solely on: (1) meeting the non-disability-related requirement for eligibility; (2) meeting or equalling the current Listing of Impairments set forth in the Code of Federal Regulations (i.e., the Listing which is currently in regulations is to be codified in statute); and (3) being a disabled SSI recipient in the month prior to this provision's effective date or being in a hospital, skilled nursing facility, residential treatment facility, intermediate care facility for the mentally retarded, or otherwise would be placed in such a facility if the child were not receiving personal assistance necessitated by the impairment. Personal assistance refers to assistance with activities of daily living such as eating and toileting.

Senate amendment

Adds a new statutory definition of childhood disability. An individual under the age of 18 is considered disabled for the purposes of this section if the 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.

Conference agreement

The conference agreement follows the Senate amendment with technical modification and provides that the Commissioner of Social Security shall submit for review to the committees of jurisdiction in the Congress any final regulation with supporting documentation pertaining to the eligibility of individuals under age 18 for SSI benefits at least 45 days before the effective date of such regulation.

By this definition, the conferees intend that only needy children with severe disabilities be eligible for children's SSI and that the Listing and other disability determination regulations as modified by the conference agreement properly reflect the severity of disability contemplated by the statutory definition. In those areas of the Listing that involve domains of functioning, the conferees expect no less than market limitations in no fewer than two domains or extreme limitations in at least one domain as the standard for qualification. The conferees are also aware that the Social Security Administration uses the term "severe" to often mean "other than minor" in an initial screening procedure for disability determination and in other places. The conferees, however, use the term "severe" in its common sense meaning.

The conferees do not intend to suggest by this definition of childhood disability that every child need be especially evaluated for functional limitations, or that this definition creates a supposition for any such examination. Under current procedures for writing individual listings, level of functioning is an explicit consideration in deciding which impairment, with what medical or other findings, are of sufficient severity to be included in the Listing. Nonetheless, the conferees do not intend to limit the use of functional assessments and functional information, if reflecting sufficient severity and are otherwise appropriate.

B. Changes to Childhood SSI Regulations

Reliance on "Listing of Impairments"

Present law

Under the disability determination process for children, individuals whose impairments do not meet or equal the "Listing of Impairments" in Federal regulations are subject to an "individualized Functional Assessment (IFA)". This assessment examines whether the child can engage in age-appropriate activities effectively. If the child cannot, he or she is determined disabled.

House bill

The Commissioner of Social Security must annually report to Congress on the Listings and recommend any needed revisions. Individualized functional assessments are no longer grounds for determination of disability.

Senate amendment

The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in the Code of Federal Regulations.

Conference agreement

The conference agreement follows the Senate amendment. The conferees agree that a significant amount of the growth of the children's SSI program resulted from regulations issued in 1991 by the Social Security Administration establishing the individualized functional assessment which liberalized program eligibility criteria beyond Congressional intent. Children with modest conditions or impairments were made eligible for SSI due to the individualized functional assessment, and therefore should not be eligible for SSI benefits.

Multiple references to "Maladaptive Behavior" eliminated

Present law

Under the disability determination process for children, the Social Security Administration first determines if a child meets or equals the Listings of Impairments. Under the Listings that relate to mental disorders, maladaptive behavior may be scored twice, in domains of social functioning and of personal/behavior functioning.

House bill

No provision.

Senate amendment

Requires the Commissioner of Social Security to eliminate references in the Listing to maladaptive behavior among medical criteria for evaluation of mental and emotional disorders in the domain of personal/behavioral function.

Conference agreement

The conference agreement follows the Senate amendment.

C. Medical Improvement Review Standard as it Applies to Individuals Under the Age of 18

This section in the legislative language contains technical modifications to the medical improvement review standard based on the new definition of childhood disability.

D. Amount of Benefits

Present law

A child who is determined to be disabled and who is eligible on the basis of his income and resources shall be paid benefits. If the child lives at home, the parents' financial resources are deemed available to the child. If the same child is institutionalized, after the first month away home only the child's own financial resources are deemed to be available for the child's care. The child may then qualify for a reduced ("personal needs allowance") SSI benefit and for Medicare coverage. Because of these "deeming" rules, some children who could have been cared for at home might remain in institutions because, if they were to return home, they would lose Medicaid benefits. Medicaid "waivers" allow States to disregard the deeming rule, provide Medicaid coverage, and pay for support services to help families keep children at home.

House bill

Children may be eligible for cash SSI payments in one of three circumstances:

(1) if a child who is currently (defined as during the month prior to the first month for which this provision takes effect) receiving cash SSI payments by reason of disability will continue to be eligible for cash SSI benefits if the child has an impairment that meets or equals an impairment specified in the Listing of Impairments. Children receiving cash benefits under the grandfather provision whose financial eligibility is suspended would continue to receive cash benefits if financial eligibility is restored;

(2) for all other children, a child may only receive cash SSI payments if the child has an impairment which meets or equals an impairment specified in the Listings of Impairments cited above, and is either in a hospital, skilled nursing facility, residential treatment facility, intermediate care facility for the mentally retarded, or otherwise would be placed in such a facility if the child were not receiving personal assistance necessitated by the impairment. Personal assistance refers to assistance with activities of daily living such as eating and toiling; and

(3) if a child who is overseas as a dependent of a member of the U.S. Armed Forces and

who is eligible for block grant services but not eligible for cash benefits under the new criteria shall be eligible for cash benefits. Cash benefits cease when the child returns to the United States.

Senate amendment

No provision.

Conference agreement

The conference agreement follows a modified version of the House bill. Once an eligible child is determined to meet the definition of disability, the amount of the individual's cash benefit will be based on whether the child meets the newly developed criteria for needing personal assistance enabling the child to remain with their family at home. This criteria is as follows:

For a child under age 6—such individual has a medical impairment that severely limits the individual's ability to function in a manner appropriate to individuals of the same age and who without special personal assistance would require specialized care outside the individual's home; or

For a child age 6 or over—such individual requires personal care assistance with: (a) at least two activities of daily living, (b) continual 24-hour supervision or monitoring to avoid causing injury or harm to self or others, or (c) the administration of medical treatment; and who without such assistance would require full-time or part-time specialized care outside the individual's home.

The conferees have provided a different definition of the eligibility for children under age 6 and over age 6 because of the differing expectations of age appropriate behavior for children above and below this age. As described below, the conferees have requested the Commissioner of Social Security to undertake a study on ways to improve these definitions and the disability determination process.

Children with disabilities meeting this criteria will receive 100 percent of the benefit amount provided by current law. Disabled children who do not meet this criteria will receive seventy-five percent of the benefit amount provided by current law. The conferees note that the SSI benefit under either tier is very generous. In 1995, the average SSI benefit for a child recipient is $5,040. Seventy-five percent of that benefit would be $3,780. Both the maximum children's SSI benefit or seventy-five percent of the maximum benefit is greater than the maximum 1995 AFDC benefit for a family of three in many States.

The conferees acknowledge that many families of disabled children incur expenses beyond those by families of nondisabled children. However, the conferees agree that the extra expenses related to a child's disability vary widely depending on the nature and degree of disability and the availability of Federal, State, and local health care and/or disability programs. In order to reduce the inequity of the current system which provides one benefit level to all families without regard to additional disability-related financial needs, the conferees agree to establish a two-tiered benefit system. The higher tier is intended for families of children with the most severe disabilities who require full or part-time personal assistance which would prevent a parent from working full-time or which would require the presence of a personal assistance provider.

The conferees also believe that Congress should investigate whether the unmet needs of families of disabled children could be better and more efficiently met through services, such as mental health treatment or purchase of items of assistive technology, rather than cash payments. In the twenty-three years since the SSI program was created, substantial new Federal programs have been authorized to assist children with disabilities, including Federal, State and local funding of special education and expansion of Medicaid. The impact of these programs on cash needs of children with disabilities merits further investigation by Congress.

E. Effective Dates and Other Changes

Present law

Not applicable.

House bill

Changes apply to benefits for months beginning ninety or more days after enactment, without regard to whether regulations have been issued. Recipients of SSI cash benefits during the month of enactment who would lose eligibility under the House bill may continue to receive SSI benefits for up to 6 months.

Senate amendment

The Senate amendment changes apply to applicants for months beginning on or after the date of enactment, without regard to whether regulations have been issued. However, the Commissioner must issue necessary regulations within two months of enactment. For child SSI recipients who were eligible for SSI on the date of enactment but who would lose eligibility under the Senate amendment, the changes would not take effect until January 1, 1997. The Commissioner is to redetermine the eligibility of these persons within one year of enactment.

Conference agreement

The conference agreement follows the Senate amendment with modification that the effective date for the two-tiered benefit system is January 1, 1997, for current recipients and new applications. The conferees agreed to require the Commissioner to report to Congress within 180 days regarding the progress made in implementing the SSI children's provisions.

Notice

Present law

Not applicable.

House bill

Not later than one month after the date of enactment, the Commissioner must notify individuals whose eligibility for SSI benefits will terminate.

Senate amendment

Within three months of enactment, the Commissioner must notify individuals whose eligibility for SSI will terminate.

Conference agreement

The conference agreement follows the Senate amendment.

New provision for administrative funds for the Social Security Administration

Present law

Not applicable.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The conferees recognize that implementation of the SSI provisions by the Social Security Administration is a big job and have provided $300 million to assist the agency meeting its obligations. The conferees are very mindful of the problems encountered by the Social Security Administration in the early 1980s in conducting a large number of redeterminations and continuing disability reviews, and strongly urge the Commissioner to conduct the redeterminations and continuing disability reviews required in this bill in an orderly and careful manner.

Block grants to States for children with disabilities

Entitlement to grants

Present law

Not applicable.

House bill

Each State that meets the requirements listed below for FY 1997 or later years shall be entitled to receive a grant equal to the State's allotment for that fiscal year. The Commissioner of Social Security will make block grants to States for the purpose of providing specified medical and non-medical benefits for children who have an impairment which meets or equals an impairment specified in the Listing of Impairments. Grants are an entitlement to eligible States on behalf of qualifying children, not an entitlement to any such child.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

Requirements

Present law

Not applicable.

House bill

Each State must establish a program to provide block grant services. The State will submit to the Commissioner an application for the grant. In the application, the State agrees it must spend grant funds to provide authorized services designed to meet the unique needs of qualifying children. The application must also contain information, agreements, and assurances required by the Commissioner. In providing authorized services, States will make every reasonable effort to obtain payment for the services from other Federal or State programs that provide such services. States will expend the grant only to the extent that payments from other programs are not available.

In order to receive a block grant under this section, the State must agree to maintain non-Federal spending for any purposes designed to meet the needs of qualifying children with physical or mental impairments. States have discretion to select the purposes for which the State expends non-Federal amounts, within the purpose of providing for the needs of qualifying children. The Consumer Price Index will be used to adjust for inflation in judging whether the State meets the maintenance of effort requirements in future years.

No child who has an impairment which meets or equals an impairment specified in the Listing of Impairments will be denied the opportunity to apply for services and to have his or her case assessed to determine the child's service needs.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

Authority of State

Present law

Not applicable.

House bill

The following decisions are in the discretion of a State:

(1) which authorized services to provide;

(2) who among qualifying children receives services; and

(3) the number of services provided a qualifying child and their duration.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

Authorized services

Present law

Not applicable.

House bill

The Commissioner shall issue regulations designating the purposes for which grants may be spent by States. The Commissioner must ensure that services on the list are designed to meet the unique needs of qualifying children that arise from their physical and mental impairments, that both medical and non-medical services are included, and that cash assistance is not available through the block grant.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

General provisions

Present law

Not applicable.

House bill

Necessary regulations are to be issued, but payments under the block grant must begin not later than January 1, 1997, regardless of whether final rules have been issued.

The value of the authorized services provided through the block grant cannot be taken into account in determining eligibility for, or the amount of, benefits or services under any Federal or federally-assisted program. For the purposes of Medicaid, each qualifying child shall be considered to be a recipient of Supplemental Security Income benefits under this title.

States are encouraged to use an existing delivery system to administer block grant services.

States that do not participate in offering block grant services are not permitted to use social security numbers in the administration of any tax, public assistance, driver's license or motor vehicle registration law. (Because of the extreme duress this would impose on States, this is regarded as effectively a "requirement.")

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

Definitions

Present law

Not applicable.

House bill

A State's "Allotment" of block grant funds equals the product of 75 percent of the average cash SSI benefit in the State and the number of children in the State receiving non-cash SSI benefits under this section.

"Authorized Service" means each service authorized by the Commissioner.

A "Qualifying Child" means an individual under 18 years of age who is eligible for cash benefits under this title by reason of disability; or an individual under 18 years of age who is eligible for SSI non-cash benefits as described above. The Commissioner will determine whether individuals meet the criteria to the eligible for block grant services.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

Effective date

Present law

Not applicable.

House bill

Block grants are available to eligible States beginning in FY 1997.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

2. Eligibility redeterminations and continuing disability reviews (section 212)

A. Continuing Disability Reviews Relating to Certain Children

Present law

Federal law requires that SSI recipients be subject to a Continuing Disability Review (CDR) at least once every 3 years, except for recipients whose impairments are judged to be permanent. The Commissioner is required to conduct periodic CDRs of at least 100,000 disabled SSI recipients per year for a period of 3 years (i.e., FY 1996–1998) and report to Congress on CDRs for disabled SSI recipients no later than October 1, 1998.

House bill

In addition to the provisions of current law, at least once every 3 years the Commissioner must conduct CDRs for SSI benefits of children receiving benefits. For children who are eligible for benefits and whose medical condition is not expected to improve, the requirement to perform such reviews does not apply

Senate amendment

Same as the House bill, with minor differences in wording. At the time of review the parent or guardian must present evidence demonstrating that the recipient is and has been receiving appropriate treatment for his or her disability.

Conference agreement

The conference agreement generally follows the Senate amendment with modification requiring evidence of needed treatment for continued representative payee status.

B. Disability Eligibility Redeterminations Required for SSI Recipients Who Attain 18 Years of Age

Present law

Current law also specifies that the Commissioner must reevaluate under adult disability criteria the eligibility of at least one-third of SSI children who turn age 18 in each of the fiscal years 1996, 1997, and 1998 (the CDR must be completed before these children reach age 19) and report to Congress no later than October 1, 1998, on CDRs for disabled children.

House bill

The eligibility for all children qualifying for SSI benefits must be redetermined using the adult criteria within one year after turning 18 years of age. The review will be considered a substitute for any other review required under the changes made in this section.

Not later than October 1, 1998, the Commissioner of Social Security must submit to the House Committee on Ways and Means and the Senate Committee on Finance a report on disability reviews for children enrolled in SSI.

The "minimum number of reviews" and the "sunset" provisions of section 207 of the Social Security Independence and Program Improvements Act of 1994 are eliminated.

Senate amendment

Same as the House bill with differences in wording. Like the House bill, the Senate amendment repeals section 207 of the Social Security Independence and Program Improvements Act of 1994.

Conference agreement

The conference agreement generally follows the House bill with modification that the Commissioner does not have to submit a report to Congress on disability reviews for SSI children.

C. Continuing Disability Review Required for Low Birth Weight Babies

Present law

Not applicable.

House bill

A review for continuing disability must be performed for all children qualifying for SSI due to low birth weight when the child has received benefits for 12 months.

Senate amendment

A review must be conducted 12 months after the birth of a child whose low birth weight is a contributing factor to the child's disability. At the time of review, the parent or guardian must present evidence demonstrating that the recipient is and has been receiving appropriate treatment for his or her disability.

Conference agreement

The conference agreement follows the Senate amendment with modification requiring evidence of needed treatment for continued representative payee status.

D. Effective Date

Present law

Not applicable.

House bill

This section applies to benefits for months beginning ninety or more days after enactment, regardless of whether regulations have been issued.

Senate amendment

Applies to benefits for months beginning on or after the date of enactment, regardless of whether regulations have been issued.

Conference agreement

The conference agreement follows the Senate amendment.

3. Additional accountability requirements (section 213)

A. Disposal Of Resources for Less Than Fair Market Value

Present law

No provision. There is a transfer of assets provision in Medicaid law that is similar to H.R. 4 provision (Sec. 1917(c) of the Social Security Act).

House bill

The House bill delays eligibility for any child applicant whose parents or guardians, in order to qualify a child for benefits, dispose of assets for less than fair market value within 36 months of the date of application. The provision stipulates that any assets in a trust in which the child (i.e., parent or representative payee) has control shall be considered assets of the child and subject to the

36-month "look-back" rule. The delay (in months) is equal to the amount of assets divided by the SSI standard benefit.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical modifications.

B. Treatment of Assets Held in Trust

This section is included in the law as a result of technical changes submitted by the Social Security Administration.

C. Requirement to Establish Account

Present law

Not applicable.

House bill

No provision.

Senate amendment

At the request of the representative payee (i.e., the parent), the Commissioner of Social Security may pay any lump sum payment for the benefit of a child into a dedicated savings account for the purpose of covering the costs of needs related to the child's disability and/or increasing the child's independence. The dedicated savings account could only be used to purchase education and job skills training, special equipment or housing modifications related to the child's disability, and appropriate therapy and rehabilitation. The funds in these accounts would not be counted as resources in determining SSI eligibility. This provision would take effect upon enactment.

Conference agreement

The conference agreement generally follows the Senate amendment with modification requiring the dedicated savings account (instead of it being optional at the request of the representative payee), expanding the list of allowable expenses, and requiring the Commissioner to establish a system for accountability monitoring.

Conforming amendments

Present law

Not applicable.

House bill

The House bill makes a number of conforming amendments, reflecting the addition of non-cash SSI benefits as described above.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate Amendment (i.e. no provision).

Improvements to disability evaluations for children

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Senate amendment directs the Commissioner of Social Security, within sixty days of enactment, to issue a request for comments in the Federal Register regarding improvements in the disability evaluation and determination procedures for children under age 18. The Commissioner must review the comments and issue regulations implementing changes within 18 months after enactment.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

Temporary eligibity for cash benefits for poor disabled children residing in States applying alternative income eligibility standards under medicaid

Present law

States generally are required to provide Medicaid coverage for recipients of SSI. However, States may use more restrictive eligibility standards for Medicaid than those for SSI if they were using those standards on January 1, 1972 (before implementation of SSI). States that have chosen to apply at least one more restrictive standard are known as "section 209(b)" States, after the section of the Social Security Amendments of 1972 (P.L. 92-603) that established the option. These States may vary in their definition of disability, or in their standards related to income or resources. There are 12 section 209(b) States: Connecticut, Hawaii, Illinois, Indiana, Minnesota, Missouri New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, and Virginia.

House bill

The House bill provides for temporary eligibility for cash SSI benefits (through the end of FY 1996) for children who live in States that apply alternative income eligibility standards under Medicaid (also known as "209(b)" States).

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

4. REDUCTION OF CASH BENEFITS PAYABLE TO INSTITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS ARE COVFRED BY PRIVATE INSURANCE (SECTION 214)

Present law

Federal law stipulates that when an individual enters a hospital or other medical institution in which more than half of the bill is paid by the Medicaid program, his or her monthly SSI benefit standard is reduced to $30 per month. This personal needs allowance is intended to pay for small personal expenses, with the cost of maintenance and medical care provided by the Medicaid program.

House bill

Cash SSI payments to institutionalized children would be reduced for those whose medical costs are covered by private insurance.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Additional accountability requirements for parents or guardians

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Senate amendment requires a disabled child's representative payee (usually the parent) to document expenditures. These expenditures would be subject to increased review by the Social Security Administration. Effective for benefits paid after enactment.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

5. REGULATIONS (SECTION 215)

Present law

Not applicable.

House bill

The Commissioner of Social Security and the Secretary of HHS will prescribe necessary regulations within three months after enactment of this Act.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Examination of mental listing used to determine eligibility of children for SSI benefits by reason of disability

Present law

Section 202 of the Social Security Independence and Program Improvements Act of 1994 established a Childhood Disability Commission to study the desirability and methods of increasing the extent to which benefits are used in the effort to assist disabled children in achieving independence and engaging in substantial gainful activity. The Commission was also charged with examining the effects of the SSI program on disabled children and their families.

House bill

The Childhood Disability Commission must review the mental listing used by the Social Security Administration to determine child SSI eligibility. The Commission should conduct this investigation to ensure that the criteria in these listings are appropriate and that SSI eligibility is limited to children with serious disabilities for whom Federal assistance is necessary to improve the child's condition or quality of life.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision) due to the Childhood Disability Commission having completed their final report.

Limitation on payments to Puerto Rico, the U.S. Virgin Islands and Guam under programs of aid to the aged, blind, or disabled

See description in section 108 of title I of the conference agreement.

SUBTITLE C—STATE SUPPLEMENTATION PROGRAMS

1. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENT APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS (SECTION 221)

Present law

Since the beginning of the SSI program, States have had the option to supplement (with State funds) the Federal SSI payment. The purpose of section 1618 was to encourage States to pass along to SSI recipients the amount of any Federal SSI benefit increase. Under section 1618, a State that is found to be not in compliance with the "pass along/maintenance of effort provision" is subject to loss of its Medicaid reimbursements. Section 1618 allows States to comply with the "pass along/maintenance of effort" provision by either maintaining their State supplementary payment levels at or above 1983 levels or by maintaining total annual expenditures for supplementary payments (including any Federal cost-of-living adjustment) at a level at least equal to their prior 12-month period, provided the State was in compliance for that period. In effect, section 1618 requires that once a State elects to provide supplementary payments it must continue to do so. [Sec. 1618 of the Social Security Act]

House bill

The House bill repeals the maintenance of effort requirements (Sec. 1618) applicable to

optional State programs for supplementation of SSI benefits effective date of enactment.

Senate amendment

Similar to the House bill.

Conference agreement

The conference agreement follows the Senate amendment with modification that the effective date is the date of enactment.

Limited Eligibility of Noncitizens for SSI Benefits

See description in title IV of the conference agreement.

SUBTITLE D—STUDIES REGARDING SUPPLEMENTAL SECURITY INCOME PROGRAM

1. ANNUAL REPORT ON SSI (SECTION 231)

Present law

To date, the Department of Health and Human Services and now the Social Security Administration have collected, compiled, and published annual and monthly SSI data, but Federal law does not require an annual report on the SSI program.

House bill

No provision.

Senate amendment

The Senate amendment requires the Commissioner of Social Security to prepare and provide to the President and the Congress an annual report on the SSI program, which includes specified information and data. The report is due May 30 of each year.

Conference agreement

The conference agreement follows the Senate amendment.

2. STUDY OF DISABILITY DETERMINATION PROCESS (SECTION 232)

Present law

Not applicable.

House bill

No provision.

Senate amendment

Within 90 days of enactment, the Commissioner must contract with the National Academy of Sciences or another independent entity to conduct a comprehensive study of the disability determination process for SSI and SSDI. The study must examine the validity, reliability and consistency with current scientific standards of the Listings of Impairments cited above.

The study must also examine the appropriateness of the definitions of disability (and possible alternatives) used in connection with SSI and SSDI; and the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical or mental impairments.

The Commissioner must issue interim and final reports of the findings and recommendations of the study within 18 months and 24 months, respectively, from the date of contract for the study.

Conference agreement

The conference agreement follows the Senate amendment.

3. GENERAL ACCOUNTING OFFICE STUDY (SECTION 233)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Senate amendment requires the General Accounting Office to study and report on the impact of title II of the Senate amendment on the SSI program by January 1, 1998.

Conference agreement

The conference agreement follows the Senate amendment with modification that the study also include extra expenses incurred by families of children receiving SSI that are not covered by other Federal, State, or local programs.

SUBTITLE E—NATIONAL COMMISSION ON THE FUTURE OF DISABILITY

1. ESTABLISHMENT (SECTION 241)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission is established and expenses are to be paid from funds appropriated to the Social Security Administration.

Conference Agreement

The conference agreement follows the Senate amendment with modification that there are authorized to be appropriated such sums as are necessary to carry out the purpose of the Commission.

2. DUTIES (SECTION 242)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission must study all matters related to the nature, purpose and adequacy of all Federal programs for the disabled, and especially SSI and SSDI.

The Commission must examine: projected growth in the number of individuals with disabilities and the implications for program planning; possible performance standards for disability programs; the adequacy of Federal rehabilitation research and training; and the adequacy of policy research available to the Federal government and possible improvements.

The Commission must submit to the President and the proper Congressional committees recommendations and possible legislative proposals effecting needed program changes.

Conference agreement

The conference agreement follows the Senate amendment.

3. MEMBERSHIP (SECTION 243)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission is to be composed of 15 members, appointed by the President and Congressional leadership. Members are to be chosen based on their education, training or experience, with consideration for representing the diversity of individuals with disabilities in the U.S.

The Comptroller General must serve as an ex officio member of the Commission to advise on the methodology of the study. With the exception of the Comptroller General, no officer or employee of any government may serve on the Commission.

Members are to be appointed not later than 60 days after enactment. Members serve for the life of the Commission, which will be headquartered in D.C. and meet at least quarterly.

The Senate amendment includes a number of specific requirements on the Commission regarding quorums, the naming of chairpersons, member replacement, and benefits.

Conference agreement

The conference agreement follows the Senate amendment with modification deleting the Comptroller General as a ex officio member and deleting the prohibition against officer or employee of any government being appointed to serve on the Commission. The conferees added that the Commission membership will also reflect the general interest of the business and taxpaying community, both of which are often impacted by Federal disability policy.

4. STAFF AND SUPPORT SERVICES (SECTION 244)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission will have a director, appointed by the Chair, and appropriate staff, resources, and facilities.

Conference agreement

The conference agreement follows the Senate amendment.

5. POWERS (SECTION 245)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission may conduct public hearings and obtain information from Federal agencies necessary to perform its duties.

Conference agreement

The conference agreement follows the Senate amendment.

6. REPORTS (SECTION 246)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission must issue an interim report to Congress and the President not later than 1 year prior to terminating. A final public report must be submitted prior to termination.

Conference agreement

The conference agreement follows the Senate amendment.

7. TERMINATION (SECTION 247)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission will terminate 2 years after first having met and named a chair and vice chair.

Conference agreement

The conference agreement follows the Senate amendment.

SUBTITLE F—RETIREMENT AGE ELIGIBILITY

1. ELIGIBILITY FOR SSI BENEFITS BASED ON SOCIAL SECURITY RETIREMENT AGE (SECTION 251)

Present law

The SSI program guarantees a minimum level of cash income to all aged, blind, or disabled persons with limited resources. The

SSI program defines "aged" as persons age 65 and older.

House bill

No provision.

Senate amendment

The Senate amendment deletes references to age 65 and instead defines as "aged" those persons who reach "retirement age" as defined by the Social Security program. The Social Security "retirement age"—the age at which retired workers receive benefits that are not reduced for "early retirement"—gradually will rise from 65 to 67. It will do so in two steps. First, the retirement age will increase by 2 months for each year that a person was born after 1937, until it reaches age 66 for those born in 1943 (i.e., those who attain age 66 in 2009). Second, it will again increase by 2 months for each year that a person was born after 1954 until it reaches age 67 for those born after 1959.

Conference agreement

The conference agreement follows the Senate amendment.

TITLE III. CHILD SUPPORT ENFORCEMENT

SUBTITLE A—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

1. REFERENCES (SECTION 300)

Present law

No provision.

House bill

Any reference in this title expressed in terms of an amendment to or repeal of a section or other provision is made to the Social Security Act.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

2. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES (SECTION 301)

Present law

States are required to establish paternity for children born out of wedlock if they are recipients of AFDC or Medicaid, and to obtain child and spousal support payments from noncustodial parents of children receiving AFDC, Medicaid benefits, or foster care maintenance payments. States must provide child support collection or paternity determination services to persons not otherwise eligible if the person applies for services. Federal law requires States to cooperate with other States in establishing paternity (if necessary), locating absent parents, collecting child support payments, and carrying out other child support enforcement functions.

House bill

States must provide services, including paternity establishment and establishment, modification, or enforcement of support obligations, for children receiving benefits under part A (Temporary Assistance for Needy Families block grant-TANF), part B (child protection block grant), Medicaid, and any child of an individual who applies for services. States must enforce support obligations with respect to children in their caseload and the custodial parents of such children. States must also make child support enforcement services available to individuals not residing within the State on the same terms as to individuals residing within the State. The provision also makes minor technical amendments to SSA section 454.

Senate amendment

Similar to House provision with one exception: instead of reference to part B as in House bill, reference is to part E—foster care and adoption assistance.

Conference agreement

The conference agreement follows the House bill and Senate amendment except the House recedes by agreeing that States be required to provide child support services only to children actually receiving foster care payments.

3. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS (SECTIONS 302 AND 374)

A. Distribution of Collected Support

Present law

To receive AFDC benefits, a custodial parent must assign to the State any right to collect child support payments. This assignment covers current support and any arrearages, and lasts as long as the family receives AFDC. Federal law requires that child support collections be distributed as follows: First, up to the first $50 in current support is paid to the AFDC family (a "disregard" that does not affect the family's AFDC benefit or eligibility status). Second, the Federal and State governments are reimbursed for the AFDC benefit paid to the family in that month. Third, if there is money left, the family receives it up to the amount of the current month's child support obligation. Fourth, if there is still money left, the State keeps it to reimburse itself for any arrearages owed to it under the AFDC assignment (with appropriate reimbursement of the Federal share of the collection to the Federal government). If no arrearages are owed the State, the money is used to pay arrearages to the family; such moneys are considered income under the AFDC program and would reduce the family's AFDC benefit.

House bill

To receive funds from the Temporary Assistance for Needy Families (TANF) block grant, custodial parents must assign to the State their right to child support payments. The bill ends the $50 child support disregard to (TANF) families. Families receiving cash assistance—States are given the option of passing the entire child support payments through to families. If States elect this option, they must pay the Federal share of the collection to the Federal government. Families that formerly received cash assistance—Current child support payments go to the family. Payments on arrearages that accrued before or after the custodial parent received cash assistance are paid to the family first if the family leaves welfare. Only after all arrearages owed to the custodial parent and children have been repaid are arrearages owed to the State and Federal government repaid. Payments on arrearages that accrued while the family received assistance must be retained by the State. The State is required to keep the State share of the collected amount, and pay to the Federal government the Federal share of the amount collected (to the extent necessary to reimburse amounts paid to the family as cash assistance). As a general rule, States must pay to the Federal government the Federal share of child support collections for parents on the Temporary Family Assistance program. This share is calculated using the State's Medicaid match rate in effect in 1995 or in subsequent years, whichever is greater. Families that never received cash assistance—All child support payments go directly to the family.

Senate amendment

Any rights to child support that were assigned to the State before the effective date of the amendment are to remain so assigned. Gives States the option of requiring TANF applicants and recipients to assign to the State their rights to child support payments. The amendment eliminates references (in both the TANF block grant title of the amendment and the CSE title) to the $50 child support disregard, but does not explicitly eliminate the $50 child support disregard. Families receiving cash assistance—States are given the option of passing the entire child support payment through to families. If States elect this option, they must pay the Federal share of the collection to the Federal government. Families that formerly received cash assistance—Current child support payments go to the family. Payments on arrearages that accrued after the custodial parent left welfare are paid to the family. With respect to payments on arrearages that accrued before or while the family received assistance, the State may retain all or part of the State share, and if the State does so, it must retain and pay to the Federal Government the Federal share (to the extent the amount retained does not exceed the cash assistance paid to the family). The Federal share is calculated using the State's Medicaid match rate in effect in 1995 or in subsequent years, whichever is greater. Families that never received cash assistance—All child support payments go directly to the family. In addition, in the case of a family receiving cash assistance from an Indian tribe, the child support collection is to be distributed according to the agreement specified in the State plan.

Conference agreement

The conference agreement modifies the House bill and Senate amendment as follows: (1) the $50 pass-through is ended; (2) beginning October 1, 1997, arrearages that accumulate during the period after the family leaves welfare are paid to the family prior to any payments to the State for assigned support; and (3) beginning October 1, 2000, arrearages that accumulated during the period before the custodial parent went on welfare are also paid to the family prior to any payments to the State for assigned support. (This includes pre-welfare arrearages that were assigned to the State on or after October 1, 1997 but that were not collected prior to October 1, 2000.) An exception is made for any collections through the tax refund intercept program, which are paid to the State first, up to the amount of the remaining assigned support, prior to any payments to the family.

When fully implemented in 2000, the new order of assignment and distribution of arrearage payments, according to whether collections are made via the tax intercept or through any other method, will be as follows:

Tax intercept: First, post-welfare arrearages to State; Second, pre-welfare arrearages to State; Third, post-welfare arrearages to family; and Fourth, pre-welfare arrearages to family.

Other methods: First, post-welfare arrearages to family; Second, pre-welfare arrearages to family; Third, post-welfare arrearages to State; and Fourth, pre-welfare arrearages to State.

Conferees also agreed that if the amount of pre-welfare arrearages paid to the family exceeded the amount saved by a given State by ending the $50 passthrough and by other methods of improving collections contained in this legislation, the Federal government will pay that State an amount equal to the difference between pre-welfare arrearage payments to family and State savings caused by this legislation.

To further improve child support collections, conferees agree to close a loophole in

the bankruptcy code that allows courts to dismiss child support debts that accumulated before a child support order was legally established (see Section 374).

B. Continuation of Service for Families Ceasing to Receive Assistance

Present law

Federal law requires States to continue providing child support enforcement services to AFDC, Medicaid, and foster care families who no longer qualify for AFDC benefits on the same basis as in the case of those who receive benefits or services, except that no application or request for services is required.

House bill

When families leave the TANF program, States are required to continue providing child support enforcement services to them subject to the same conditions and on the same basis as in the case of individuals who receive assistance.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

C. Effective Date

Present law

No provision.

House bill

The effective date for provisions relating to distribution of support collected for families who formerly received cash assistance is October 1, 1995. For all others it is October 1, 1999.

Senate amendment

The effective date for distribution of support collected for families receiving cash assistance is October 1, 1999. The effective date for the clerical amendments and provisions relating to the distribution of child support collected for families who formerly received cash assistance or who never received cash assistance is October 1, 1995.

Conference agreement

The effective date for ending the $50 passthrough is October 1, 1996 or sooner at State option. The effective date for implementing the new distribution rules applying to postwelfare arrearages is October 1, 1997; for prewelfare arrearages, the effective date is October 1, 2000.

4. PRIVACY SAFEGUARDS (SECTION 303)

Present law

Federal law limits the use or disclosure of information concerning recipients of Child Support Enforcement Services to purposes connected with administering specified Federal welfare programs.

House bill

States must implement safeguards against unauthorized use or disclosure of information related to proceedings or actions to establish paternity or to enforce child support. These safeguards must include prohibitions on release of information where there is a protective order or where the State has reason to believe a party is at risk of physical or emotional harm from the other party. This provision is effective October 1, 1997.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

5. RIGHTS TO NOTIFICATION AND HEARING (SECTION 304)

Present law

Most States have procedural due process requirements with respect to wage withholding. Federal law requires States to carry out withholding in full compliance with all procedural due process requirements of the State.

House bill

No provision.

Senate amendment

Parties to child support cases under Title IV-D must receive notice of proceedings in which child support is established or modified and must receive a copy of orders establishing or modifying child support within 14 days of issuance. Individuals served by the child support program must also have access to a fair hearing or other complaint procedures. These rules and procedures become effective on October 1, 1997.

Conference agreement

The conference agreement is a compromise between the Senate and House provisions. The House recedes on the Senate requirement that parties be informed of hearings; the Senate recedes on the requirement for hearings in certain cases.

SUBTITLE B—LOCATE AND CASE TRACKING

6. STATE CASE REGISTRY (SECTION 311)

A. Contents

Present law

No provision.

House bill

The automated State Case Registry must contain a record on each case in which services are being provided by the State agency, as well as each support order established or modified in the State on or after October 1, 1998.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

B. Linking of Local Registries

Present law

No provision.

House bill

The Registry may be established by linking local case registries of support orders through an automated information network.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

C. Use of Standardized Data Elements

Present law

No provision.

House bill

The registry record will contain data elements on both parents, such as names, Social Security numbers and other uniform identification numbers, dates of birth, case identification numbers, and any other data to be Secretary may require.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

D. Payment Records

Present Law

Federal law requires that wage withholding be administered by a public agency capable of documenting payments of support and tracking and monitoring such payments.

House bill

Each case record will contain the amount of support owed under the order and other amounts due or overdue, any amounts that have been collected and distributed, the birth date of any child for whom the order requires the provision of support, and the amount of any lien imposed by the State.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

E. Updating and Monitoring

Present law

Federal law requires that child support orders be reviewed and adjusted, as appropriate, at least once every 3 years.

House bill

The State agency operating the registry will promptly establish and maintain and regularly update case records in the registry with respect to which services are being provided under the State plan. Updating will be based on administrative actions and administrative and judicial proceedings and orders relating to paternity and support, as well as information obtained from comparisons with Federal, State, and local sources of information, information on support collections and distributions, and any other relevant information.

Senate amendment

Identical provision.

Conference agreement.

The conference agreement follows the House bill and the Senate amendment

F. Information Comparisons and Other Disclosures

Present law

No provision.

House bill

The State automated system will be used to extract data for purposes of sharing and matching with Federal and State data bases and locator services, including the Federal Case Registry of Child Support Orders, the Federal Parent Locator Service, Temporary Assistance for Needy Families and Medicaid agencies, and intra- and interstate information comparisons.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

7. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS (SECTION 312)

A. State Disbursement Unit

Present law

No provision. But States may provide that, at the request of either parent, child support payments be made through the child support enforcement agency or the agency that administers the State's income withholding system regardless of whether there is an arrearage. States must charge the parent who requests child support services a fee equal to the cost incurred by the State for these services, up to a maximum of $25 per year.

House bill

By October 1, 1998, State child support agencies are required to operate a centralized, automated unit for collection and disbursement of payments on child support orders enforced by the child support agency. The specifics of how States will establish and operate their State Disbursement Unit must be outlined in the State plan.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

B. Operation

Present law

No provision.

House bill

The State Disbursement Unit must be operated directly by the State agency, by two or more State agencies under a regional cooperative agreement, or by a contractor responsible directly to the State agency.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

C. Linking of Local Disbursement Units

Present law

No provision.

House bill

The State Disbursement Unit may be established by linking local disbursement units through an automated information network. The Secretary must agree that the system will not cost more nor take more time to establish than a centralized system. In addition, employers shall be given one location per State to which income withholding is sent.

Senate amendment

Similar provision except that whereas the House requires only that the linked local system not cost more or take more time to establish than the single State system, the Senate adds the condition that the local system also cannot take more time to operate.

Conference agreement

The House recedes to the Senate provision allowing States to establish their State Disbursement Unit by linking local disbursement units only if linking units does not cost more money nor take more time to establish and to operate.

D. Required Procedures

Present law

No provision.

House bill

The Disbursement Unit will be used to collect and disburse support payments, to generate orders and notices of withholding to employers, to keep an accurate identification of payments, to promptly distribute money to custodial parents or other States, and to furnish parents with a record of the current status of support payments. The Unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

E. Timing of Disbursements

Present law

No provision.

House bill

The Disbursement Unit must distribute all amounts payable within 2 business days after receiving money and identifying information from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

Senate amendment

Similar to House provision, except permits the retention of arrearages in the case of appeals until they are resolved.

Conference agreement

The Conference agreement follows the House bill and the Senate amendment except that the House recedes to the Senate requirement that States be allowed to retain arrearages in the case of appeals until they are resolved.

F. Use of Automated System

Present law

No provision.

House bill

State must use their automated system to facilitate collection and disbursement including at least:

(1) transmission of orders and notices to employers within 2 days after receipt of the withholding notice;

(2) monitoring to identify missed payments of support; and

(3) automatic use of enforcement procedures when payments are missed.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

G. Effective Date

Present law

No provision.

House bill

This section of the bill will go into effect on October 1, 1998.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House and the Senate.

8. STATE DIRECTORY OF NEW HIRES (SECTION 313)

A. State Plan Requirement

Present law

No provision.

House bill

State plans must include the provision that by October 1, 1997, States will operate a Directory of New Hires (as outlined below).

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

B. Establishment

Present law

No provision.

House bill

States are required to establish a State Directory of New Hires to which employers and labor organizations in the State must furnish a report for each newly hired employee, unless reporting could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission as determined by the head of an agency.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment with the clarification that States that already have new hire reporting laws may continue to follow the provisions of their own law until October 1, 1997, at which time States must conform to Federal law.

C. Employer Information

Present law

No provision.

House bill

Employers must furnish to the State Directory of New Hires the name, address, and Social Security number of every new employee and the name and identification number of the employer. Multistate employers may report to the State in which they have the most employees.

Senate amendment

Similar to House provision, but allows multistate employers to report to the single State they designate. The employer must notify the DHHS Secretary as to the name of the designated State.

Conference agreement

The conference agreement follows the House bill and the Senate amendment except that the House receedes to the Senate provision allowing multistate employers to report to the State of their choice. Employers must notify the Secretary of the name of the designated State.

D. Timing of Report

Present law

No provision.

House bill

Employers must report new hire information within 15 days of the hire or on the date the employee first receives wages.

Senate amendment

Employer must report new hire information within 30 days of the hire or if the employer reports by magnetic or electronic means, the employer can report by the first business day of the week following the date on which the employee first receives wages.

Conference agreement

Conferees agree that employers must report new hire information within 20 days of the date of hire.

Employers that report new hires electronically or by magnetic tape must file twice per month; reports must be separated by not less than 12 days and not more than 16 days.

E. Reporting Format and Method

Present law

No provision.

House bill

The report required in this section will be made on a W-4 form or the equivalent, and can be transmitted magnetically, or by first class mail.

Senate amendment

Similar to House provision, but only allows the report to be filed on a W-4 form, not the equivalent.

Conference agreement

The conferees agree to follow both the House and Senate provisions except that the Senate recedes to the House provision allowing employers, at their option, to use an equivalent form. The decision of which reporting method to use is entirely up to employers.

F. Civil Money Penalties on Noncomplying Employers

Present law

In general, no provision.

Section 1128 of the Social Security Act is an antifraud provision which excludes individuals and entities that have committed fraud from participation in medicare and State health care programs. Section 1128A pertains to civil monetary penalties and describes the appropriate procedures and proceedings for such penalties.

House bill

An employer failing to make a timely report is subject to a $25 fine for each unreported employee. There is also a $500 penalty

on employers for every employee for whom they do not transmit a W-4 form if, under the laws of the State, there is shown to be a conspiracy between the employer and the employee to prevent the proper information from being filed.

The House bill makes several but not all provisions of section 1128 applicable to employers that violate reporting requirements.

Senate amendment

States have the option of setting a civil money penalty which shall be not less than $25 or $500 if, under State law, the failure is the result of a conspiracy between the employer and employee. The Senate amendment does not make any provisions of section 1128 applicable to employers.

Conference agreement

The conference agreement follows both the House and Senate provisions except that the House recedes to the Senate provision of making the penalties a State option. The application of penalties from section 1128 is dropped.

G. Entry of New Hire Information

Present law

No provision.

House bill

No provision.

Senate amendment

New hire information must be entered in the State data base within five business days of receipt from employer.

Conference agreement

The House recedes to the Senate requirement of requiring States to enter New Hire information in their data base within five business days.

H. Information Comparisons

Present law

No provision.

House bill

By October 1, 1997, each State Directory of New Hires must conduct automated matches of the Social Security numbers of reported employees against the Social Security numbers of records in the State Case Registry being enforced by the State agency and report the name, Social Security number, and employer identification number on matches to the State child support agency.

Senate amendment

Similar to House provision, except requires comparisons to begin by October 1, 1998, rather than 1997.

Conference agreement

Conferees agreed to follow the House and Senate provisions but to compromise on the date by which comparisons must begin by adopting a May 1, 1998, effective date.

I. Transmission of Information

Present law

No provision.

House bill

Within two business days of the entry of data in the registry, the State must transmit a withholding order directing the employer to withhold wages in accord with the child support order. Within four days, the State Directory of New Hires must furnish employee information to the National Directory of New Hires for matching with the records of other State case registries. The State Directory of New Hires must also report quarterly to the National Directory of New Hires information on wages and unemployment compensation taken from the quarterly report to the Secretary of Labor now required by Title III of the Social Security Act.

Senate amendment

Similar to House provision, except requires State Directory to report to the National Directory within two, rather than four, days.

Conference agreement

The conference agreement is to follow the House and Senate provisions and to compromise on the reporting date by allowing States three days to report to the National Directory of New Hires.

J. Other Uses of New Hire Information

Present law

No provision.

House bill

The State child support agency must use the new hire information for purposes of establishing paternity as well as establishing, modifying, and enforcing child support obligations. New hire information (pursuant to section 1137 of the Social Security Act) must also be disclosed to the State agency administering the Temporary Assistance for Needy Families, Medicaid, Unemployment Compensation, Food Stamp, SSI, and territorial cash assistance programs for income eligibility verification, and to State agencies administering unemployment and workers' compensation programs to assist determinations of the allowability of claims.

Senate amendment

Similar to House provision, except requires State and local government agencies to be included in quarterly wage reporting unless the agency performs intelligence or counterintelligence functions and it is determined that wage reporting could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

Conference agreement

The conference agreement allows the House and Senate provisions except that the House recedes to the Senate provision allowing State and local government agencies to exempt employees doing intelligence or counterintelligence work whose safety might be compromised by the reporting.

9. AMENDMENTS CONCERNING INCOME WITHHOLDING (SECTION 314)

Present law

Since November 1, 1990, all new or modified child support orders that were being enforced by the State's child support enforcement agency have been subject to immediate income withholding. If the noncustodial parent's wages are not subject to income withholding (pursuant to the November 1, 1990 provision), such parent's wages would become subject to withholding on the date when support payments are 30 days past due. Since January 1, 1994, the law has required States to use immediate income withholding for all new support orders, regardless of whether a parent has applied for child support enforcement services. There are two circumstances in which income withholding does not apply: (1) one of the parents demonstrates and the court or administrative agency finds that there is good cause not to do so, or (2) a written agreement is reached between both parents which provides for an alternative arrangement. States must implement procedures under which income withholding for child support can occur without the need for any amendment to the support order or for any further action by the court or administrative entity that issued the order. States are also required to implement income withholding in full compliance with all procedural due process requirements of the State, and States must send advance notice to each nonresident parent to whom income withholding applies (with an exception for some State that had income withholding before enactment of this provision that met State due process requirements). States must extend their income withholding systems to include out-of-State support orders.

House bill

States must have laws providing that all child support orders issued or modified before October 1, 1996, which are not otherwise subject to income withholding, will become subject to income withholding immediately if arrearages occur, without the need for judicial or administrative hearing. State law must also allow the child support agency to execute a withholding order through electronic means and without advance notice to the obligor. Employers must remit to the State disbursement unit income withheld within two working days after the date such amount would have been paid or credited to the employee.

Senate amendment

Similar to House provision, but requires all child support orders which are not part of the State IV-D program to be processed through the State disbursement unit. In addition, States must notify noncustodial parents that income withholding has commenced and inform them of procedures for contesting income withholding.

Conference agreement

The conference agreement follows the House and the Senate provisions except that the House recedes to the Senate provision requiring all child support orders which are not part of the State IV-D program to be processed through the State disbursement unit. In addition, States must notify noncustodial parents that income withholding has commenced and inform them of procedures for contesting income withholdng.

10. LOCATOR INFORMATION FROM INTERSTATE NETWORKS (SECTION 315)

Present law

No provision.

House bill

All State and the Federal Child Support Enforcement agencies must have access to the motor vehicle and law enforcement locator systems of all States.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

11. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE (SECTION 316)

A. Expanded Authority to Locate Individuals and Assets

Present law

The law requires that the Federal Parent Locator Service (FPLS) be used to obtain and transmit information about the location of any absent parent when that information is to be used for the purpose of enforcing child support.

House bill

The purposes of the Federal Parent Locator Service are expanded. For the purposes of establishing parentage, establishing support orders or modifying them, or enforcing support orders, the Federal Parent Locator Service will provide information to locate individuals who owe child support or against whom an obligation is sought or to whom

such an obligation is owed. Information in the FPLS includes Social Security number, address, name and address of employer, and wages and employee benefits (including information about health care coverage).

Senate amendment

Similar to House provision, except clarifies current law by stating that information from the Federal Parent Locator Service can be used to enforce visitation orders. Senate also allows FPLS to contain and provide information on assets and debts.

Conference agreement

The conference agreement is similar to both the House bill and the Senate amendment. The agreement clarifies the statute so that nonresident parents are given access to information from the FPLS if these requests are made through a court or through the State child support agency. In addition, States are required to treat requests for information from nonresident parents on the same basis and with the same priority as requests for information from the resident parent.

B. Reimbursements

Present law

Federal law requires that any department or agency of the United States must be reimbursed for costs incurred for providing requested information to the FPLS.

House bill

The Secretary is authorized to set reasonable rates for reimbursing Federal and State agencies for the cost of providing information to the FPLS and to set reimbursement rates that State and Federal agencies that use information from the FPLS must pay to the Secretary.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

C. New Components of FPLS

(1) Federal case registry of child support orders

Present law

No provision.

House bill

The House bill establishes within the FPLS an automated registry known as the Federal Case Registry of Child Support Orders. The Federal Case Registry contains abstracts of child support orders and other information specified by the Secretary (such as names, Social Security numbers or other uniform identification numbers, State case identification numbers, wages or other income, and rights to health care coverage) to identify individuals who owe or are owed support, or for or against whom support is sought to be established, and the State which has the case. States must begin reporting this information in accord with regulations issued by the Secretary by October 1, 1998.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

(2) National directory of new hires

Present law

No provision.

House bill

The bill establishes within the FPLS a National Directory of New Hires containing information supplied by State Directories of New Hires, beginning October 1, 1996. When fully implemented, the Federal Directory of New Hires will contain identifying information on virtually every person who is hired in the United States. In addition, the FPLS will contain quarterly data supplied by the State Directory of New Hires on wages and Unemployment Compensation paid. The Secretary of the Treasury must have access to information in the Federal Directory of New Hires for the purpose of administering section 32 of the Internal Revenue Code and the Earned Income Credit.

Senate amendment

The Senate provision is similar to the House provision with two exceptions:

(1) the Senate amendment includes the requirement that the information for the National Directory of New Hires must be entered within 2 days of receipt; and

(2) the Senate amendment requires the DHHS Secretary to maintain within the National Directory of New Hires a list of multistate employers that choose a State to send their report to and the name of the State so designated.

Conference agreement

Conferees agree to follow both the House bill and Senate amendment except that the House recedes on the points of difference. Thus, the National Directory must enter new information within 2 days and the Secretary must maintain a list of the States to which multistate employers send their new hire information.

D. Information Comparisons and Other Disclosures

Present law

Upon request, the Secretary must provide to an "authorized person" (i.e., an employee or attorney of a child support, a court with jurisdiction over the parties involved, the custodial parent, legal guardian, or attorney of the child) the most recent address and place of employment of any nonresident parent if the information is contained in the records of the Department of Health and Human Services, or can be obtained from any other department or agency of the United States or of any State. The FPLS also can be used in connection with the enforcement or determination of child custody, visitation, and parental kidnapping. Federal law requires the Secretary of Labor and the Secretary of Health and Human Services to enter into an agreement to give the FPLS prompt access to wage and unemployment compensation claims information useful in locating a noncustodial parent or his employer.

House bill

The Secretary must verify the accuracy of the name, Social Security number, birth date, and employer identification number of individuals in the Federal Parent Locator Service with the Social Security Administration. The Secretary is required to match data in the National Directory of New Hires against the child support order abstracts in the Federal Case Registry at least every 2 working days and to report information obtained from matches to the State child support agency responsible for the case within 2 days. The information is to be used for purposes of locating individuals to establish paternity, and to establish, modify, or enforce child support orders. The Secretary may also compare information across all components of the FPLS to the extent and with the frequency that the Secretary determines will be effective. The Secretary will share information from the FPLS with several potential users including State agencies administering the Temporary Assistance for Needy Families program, the Commissioner of Social Security (to determine the accuracy of Social Security and Supplemental Security Income), and researchers under some circumstances.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

E. Fees

Present law

"Authorized persons" who request information from FPLS must be charged a fee.

House bill

The Secretary must reimburse the Commissioner of Social Security for costs incurred in performing verification of Social Security information and to States for submitting information on New Hires. States or Federal agencies that use information from FPLS must pay fees established by the Secretary.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

F. Restriction on Disclosure and Use

Present law

Federal law stipulates that no information shall be disclosed if the disclosure would contravene the national policy or security interests of the United States or the confidentiality of Census data.

House bill

Information from the FPLS cannot be used for purposes other than those provided in this section, subject to section 6103 of the Internal Revenue Code.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

G. Information Integrity and Security

Present law

No provision.

House bill

The Secretary must establish and use safeguards to ensure the accuracy and completeness of information from the FPLS and restrict access to confidential information in the FPLS to authorized persons and purposes.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

H. Quarterly Wage Reporting

Present law

Requires the Secretary of Labor to provide prompt access for the DHHS Secretary to wage and unemployment compensation claims information and data maintained by the Labor Department or State employment security agencies.

House bill

No provision.

Senate amendment

Each department in the U.S. shall submit the name, Social Security number, and

wages paid the employee, on a quarterly basis to the FPLS. Quarterly wage reporting shall not be filed for a Federal or State employee performing intelligence or counter-intelligence functions if it is determined that filing such a report could endanger the employee or compromise an ongoing investigation.

Conference agreement

The conference agreement follows the Senate amendment.

I. Conforming Amendments

Present law

No provision.

House bill

This section makes several conforming amendments to Titles III and IV of the Social Security Act and the Federal Unemployment Tax Act.

Senate amendment

Similar to House provision, except amends section 303(h) to require State unemployment insurance agencies to report quarterly wage information to the Secretary of HHS or suffer financial penalties, while the House bill amends section 303(a) and simply requires quarterly reports to the Secretary of HHS.

Conference agreement

Conferees agreed to follow both the House and Senate provisions but to follow the Senate amendment by requiring State unemployment insurance agencies to file quarterly wage reports with the Secretary or pay penalties.

J. Authorized Person for Information Regarding Visitation Rights

Present law

FPLS can be used to provide information to authorized individuals and agencies making or entering a child custody order (see Sec. 463 of Social Security Act).

House bill

No provision.

Senate amendment

Expands functions of FPLS by requiring that information be made available to nonresident parents for purposes of seeking or enforcing child visitation orders.

Conference agreement

The House recedes to the Senate amendment on this provision but with the agreement that nonresident parents cannot obtain information directly from the FPLS. Rather, they must present their request through the courts or through the State child support agency. In addition, the agreement requires State child support agencies to treat requests for information from nonresident parents on the same basis and with the same priority as requests from resident parents.

Conferees also agree to add a provision to section 6103(l) of the Internal Revenue Code to allow State child support agencies to share information on the address, social security number, and tax intercept results with private agents working under contract with the State agency.

12. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT (SECTION 317)

Present law

Federal law requires that in the administration of any law involving the issuance of a birth certificate, States must require each parent to furnish their Social Security number for the birth records. The State is required to make such numbers available to child support agencies in accordance with Federal or State law. States may not place Social Security numbers directly on birth certificates.

House bill

States must have laws requiring that Social Security numbers be placed on applications for professional licenses, commercial drivers licenses, and occupational licenses, marriage licenses, and in the records for divorce decrees, child support orders, and paternity determination or acknowledgment orders. Individuals who die will have their Social Security number placed in the records relating to the death and recorded on the death certificate. There are several conforming amendments.

Senate amendment

Similar to House provision, except gives States the option of not including Social Security numbers on applications for licenses and bars the placement of Social Security numbers on marriage licenses.

Conference agreement

The conference agreement generally follows the House bill and the Senate amendment except that the House recedes to the Senate requirements that States have the option of not including Social Security numbers on applications and that States be barred from placing Social Security numbers on marriage licenses.

SUBTITLE C—STREAMLINING AND UNIFORMITY OF PROCEDURES

13. ADOPTION OF UNIFORM STATE LAWS (SECTION 321)

Present law

States have several options available for pursuing interstate child support cases including direct income withholding, interstate income withholding, and long-arm statutes which require the use of the court system in the State of the custodial parent. In addition, States use the Uniform Reciprocal Enforcement of Support Act (URESA) and the Revised Uniform Reciprocal Enforcement of Support Act (RURESA) to conduct interstate cases. Moreover, Federal law imposes a Federal criminal penalty for the willful failure to pay past-due child support to a child who resides in a State other than the State of the obligor. In 1992, the National Conference of Commissioners on State Uniform Laws approved a new model State law for handling interstate child support cases. The new Uniform Interstate Family Support Act (UIFSA) is designed to deal with desertion and nonsupport by instituting uniform laws in all 50 States that limit control of a child support case to a single State. This approach ensures that only one child support order from one court or child support agency will be in effect at any given time. It also helps to eliminate jurisdictional disputes between States that are impediments to locating parents and enforcing child support orders across State lines. As of March, 1995, 23 States had enacted UIFSA, 15 verbatim and 8 with minor changes.

House bill

By January 1, 1997, all States must have enacted the Uniform Interstate Family Support Act (UIFSA) and have the procedures required for its implementation in effect. States are required to apply UIFSA to any case involving an order established or modified in one State that is sought to be modified in another State. States must also have a new provision on long-arm statutes and petitioning for modifications of orders, and are required to recognize as valid any method of service of process used in another State that is valid in that State.

Senate amendment

Similar to the House provision, except permits but does not require States to apply UIFSA to all interstate cases.

Conference agreement

The conference agreement is that States must adopt UIFSA by January 1, 1998. The House recedes to the Senate, however, by allowing States flexibility in deciding which specific interstate cases are pursued by using UIFSA and which cases are pursued using other methods of interstate enforcement.

14. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS (SECTION 322)

Present law

Federal law requires States to treat past-due support obligations as final judgments that are entitled to full faith and credit in every State. This means that a person who has a support order in one State does not have to obtain a second order in another State to obtain support due should the debtor parent move from the issuing court's jurisdiction. P.L. 103-383 restricts a State court's ability to modify a support order issued by another State unless the child and the custodial parent have moved to the State where the modification is sought or have agreed to the modification.

House bill

The provision clarifies the definition of a child's home State, makes several revisions to ensure that full faith and credit laws can be applied consistently with UIFSA, and clarifies the rules regarding which child support orders States must honor when there is more than one order.

Senate amendment

Similar to House provision

Conference agreement

The conference agreement follows both the House and Senate provisions but the House recedes on "more than one court."

15. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES (SECTION 323)

Present law

No provision.

House bill

States are required to have laws that permit them to send orders to and receive orders from other States without registering the underlying order unless the enforcement action is contested by the obligor on the grounds of mistake of fact or invalid order. The transmission of the order itself serves as certification to the responding State of the arrears amount and of the fact that the initiating State met all procedural due process requirements. No court action is required or permitted by the responding State. In addition, each responding State must, without requiring the case to be transferred to their State, match the case against its data bases, take appropriate action if a match occurs, and send the collections, if any, to the initiating State. States must keep records of the number of requests they receive, the number of cases that result in a collection, and the amount collected. States must respond to interstate requests within five days.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

16. USE OF FORMS IN INTERSTATE ENFORCEMENT (SECTION 324)

Present law

No provision.

House bill

The Secretary must issue forms that States must use for income withholding, for imposing liens, and for issuing administrative subpoenas in interstate cases. The forms must be issued by June 30, 1996, and States must be using the forms by October 1, 1996.

Senate amendment

Requires the DHHS Secretary to establish an advisory committee which must include State child support directors, and not later than June 30, 1996, after consultation with the advisory committee, to issue forms that States must use for income withholding, for imposing liens, and for issuing administrative subpoenas in interstate cases. States must be using the forms by October 1, 1996.

Conference agreement

Conferees agree to follow both the House and Senate provisions with a compromise on requiring the Secretary to consult with States. Rather than forming an advisory committee, the conference agreement requires the Secretary to consult with States before issuing the interstate forms. It is the intention of conferees to facilitate timely issuance of the forms but also to mandate that the Secretary work closely with State child support directors in developing the forms.

17. STATE LAWS PROVIDING EXPEDITED PROCEDURES (SECTION 325)

A. Administrative Action by State Agency

Present law

States must have procedures under which expedited processes are in effect under the State judicial system or under State administrative processes for obtaining and enforcing support orders and for establishing paternity.

House bill

States must adopt a series of procedures to expedite both the establishment of paternity and the establishment, enforcement, and modification of support. These procedures provide for:

(1) ordering genetic testing in appropriate cases;

(2) entering a default order upon a showing of service of process and any other showing required by State law to establish paternity if the putative father refuses to submit to genetic testing and to establish or modify a support order when a parent fails to appear for a hearing;

(3) issuing subpoenas to obtain information necessary to establish, modify or enforce an order, with appropriate sanctions for failure to respond to the subpoena;

(4) obtaining access to records including: records of other State and local government agencies, law enforcement records, and corrections records, including automated access to records maintained in automated data bases;

(5) directing the parties to pay support to the appropriate government entity;

(6) ordering income withholding;

(7) securing assets to satisfy arrearages by intercepting or seizing periodic or lump sum payments from States or local agencies; these payments include Unemployment Compensation, workers' compensation, judgements, settlements, lottery winnings, assets held by financial institutions, and public and private retirement funds; and

(8) increasing automatically the monthly support due to include amounts to offset arrears.

Senate amendment

Similar to House provision, except requires States to include the following additional procedures:

(1) requiring all entities in the State (including for-profit, nonprofit, and governmental employers) to provide information on employment, compensation and benefits of any employee or contractor in response to a request from the State IV-D agency;

(2) obtaining access to a variety of public and private records including: vital statistics, State and local tax records, real and personal property, occupational and professional licenses and records concerning ownership and control of corporations, partnerships and other business entities, employment security records, public assistance records, motor vehicle records, corrections records, customer records of public utilities and cable TV companies, and records of financial institutions;

(3) imposing liens to force the sale of property and distribution of proceeds;

(4) requiring financial institutions (subject to the limitation on liabilities arising from affording such access) to provide information held by them on individuals who owe or are owed child support (or against or with respect to whom a support obligation is sought) to State child support agencies; and

(5) requiring that due process safeguards be follows.

The amendment does not include the House provision regarding default orders in paternity cases upon a showing of service of process.

Conference agreement

The House recedes to the Senate by including the five additional expedited procedures in the list of State requirements. The conference agreement also includes the House provision regarding default orders in paternity cases upon a showing of service of process.

B. Substantive and Procedural Rules

Present law

Federal regulations provide a number of safeguards, such as requiring that the due process rights of the parties involved be protected.

House bill

States must follow a series of procedural rules that apply to all of the expedited procedures outlined in the preceding section:

(1) Locator Information and Notice—requires parties in paternity and child support actions to file and update information about identity, address, and employer with the tribunal and with the State Case Registry upon entry of the order. The tribunal can deem due process requirements for notice and service of process to be met in any subsequent action upon delivery of written notice to the most recent residential or employer address filed with the tribunal.

(2) Statewide Jurisdiction—grants the child support agency and any administrative or judicial tribunal with authority to hear child support and paternity cases, to exert Statewide jurisdiction over the parties, and to grant orders that have Statewide effect; also permits transfer of cases between administrative areas without additional filing or service of process.

Senate amendment

Similar provision with a minor difference in wording.

Conference agreement

The conference agreement follows the House bill and the Senate amendment except the House recedes to the Senate language by replacing the term "administrative areas" with the term "local jurisdictions" in the section of Statewide jurisdiction.

C. Automation of State Agency Functions

Present law

No provision.

House bill

The automated systems being developed by States are to be used, to the maximum extent possible, to implement the expedited procedures.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

SUBTITLE D—PATERNITY ESTABLISHMENT

18. STATE LAW CONCERNING PATERNITY ESTABLISHMENT (SECTION 331)

A. Establishment Process Available From Birth Until Age 18

Present law

Federal law requires States to strengthen their paternity establishment laws by requiring that paternity may be established until the child reaches at 18. As of August 16, 1984, these procedures would apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because of statute of limitations of less than 18 years was then in effect in the State.

House bill

Same as current law.

Senate amendment

Similar to House provision, except requires that paternity may be established until age 21 rather than 18.

Conference agreement

The Senate recedes so that States are required to have laws that permit paternity establishment until at least age 18 (or a higher limit at State option).

B. Procedures Concerning Genetic Testing

Present law

Federal law requires States to implement laws under which the child and all other parties must undergo genetic testing upon the request of a party in contested cases.

House bill

The child and all other parties must undergo genetic testing upon the request of a party, where the request is supported by a sworn statement establishing a reasonable possibility of parentage or nonparentage. When the tests are ordered by the State agency, States must pay for the costs, subject to recoupment at State option from the farther if paternity is established.

Senate amendment

Similar provision. House mandates genetic tests in certain cases while Senate allows States with laws against genetic testing in some cases to follow State law.

Conference agreement

The conference agreement follows both House and Senate provisions but the House recedes on the provision allowing States to exempt certain cases from the requirement for mandatory genetic testing. No State exemption, however, can permit a putative father to avoid paternity establishment procedures.

C. Voluntary Paternity Acknowledgment

Present law

Federal law requires States to implement procedures for a simple civil process for voluntary paternity acknowledgment, including hospital-based programs.

House bill

(1) Simple Civil Process. States must have procedures that create a simple civil process

for voluntary acknowledging paternity under which benefits, rights and responsibilities of acknowledgment are explained to unwed parents;

(2) Hospital Program. States must have procedures that establish a paternity acknowledgment program through hospitals and birth record agencies (and other agencies as designated by the Secretary).

(3) Paternity Services. States must have procedures that require the agency responsible for maintaining birth records to offer voluntary paternity establishment services. The Secretary must issue regulations, including regulations on other State agencies that may offer voluntary paternity acknowledgment services and the conditions such agencies must meet.

(4) Affidavit. States must have procedures that require agencies to use a uniform affidavit developed by the Secretary that is entitled to full faith and credit in any other State.

Senate amendment

(1) Simple Civil Process. Similar to House provision; Senate does not include language requiring that the explanation of alternatives, legal consequences, and rights and responsibilities be "in a language that each can understand".

(2) Hospital Program. Similar to House provision, except States must also establish good cause exceptions for not trying to establish paternity.

(3) Paternity Services. Identical to House provision.

(4) Affidavit. Similar provision but Senate amendment allows States to develop their own voluntary paternity acknowledgment form as long as they follow all the basic elements of a form developed by the Secretary.

Conference agreement

(1) Simple Civil Process. The conference agreement follows the House and Senate provisions except the House agrees to drop its requirement that the explanation be "in a language that each [parent] can understand".

(2) Hospital Program. Conferees agree to follow the House and Senate provisions but with a modification of the Senate language on "good cause" exceptions so that such exceptions become a State option.

(3) Paternity Services. The conference agreement follows the House bill and the Senate amendment.

(4) Affidavit. The House recedes to allow States to develop their own voluntary acknowledgment form as long as the form contains all the basic elements of a form developed by the Secretary.

D. Status of Signed Paternity Acknowledgment

Present law

Federal laws requires States to implement procedures under which the voluntary acknowledgment of paternity creates a rebuttal presumption, or at State option, a conclusive presumption of paternity.

House bill

(1) Legal Finding. States must have procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity unless rescinded within 60 days.

(2) Contest. States must have procedures under which a paternity acknowledgment can be challenged in court only on the basis of fraud, duress, or material mistake of fact.

(3) Rescission. States must have procedures under which minors who sign a voluntary paternity acknowledgment are allowed to rescind it until age 18 or the date of the first proceeding to establish a support order, visitation, or custody rights.

Senate amendment

(1) Legal Finding. Adds the requirement that the name of the father appear in the birth records only if there is a paternity acknowledgment signed by both parents or paternity has been established by court order;

(2) Contest. Identical to House provision.

(3) Rescission. No provision.

Conference agreement

(1) Legal Finding. The House recedes to the Senate requirement that the father's name appear in the birth records only if certain conditions are met;

(2) Contest. The conference agreement follows the House bill and the Senate amendment.

(3) Rescission. The House agrees to drop the rescission requirement, thereby leaving this decision up to States.

E. Bar on Acknowledgment Ratification Proceedings

Present law

Federal law requires States to implement procedures under which voluntary acknowledgment is admissible as evidence of paternity and the voluntary acknowledgment of paternity must be recognized as a basis for seeking a support order without requiring any further proceedings to establish paternity.

House bill

No judicial or administrative proceedings are required or permitted to ratify a paternity acknowledgment which is not challenged by the parents.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

F. Admissibility of Genetic Testing Results

Present law

Federal law requires States to implement procedures which provide that any objection to genetic testing results must be made in writing within a specified number of days before any hearing at which such results may be introduced into evidence. If no objection is made, the test results must be admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy.

House bill

States must have procedures for admitting into evidence accredited genetic tests, unless any objection is made within a specified number of days, and if no objection is made, clarifying that test results are admissible without the need for foundation or other testimony.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

G. Presumption of Paternity in Certain Cases

Present law

Federal law requires States to implement procedures which create a rebuttable or, at State option, conclusive presumption of paternity based on genetic testing results indicating a threshold probability that the alleged father is the father of the child.

House bill

States must have laws that create a rebuttable or, at State option, conclusive presumption of paternity when results from genetic testing indicate a threshold probability that the alleged father is the father of the child.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

H. Default Orders

Present law

Federal law requires States to implement procedures that require a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

House bill

A default order must be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by the State law.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

I. No Right to Jury Trial

Present law

No provision.

House bill

State laws must state that parties in a contested paternity action are not entitled to a jury trial.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

J. Temporary Support Based on Probable Paternity

Present law

No provision.

House bill

Upon motion of a party, State law must require issuance of a temporary support order pending an administrative or judicial determination of percentage if paternity is indicated by genetic testing or other clear and convincing evidence.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

K. Proof of Certain Support and Paternity Establishment Costs

Present law

No provision.

House bill

Bills for pregnancy, childbirth, and genetic testing must be admissible in judicial proceedings without foundation testimony.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

L. Standing of Putative Fathers

Present law

No provision.

House bill

Putative fathers must have a reasonable opportunity to initiate paternity action.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

M. Filing of Acknowledgments and Adjudications in State Registry

Present law

No provision.

House bill

Both voluntary acknowledgments and adjudications of paternity must be filed with the State registry of birth records for data matches with the central Case Registry of Child Support Orders established by the State.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

N. National Paternity Acknowledgment Affidavit

Present law

No provision.

House bill

The Secretary is required to develop an affidavit to be used for voluntary acknowledgment of paternity which includes the Social Security number of each parent.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House and Senate provisions but includes a clarification that the Secretary, after consulting with the State child support directors, should list the common elements that States must include on their forms.

19. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT (SECTION 332)

Present law

States are required to regularly and frequently publicize, through public service announcements, the availability of child support enforcement services.

House bill

States must publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

20. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (SECTION 333)

Present law

AFDC applicants and recipients are required to cooperate with the State in establishing the paternity of a child and in obtaining child support payments unless the applicant or recipient is found to have good cause for refusing to cooperate. Under the "good cause" regulations, the child support agency may determine that it is against the best interests of the child to seek to establish paternity in cases involving incest, rape, or pending procedures for adoption. Moreover, the agency may determine that it is against the best interest of the child to require the mother to cooperate if it is anticipated that such cooperation will result in the physical or emotional harm of the child, parent, or caretaker relative.

House bill

Individuals who apply for or receive public assistance under the Temporary Assistance for Needy Families program must cooperate with child support enforcement efforts (establishing paternity, establishing, modifying or enforcing a support order) by providing specific identifying information about the other parent, unless the applicant or recipient is found to have good cause for refusing to cooperate. "Good cause" is defined by States. States may also require the applicant and child to submit to genetic testing. (See also Prohibitions in Title 1, Section 101 of the House bill.)

Senate amendment

The Senate provision is similar to the House provision except the Senate amendment places additional specific requirements on State procedures. These include requiring the custodial parent to appear at interviews, hearings, and legal proceedings; requiring the State child support agency to notify the custodial parent and the IV-A and Medicaid agencies of whether she is cooperating and if not what she must do to cooperate; and requiring that when determining the custodial parent's cooperation States take into account the best interests of the child. The Senate amendment also requires the individual and the child to submit to genetic tests pursuant to a judicial or administrative order. Responsibility for determining failure to cooperate is shifted from the agency that administers the Temporary Assistance program to the agency that administers the child support program.

Conference agreement

The House recedes to the Senate's additional requirements for cooperation by adults for or receiving IV-A benefits. In addition, conferees agree to let States decide which agency should make the determination of whether the parent is cooperating.

SUBTITLE E—PROGRAM ADMINISTRATION AND FUNDING

21. FEDERAL MATCHING PAYMENTS

Present law

The Federal Government currently reimburses each State at the rate of 66 percent for the cost of administering its child support enforcement program. The Federal Government also reimburses States 90 percent of the laboratory costs of establishing paternity, and through FY 1995, 90 percent of the costs of developing comprehensive Statewide automated systems. (There is no maintenance of effort provision in current law.)

House bill

The Federal matching payment for child support activities is maintained at 66 percent. The bill also adds a maintenance of effort requirement that the non-Federal share of IV-D funding for FY 1997 and succeeding years not be less than such funding for FY 1996.

Senate amendment

No provision. Maintains present law with respect to the Federal match rate of 66 percent.

Conference agreement

The conference agreement follows the Senate amendment.

22. PERFORMANCE-BASED INCENTIVES AND PENALTIES (SECTION 341)

A. Incentive Adjustments to Federal Matching Rate

Present law

The Federal government reimburses approved administrative expenditures of States at a rate of 66 percent. In addition, the Federal government pays States an incentive amount ranging from 6 percent to 10 percent of both AFDC and non-AFDC collections.

House bill

Beginning in 1999, a new incentive system will reward good State performance by increasing the State's basic matching rate by up to 12 percentage points for outstanding performance in establishing paternity and by up to an additional 12 percentage points for overall performance (as measured by the percentage of cases that have support orders, the percentage of cases in which support is being paid, the ratio of child support collected to child support due, and cost-effectiveness). The Secretary will design the specific features of the system. In doing so, she will maintain overall Federal reimbursement of State programs through the combined matching rate and incentives at the level projected for the current combined matching and incentive payments to States. The effect of this provision is to change Federal financing so that relatively more Federal dollars will be awarded to States for good performance. The State must spend the money from incentive payments on their child support enforcement program.

Senate amendment

As under current law, the Senate amendment provides for an incentive payment to States, the funds for which come from the reimbursement of cash welfare payments to the Federal Government that is the Federal share of child support collections paid on behalf of families. Not later than 60 days after enactment, the DHHS Secretary is required to establish a committee, which must include State child support directors, which must develop for the Secretary's approval a formula for the distribution of incentive payments to the States. The State's incentive payment is based on its comparative performance as measured by five criteria and seven factors that are stipulated in the amendment.

Conference agreement

The conferees agree to retain the present financing system of 66 percent Federal matching payments and an incentive system that enables States to increase their Federal payments by up to 10 percent of AFDC and non-AFDC collections. However, the conferees also require the Secretary, in consultation with State child support directors, to develop a new incentive system that provides additional payments to States (i.e., above the base matching rate of 66 percent) based on their performance and to report details of the new system to the Committees on Ways and Means and Finance by June 1, 1996. The Secretary's new system must be revenue neutral. The two committees intend to study the Secretary's recommendations, as well as recommendations by other individuals and organizations, and to design and perhaps enact a new incentive system that is revenue neutral in the near future.

B. Conforming Amendments

Present law

No provision.

House bill

Two conforming amendments are made in Section 454 of the Social Security Act.

Senate amendment

No provision.

Conference agreement

The Senate recedes to the two conforming amendments in the House bill.

C. Calculation of IV-D Paternity Establishment Percentage

Present law

States are required to meet Federal standards for the establishment of paternity. The standard relates to the percentage obtained by dividing the number of children in the State who are born out of wedlock, are receiving AFDC or child support enforcement services, and for whom paternity has been established by the number of children who are born out of wedlock and are receiving AFDC or child support enforcement services. To meet Federal requirements, this percentage in a State must be at least 75 percent or meet the following standards of improvement from the preceding year: (1) if the State paternity establishment ratio is between 50 and 75 percent, the State ratio must increase by 3 or more percentage points from the ratio of the preceding year; (2) if the State ratio is between 45 and 50, the ratio must increase at least 4 percentage points; (3) if the State ratio is between 40 and 45 percent, it must increase at least 5 percentage points; and (4) if the State ratio is below 40 percent, it must increase at least 6 percentage points. If an audit finds that the State's child support enforcement program has not substantially complied with the requirements of its State plan, the State is subject to a penalty. In accord with this penalty, the Secretary must reduce a State's AFDC benefit payment by not less than 1 percent nor more than 2 percent for the first failure to comply; by not less than 2 percent nor more than 3 percent for the second consecutive failure to comply; and by not less than 3 percent nor more than 5 percent for third or subsequent consecutive failure to comply.

House bill

The IV-D paternity establishment percentage for a fiscal year is equal to: (1) the total number of children in the State who were born out-of-wedlock, who have not reached age 1 and for whom paternity is acknowledged or established during the fiscal year, divided by (2) the total number of children born out-of-wedlock in the State during the fiscal year. The requirements for meeting the standard are the same as current law except the 75 percent rule is increased to 90 percent. The noncompliance provisions of the child support program are modified so that the Secretary must take overall program performance into account and the minimum paternity establishment percentage is raised from 75 to 90.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment. States have the option of calculating the paternity establishment rate by either counting only unwed births in the State IV-D caseload or by counting all unwed births in the State.

D. Effective Dates

Present law

No provision.

House bill

The new incentive payments go into effect on October 1, 1997, but procedures for computing the State incentive payments are not actually based on the new system until fiscal year 1999; the changes in penalty procedure become effective upon enactment.

Senate amendment

Effective upon enactment, except present law applies for purposes of incentive payments for fiscal years before FY 2000.

Conference agreement

Effective upon enactment.

23. FEDERAL AND STATE REVIEWS AND AUDITS (SECTION 342)

A. State Agency Activities

Present law

States are required to maintain a full record of child support collections and disbursements and to maintain an adequate reporting system.

House bill

States are required to annually review and report to the Secretary, using data from their automatic data processing system, both information adequate to determine the State's compliance with Federal requirements for expedited procedures and timely case processing as well as the information necessary to calculate their levels of accomplishment and rates of improvement on the performance indicators in the bill.

Senate amendment

Similar to House provision, except the Senate does not include the requirement that States submit information on State compliance with Federal mandates on timely case processing.

Conference agreement

The conference agreement follows both the House and Senate provisions but the House recedes by dropping its requirement that States submit information on timely case processing.

B. Federal Activities

Present law

The Secretary must collect and maintain, on a fiscal year basis, up-to-date State-by-State statistics on each of the services provided under the child support enforcement program. The Secretary is also required to evaluate the implementation of State child support enforcement programs and conduct audits of these programs as necessary, but not less often than once every three years (or annually if a State has been found to be out of compliance with program rules).

House bill

The Secretary is required to determine the amount (if any) of incentives or penalties. The Secretary must also review State reports on compliance with Federal requirements and provide States with recommendations for corrective action. Audits must be conducted at least once every 3 years, or more often in the case of States that fail to meet Federal requirements. The purpose of the audits is to assess the completeness, reliability, accuracy, and security of data reported for use in calculating the performance indicators and to assess the adequacy of financial management of the State program.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

C. Effective Date

Present law

No provision.

House bill

These provisions take effect beginning with the calendar quarter that begins 12 months after enactment.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

24. REQUIRED REPORTING PROCEDURES (SECTION 343)

Present law

The Secretary is required to assist States in establishing adequate reporting procedures and must maintain records of child support enforcement operations and of amounts collected and disbursed, including costs incurred in collecting support payments.

House bill

The Secretary is required to establish procedures and uniform definitions for State collection and reporting of information necessary to measure State compliance with expedited processes and timely case processing.

Senate amendment

Similar to House provision, except does not mention timely case processing.

Conference agreement

The conference agreement follow both the House and Senate provisions except, as in the State Agency Activities provision (see #23A above), the House recedes by dropping State reports on timely case processing.

25. AUTOMATED DATA PROCESSING REQUIREMENTS (SECTION 344)

A. In General

Present Law

Federal law (P.L. 104-35) requires that by October 1, 1997, States have an operational automated data processing and information retrieval system designed to control, account for, and monitor all factors in the support enforcement and paternity determination process, the collection and distribution of support payments, and the costs of all services rendered.

House bill

States are required to have a single Statewide automated data processing and information retrieval system which has the capacity to perform the necessary functions, as described in this section.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

B. Program Management

Present law

Federal law requires the that automated data processing system be capable of providing management information on all IV-D cases from intital referral or application through collection and enforcement.

House bill

The State data system must be used to perform functions the Secretary specifies, including controlling and accounting for the use of Federal, State, and local funds and maintaining the data necessary to meet Federal reporting requirements in carrying out the program.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

C. Calculation of Performance Indicators

Present law

No provision.

House bill

The automated system must maintain the requisite data for Federal reporting, calculate the State's performance for purposes

of the incentive and penalty provisions, and have in place systems controls to ensure the completeness, reliability, and accuracy of the data.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

D. Information Integrity and Security

Present law

Federal law requires that the automated data processing system be capable of providing security against unauthorized access to, or use of, the data in such system.

House bill

The State agency must have safeguards to protect the integrity, accuracy, and completeness of, and access to, data in the automated systems (including restricting access to passwords, monitoring of access to and use of the system, training, and imposing penalties).

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

E. Regulations

Present law

No provision.

House bill

The Secretary shall prescribe final regulations for implementation of this section no later than 2 years after the date of the enactment of this Act.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

F. Implementation Timetable

Present law

No provision.

House bill

The statutory provisions for State implementation of Federal automatic data processing requirements are revised to provide that, first, all requirements enacted on or before the date of enactment of the Family Support Act of 1988 are to be met by October 1, 1995. The requirements enacted on or before the date of enactment of this bill must be met by October 1, 1999. The October 1, 1999 deadline will be extended by one day for each day by which the Secretary fails to meet the 2-year deadline for regulations.

Senate amendment

Similar to House provision, except allows States to meet requirements of the Family Support Act by October 1, 1997 rather than 1995.

Conference agreement

The conference agreement follows both House and Senate provisions but the completion date for data requirements imposed on States by the Family Support Act follows the Senate provision of October 1, 1997.

G. Special Federal Matching Rate for Development Costs of Automated Systems

Present law

The Federal Government, through FY 1995, reimburses States at a 90 percent matching rate for the costs of developing comprehensive Statewide automated systems.

House bill

The Federal government will provide 90 percent matching funds for fiscal year 1996 that will be applied to all State activities related to developing a comprehensive Statewide automated system. For fiscal years 1997 through 2001, the matching rate for the provisions of this bill and other authorized provisions will be the higher of 80 percent or the matching rate generally applicable to the State IV-D program, including incentive payments (which could be as high as 90 percent).

Senate amendment

Similar to House provision except continues the 90 percent matching rate for 1996 and 1997 in the case of provisions outlined in advanced planning documents submitted before May 1, 1995.

Conference agreement

The conference agreement follows the House bill and Senate amendment but the House recedes on the provision to continue 90 percent reimbursement of data processing activities that were included in any advanced planning document approved by the Secretary before May 1, 1995. The 90 percent funding, which continues through October 1, 1997, includes approved expenditures by States that were made between October 1, 1995 and the date of passage of this legislation.

H. Temporary Limitation on Payments Under Special Federal Matching Rate

Present law

No provision.

House bill

The Secretary must create procedures to cap these payments at $260,000,000 over 5 years (FY 1996–2000) to be distributed among States by a formula set in regulations which takes into account the relative size of State caseloads and the level of automation needed to meet applicable automatic data processing requirements.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment, except the limitation on payments is increased from $260,000,000 to $400,000,000. This increase was made necessary by general agreement by analysts at HHS and the Congressional Budget Office that the numerous data processing requirements imposed by this Act would cost the States $400 million to implement.

26. TECHNICAL ASSISTANCE (SECTION 345)

Present law

Annual appropriations are made to cover the expenses of the Administration for Children and Families, which includes the Federal Office of Child Support Enforcement (OCSE). Among OCSE's administrative expenses are the costs of providing technical assistance to the States.

House bill

The Secretary can use 1 percent of the Federal share of child support collections on behalf of families in the Temporary Assistance for Needy Families program the preceding year to provide technical assistance to the States. Technical assistance can include training of State and Federal staff, research and demonstration programs, and special projects of regional or national significance. The Secretary must use up to 2 percent of the Federal share of collections for operation of the Federal Parent Locator Service to the extent that costs of the Parent Locator Service are not recovered by user fees.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

27. REPORTS AND DATA COLLECTION BY THE SECRETARY (SECTION 346)

Present law

The Secretary is required to submit to Congress, not later than 3 months after the end of the fiscal year, a complete report on all child support enforcement activities.

House bill

In addition to current reporting requirements, the Secretary is required to report the following data to Congress in her annual report each fiscal year:

(1) the total amount of child support payments collected;

(2) the cost to the State and Federal governments of furnishing child support services;

(3) the number of cases involving families that became ineligible for aid under part A with respect to whom a child support payment was received;

(4) the total amount of current support collected and distributed;

(5) the total amount of past due support collected and distributed as arrearages; and

(6) the total amount of support due and unpaid for all fiscal years.

These requirements apply to fiscal year 1996 and succeeding fiscal years.

Senate amendment

Similar to House provision, except requires the Secretary to include information on the degree to which States met Federal statutory time limits in responding to interstate requests and in distributing child support collections.

Conference agreement

Conferees agree to follow the provisions in both bills except that the House recedes on the additional requirements the Senate included in the Secretary's report to Congress.

SUBTITLE F—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

28. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION

Present law

No provision.

House bill

No provision.

Senate amendment

Establishes a National Child Support Guidelines Commission that is responsible for deciding whether it is appropriate to develop national child support guidelines for consideration by the Congress or for adoption by individual States and the benefits and deficiencies of such models. Several matters the Commission must consider, such as the feasibility of adapting uniform terms in all child support orders, are outlined. The Commission is to be comprised of 12 individuals, 2 each appointed by the Chairman of Finance and Ways and Means, 1 each by the ranking member of Finance and Ways and Means, and 6 by the Secretary. The Commission report must be issued within 2 years.

Conference agreement

The Senate recedes to the House provision of no National Guidelines Commission.

29. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS (SECTION 351)

Present law

A child support order legally obligates noncustodial parents to provide financial support for their child and stipulates the

amount of the obligation and how it is to be paid. In 1984, P.L. 98–378 required States to establish guidelines for establishing child support orders. In 1988, P.L. 100–485 made the guidelines binding on judges and other officials who had authority to establish support orders. P.L. 100–485 also required States to review and adjust individual child support orders once every 3 years under some circumstances. States are required to notify both resident and nonresident parents of their right to a review.

House bill

States must review and, as appropriate, adjust the support order every 3 years. States may adjust child support orders by either applying the State guidelines and updating the reward amount or by applying a cost of living increase to the order. Both parties must be given 30 days after notice of adjustment to contest the results. States may use automated methods to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders based on the threshold established by the State. States must also review and, upon a showing of a change in circumstances, adjust orders pursuant to the child support guidelines upon request of a party. States are required to give parties one notice of their right to request review and adjustment, which may be included in the order establishing the support amount.

Senate amendment

Similar to House provision except adds that review and adjustment must be done "upon the request of either parent or the State." If neither parent requests a review, States have the option of avoiding the 3-year requirement.

Conference agreement

Conferees agree to follow the House and Senate provisions with one exception. The House recedes to the Senate provision that States are not required to conduct reviews unless requested by either parent but with the additional requirement that States inform mothers at least once every 3 years in writing of their right to a review.

30. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT (SECTION 352)

Present law

P.L. 102–537 amends the Fair Credit Act to require consumer reporting agencies to include in any consumer report information on child support delinquencies provided by or verified by a child support enforcement agency, which antedates the report by 7 years.

House bill

This section amends the Fair Credit Reporting Act. In response to a request by the head of a State or local child support agency (or a State or local government official authorized by the head of such an agency), consumer credit agencies must release information if the person making the request: certifies that the consumer report is needed to establish an individual's capacity to make child support payments or determine the level of payments; gives the consumer credit agency 10 days notice that the report is being requested; and provides assurances that the consumer report will be kept confidential, will be used solely for child support purposes, and will not be used in connection with any other civil, administrative, or criminal proceeding or for any other purpose. Consumer reporting agencies must also give reports to a child support agency for use to set an initial or modified award.

Senate amendment

Similar to House provision, except requires that the consumer must have been shown to be the father (i.e., paternity must be established).

Conference agreement

The conference agreement follows both the House and Senate provisions except that the House recedes to the Senate requirement that the consumer must have been shown to be the father.

31. NONLIABILITY FOR DEPOSITORY INSTITUTIONS PROVIDING FINANCIAL RECORDS (SECTION 353)

Present law

No provision.

House bill

No provision.

Senate amendment

Depository institutions are not liable for information provided to child support agencies. Child support agencies can disclose information obtained from depository institutions only for child support purposes. Individuals who knowingly disclose information from financial records can have civil actions brought against them in Federal district court; the maximum penalty is $1,000 for each disclosure or actual damages plus, in the case of "willful disclosure" resulting from "gross negligence" punitive damages, plus the costs of the action.

Conference agreement

The House recedes to the Senate requirement that States have laws protecting depository institutions when information is provided to child support agencies.

SUBTITLE G–ENFORCEMENT OF SUPPORT ORDERS

32. FEDERAL INCOME TAX REFUND OFFSET

A. Changed Order of Refund Distribution Under Internal Revenue Code

Present law

Since 1981 in AFDC cases, and 1984 in non-AFDC cases, Federal law has required States to implement procedures under which child support agencies can collect child support arrearages through the inception of Federal income tax refunds.

Child support arrearages obtained through Federal income tax refunds are distributed to the State and are retained by the State for arrearages owed to it under the AFDC assignment. States must reimburse the Federal government for their share of these arrearage payments. If no arrearages are owed the State, the money is used to pay arrearages to the family.

House bill

The Internal Revenue Code is amended so that offsets of child support arrears owed to individuals take priority over most debts owed Federal agencies. Proceeds from tax intercepts will be distributed as follows:

(1) for Federal education debts and debts to the Department of Health and Human Services;

(2) for child support owed to individuals;

(3) for child support arrearages owed to State governments; and

(4) for other Federal debts.

The provision also amends the Internal Revenue Code so that the order of priority for distribution of tax offsets follows the distribution rules for child support payments specified in subtitle A of this bill.

Senate amendment

No provision.

Conference agreement

The House recedes to the Senate so that the order of payments from the intercepts remains unchanged.

B. Elimination of Disparities in Treatment of Assigned and Non-Assigned Arrearages

Present law

Federal rules set different criteria for AFDC and non-AFDC cases. For example, in AFDC cases arrearages may be collected through the income tax offset program regardless of the child's age. In non-AFDC cases, the tax offset program can be used only if the postminor child is disabled (pursuant to the meaning of disability under titles II or XVI of the SSA). Moreover, the arrearage in AFDC cases must be only $150 or more, whereas the arrearage in non-AFDC cases must be at least $500.

House bill

The bill eliminates disparate treatment of families not receiving public assistance by repealing provisions applicable only to support arrears not assigned to the State. The Secretary of the Treasury is given access to information in the National Directory of new Hires for tax purposes.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate bill (no provision).

33. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES (SECTION 361)

Present law

If the amount of overdue child support is at least $750, the Internal Revenue Service can enforce the child support obligation through its regular collection process, which may include seizure of property, freezing accounts, or use of other procedures if the child support enforcement agencies requests assistance according to prescribed rules (e.g., certifying that the delinquency is at least $750, etc.)

House bill

No provision.

Senate amendment

Amends the Internal Revenue Code so that no additional fees can be assessed for adjustment to previously certified amounts for the same obligor, effective October 1, 1997.

Conference agreement

The House recedes to the Senate requirement that IRS cannot charge additional fees in the case of a previously certified amount for the same obligor.

34. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES (SECTION 362)

A. Consolidation and Streamlining of Authorities

Present law

Federal law allows the wages of Federal employees to be garnished to enforce legal obligations for child support or alimony. Federal law provides that moneys payable by the United States to any individual are subject to being garnished in order to meet an individual's legal obligation to provide child support or make alimony payments. An executive order issued 2/27/95 establishes the Federal government as a model employer in promoting and facilitating the establishment and enforcement of child support.

By Executive Order on 2/27/95, all Federal agencies, including the Uniformed Services, are required to cooperate fully in efforts to establish paternity and child support and to enforce the collection of child and medical support. All Federal agencies are to review their wage withhholding procedures to ensure that they are in full compliance.

Beginning no later than July 1, 1995, the Director of the Office of Personal Management must publish annually in the Federal

Register the list of agents (and their addresses) designated to receive service of withholding notices for Federal employees.

Federal law states that neither the United States nor any disbursing officer or government entity shall be liable with respect to any payment made from moneys due or payable from the United States pursuant to the legal process.

Federal law provides that money that may be garnished includes compensation for personal services, whether such compensation is denominated as wages, salary, commission, bonus, pay, or otherwise, and includes but is not limited to, severance pay, sick pay, incentive payments, and periodic payments.

Includes definitions of "United States", "child support", "alimony", "private person", and "legal process".

House bill

Federal Employees are subject to wage withholding and other actions taken against them by State Child Support Enforcement Agencies.

Federal agencies are responsible for wage withholding and other child support actions taken by the State as if they were a private employer.

The head of each Federal agency must designate an agent and place the agent's name, title, address, and telephone number in the Federal Register annually. The agent must, upon receipt of process, send written notice to the individual involved as soon as possible, but no later than 15 days, and to comply with any notice of wage withholding or respond to other process within 30 days.

Amends existing law governing allocation of moneys owed by a Federal employee to give priority to child support, to require allocation of available funds, up to the amount owed, among child support claimants, and to allocate remaining funds to other claimants on a first-come, first-served basis.

A government entity served with notice of process for enforcement of child support is not required to change its normal pay and disbursement cycle to comply with the legal process.

Similar to current law, the U.S., the government of the District of Columbia, and disbursing officers are not liable for child support payments made in accord with this section; nor is any Federal employee subject to disciplinary action or civil or criminal liability for disclosing information while carrying out the provisions of this section.

The President has the authority to promulgate regulations to implement this section as it applies to Federal employees of the Administrative branch of government; the President Pro Tempore of the Senate and Speaker of the House can issue regulations governing their employees; and the Chief Justice can issue regulations applicable to the Judicial branch.

This section broadens the definition of income to include funds such as insurance benefits, retirement and pension pay, survivor's benefits, compensation for death and black lung disease, veteran's benefits, and workers' compensation; but to exclude from income funds paid to defray expenses incurred in carrying out job duties, owed to the U.S., used to pay Federal employment taxes and fines and forfeitures ordered by court martial, withheld for tax purposes, used for health insurance or life insurance premiums, normal retirement contributions, or life insurance premiums.

This section includes definitions of "United States", "child support", "alimony", "private person", and "legal process".

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

B. Conforming Amendments

Present law

No provision.

House bill

This section includes conforming amendments to Title IV of the Social Security Act and Title 5 of the United States Code.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

C. Military Retired and Retainer Pay

Present law

No provision.

House bill

This section expands the definition of court to include an administrative or judicial tribunal which includes the child support enforcement agency.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

D. Effective Date

Present law

No provision.

House bill

This section goes into effect 6 months after the date of enactment.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

35. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES (SECTION 363)

A. Availability of Locator Information

Present law

The Executive Order issued February 27, 1995 requires a study which would include recommendations related to how to improve service of process for civilian employees and members of the Uniformed Services stationed outside of the United States.

House bill

The Secretary of Defense must establish a central personnel locator service that contains residential or, in specified instances, duty addresses of every member of the Armed Services (including retirees, the National Guard, and the Reserves). The locator service must be updated within 30 days of the time an individual establishes a new address. Information from the locator service must be made available to the Federal Parent Locator Service.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

B. Facilitating Granting of Leave for Attendance at Hearings

Present law

No provision.

House bill

The Secretary of Defense must issue regulations to facilitate granting of leave for members of the Armed Services to attend hearings to establish paternity or to establish child support orders.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

C. Payment of Military Retired Pay in Compliance With Child Support Orders

Present law

Federal law requires allotments from the pay and allowances of any member of the uniformed service when the member fails to pay child (or child and spousal) support payments.

House bill

The Secretary of each branch of the Armed Forces (including retirees, the Coast Guard, the National Guard, and the Reserves) is required to make child support payments directly to any State to which a custodial parent has assigned support rights as a condition of receiving public assistance. The Secretary of Defense must also ensure that payments to satisfy current support or child support arrears are made from disposable retirement pay. Payroll deductions must begin within 30 days or the first pay period after 30 days of receiving a wage withholding order.

Senate amendment

Identical provision

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

36. VOIDING OF FRAUDULENT TRANSFERS (SECTION 364)

Present law

No provision.

House bill

States must have in effect the Uniform Fraudulent Conveyance Act of 1981, the Uniform Fraudulent Transfer Act of 1984, or an equivalent law providing for voiding transfers of income or property in order to avoid payment of child support.

Senate amendment

Identical provision.

Conference agreement

The Conference agreement follows the House bill and the Senate amendment.

37. SENSE OF THE CONGRESS THAT STATES SHOULD SUSPEND DRIVERS', BUSINESS, AND OCCUPATIONAL LICENSES OF PERSONS OWING PAST-DUE CHILD SUPPORT

Present law

No provision.

House bill

It is the sense of Congress that each State should suspend any driver's license, business license, or occupational license issued to any person who owes past-due child support.

Senate amendment

No provision.

Conference agreement

House recedes (no provision).

38. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT (SECTION 365)

Present law

P.L. 100-485 required the Secretary to grant waivers to up to 5 States allowing them to provide JOBS services on a voluntary or mandatory basis to noncustodial parents who are unemployed and unable to meet their child support obligations. (In their report the conferees noted that the

demonstrations would not grant any new powers to the States to require participation by noncustodial parents. The demonstrations were to be evaluated.)

House bill

States must have laws that direct courts to order individuals owing past-due child support for a child receiving assistance under the Temporary Family Assistance program either to pay the support due or to participate in work activities. "Past-due support" is defined.

Senate amendment

Similar to House provision, except refers to "support" rather than "past-due support."

Conference agreement

Conferees agree to follow the House and Senate provisions except that the Senate recedes to the House provision that work apply only to nonresident parents owing past-due support.

39. DEFINITION OF SUPPORT ORDER (SECTION 366)

Present law

No provision.

House bill

A support order is defined as an order issued by a court or an administrative process established under State law that requires support of a child or of a child and the parent with whom the child lives.

Senate amendment

A support order is defined as a judgement, decree, or order (whether temporary, final, or subject to modification) issued by a court or an administrative agency for the support (monetary support, health care, arrearages, or reimbursement) of a child (including a child who has reached the age of majority under State law) or of a child and the parent with whom the child lives.

Conference agreement

The House recedes to the Senate definition of a support order.

40. REPORTING ARREARAGE TO CREDIT BUREAUS (SECTION 367)

Present law

Federal law requires States to implement procedures which require them to periodically report to consumer reporting agencies the name of debtor parents owing at least 2 months of overdue child support and the amount of child support overdue. However, if the amount overdue is less than $1,000, information regarding it shall be made available only at the option of the State. Moreover, any information may only be made available after the noncustodial parent has been notified of the proposed action and has been given reasonable opportunity to contest the accuracy of the information. States are permitted to charge consumer reporting agencies that request child support arrearage information for a fee, not to exceed the actual cost.

House bill

No provision.

Senate amendment

States are required to have procedures to periodically report to consumer credit reporting agencies the name of any noncustodial parent who is delinquent in the payment of support and the amount of overdue support owed by the parent.

Conference agreement

The House recedes to the Senate requirement that States periodically report to consumer credit reporting agencies.

41. LIENS (SECTION 368)

Present law

Federal law requires State to implement procedures under which liens are imposed against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State.

House bill

States are required to have procedures to accord full faith and credit and to enforce in accordance with State law a lien from another State. The lien must be accompanied by a certification from the State issuing the lien of the amount of overdue support and a certification that due process requirements have been met. The second State is not required to register the underlying order, unless contested on the grounds of mistake of fact.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

42. STATE LAW AUTHORIZING SUSPENSION OF LICENSES (SECTION 369)

Present law

No provision.

House bill

States have the authority to withhold, suspend, or restrict the use of drivers' licenses, professionals and occupational licenses, and recreational licenses of individuals owing past-due support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

43. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT (SECTION 370)

Present law

No provision.

House bill

No provision.

Senate amendment

If an individual owes arrearages in excess of $5,000 of child support, the Secretary of HHS must request that the State Department deny, revoke, or limit the individual's passport. State child support agencies must have procedures for certifying arrearages in excess of $5,000 and for notifying individuals who are in arrears.

Conference agreement

The House recedes to the Senate provision of revoking passports for individuals owing more than $5,000 in delinquent child support.

44. INTERNATIONAL CHILD SUPPORT ENFORCEMENT (SECTION 371)

Present law

The United States has not signed any of the major treaties regarding international support enforcement. Pursuant to the Uniform Reciprocal Enforcement of Support Act (URESA), most States have reciprocal agreements with at least one foreign country regarding reciprocal enforcement of support orders. State do not have the power to enter into treaties.

House bill

No provision.

Senate amendment

The Secretary of State is authorized to negotiate reciprocal agreements with foreign nations on behalf of the States, territories, and possessions of the United States regarding the international enforcement of child support obligations.

Conference agreement

The conference agreement follows the Senate amendment with substantial modification. The Secretary of State, with concurrence of the Secretary of HHS, is authorized to declare reciprocity with foreign countries having requisite procedures for establishing and enforcing support orders. The Secretary may revoke reciprocity if she determines that the enforcement procedures do not continue to meet the requisite criteria.

The requirements for reciprocity include procedures in the foreign country for U.S. residents—available at no cost—to establish parentage, to establish and enforce support orders for children and custodial parents, and to distribute payments.

The Secretary of HHS is required to facilitate enforcement services in international cases involving residents of the U.S. and of foreign reciprocating countries, including developing uniform forms and procedures, and providing information from the FPLS on the State of residence of the obligor.

Where there is no Federal reciprocity agreement, States are permitted to enter into reciprocal agreements with foreign countries.

The State plan must provide that request for services in international cases be treated the same as interstate cases, except that no application will be required and no costs will be assessed against the foreign country or the obligee (costs may be assessed at State option against the obligor).

45. DENIAL OF MEANS-TESTED FEDERAL BENEFITS TO NONCUSTODIAL PARENTS WHO ARE DELINQUENT IN PAYING CHILD SUPPORT

Present law

No provision.

House bill

No provision.

Senate amendment

Noncustodial parents who are more than 2 months delinquent in paying child support are not eligible to receive means-tested Federal benefits.

Conference agreement

Senate recede (no provision).

46. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES

Present law

There are about 340 Federally recognized Indian tribes in the 48 contiguous States. Among these tribes there are approximately 130 tribal courts and 17 Courts of Indian Offenses. Most tribal codes authorize their courts to hear parentage and child support matters that involve at least one member of the tribe or person living on the reservation. This jurisdiction may be exclusive or concurrent with State court jurisdiction, depending on specified circumstances.

House bill

No provision.

Senate amendment

Requires States to make reasonable efforts to enter into cooperative agreements with an Indian tribe or organization if the tribe or organization has an established tribal court system to establish paternity, establish and enforce support orders, and enter support orders in accordance with guidelines established by the tribe or organization. Such agreements shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding

of all funds collected by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute the funds according to the agreement. The DHHS Secretary in appropriate cases is authorized to send Federal funds directly to the tribe or organization.

Conference agreement

Senate recede (no provision).

47. FINANCIAL INSTITUTION DATA MATCHES (SECTION 372)

Present law

No provision.

House bill

No provision.

Senate amendment

States are required to implement procedures under which the State child support agency shall enter into agreements with financial institutions doing business within the State to develop and operate a data match system, using automated data exchanges to the maximum extent feasible, in which such financial institutions are required to provide for each calendar quarter the name, address, Social Security number, and other identifying information for each noncustodial parent identified by the State who has an account at the institution and, in response to a notice of lien or levy, to encumber or surrender assets held by the institution on behalf of the noncustodial parent who is subject to the child support lien. Includes definition of the term "financial institution."

Conference agreement

Conferees agree that the House recede to the Senate requirement that States perform data matches on information supplied by financial institutions in the case of parents who owe past-due child support and have liens against them.

48. ENFORCEMENT OF ORDERS AGAINST PATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS (SECTION 373)

Present law

No provision. However, Wisconsin and Hawaii have State laws that make grandparents financially responsible for their minor children's dependents.

House bill

No provision.

Senate amendment

States would be required to implement procedures under which any child support order enforced by a child support enforcement agency would be enforceable against the paternal grandparents of a minor father if the child's minor mother were receiving benefits from the Temporary Assistance for Needy Families block grant program.

Conference agreement

The House recedes to the Senate requirement that paternal grandparents be held accountable for paying child support in the case of minor mothers with children being supported by benefits from the Temporary Assistance for Needy Families block grant, or that the maternal grandparents be held accountable for paying child support in the case of a minor father raising children who receive benefits from the Temporary Assistance for Needy Families block grant.

SUBTITLE H—MEDICAL SUPPORT

49. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER (SECTION 376)

Present law

P.L. 103-66 requires States to adopt laws to require health insurers and employers to enforce orders for medical and child support and forbids health insurers from denying coverage to children who are not living with the covered individual or who were born outside of marriage. Under P.L. 103-66, group health plans are required to honor "qualified medical child support orders.

House bill

This provision expands the definition of medical child support order in ERISA to clarify that any judgment, decree, or order that is issued by a court of competent jurisdiction or by an administrative adjudication has the force and effect of law.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

50. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE (SECTION 377)

Present law

Federal law requires the Secretary to require IV-D agencies to petition for the inclusion of medical support as part of child support whenever health care coverage is available to the noncustodial parent at reasonable cost.

House bill

No provision.

Senate amendment

All orders enforced under this part must include a provision for health care coverage. If the noncustodial parent changes jobs and the new employer provides health coverage, the State must send notice of coverage, which shall operate to enroll the child in the health plan, to the new employer.

Conference agreement

The House recedes to the Senate provision on medical care coverage provided to children by nonresident parents changing jobs.

SUBTITLE I—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS

51. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS (SECTION 381)

A. In General

Present law

In 1988, Congress authorized the Secretary to fund for FY 1990 and FY 1991 demonstration projects by States to help divorcing or never-married parents cooperate with each other, especially in arranging for visits between the child and the nonresident parent.

House bill

The bill authorizes grants to States for access and visitation programs including mediation, counseling, education, development of parenting plans, and visitation enforcement. Visitation enforcement can include monitoring, supervision, neutral drop-off and pick-up, and development of guidelines for visitation and alternative custody agreements. States are required to monitor and evaluate their programs and are given the authority to subcontract the program to courts, local public agencies, or private non-profit agencies. Programs operating under the grant do not have to be Statewide. Funding is authorized as capped spending under section IV-D of the Social Security Act. Projects are required to supplement rather than supplant State funds.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

B. Amount of Grant

Present law

No provision.

House bill

The amount of the grant to a State is equal to either 90 percent of the State expenditures during the year for access and visitation programs or the allotment for the State for the fiscal year.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

C. Allotment to States

Present law

No provision.

House bill

The allotment to the State bears the same ratio to the amount appropriated for the fiscal year as the number of children living in the State with one biological parent divided by the national number of children living with one biological parent. The Administration for Children and Families must adjust allotments to ensure that no State is allotted less than $50,000 for fiscal years 1996 or 1997 or less than $100,000 for any year after 1997.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

D. State Administration

Present law

No provision.

House bill

States may use the money to create their own programs or to fund grant programs with courts, local public agencies, or nonprofit organizations. The programs do not need to be Statewide. States must monitor, evaluate, and report on their programs in accord with the regulations issued by the Secretary.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

SUBTITLE J—EFFECT OF ENACTMENT

52. EFFECTIVE DATES (SECTION 391)

Present law

No provision.

House bill

Except as noted in the text of the bill for specific provisions, the general effective date for provisions in the bill is October 1, 1996. However, given that many of the changes required by this bill must be approved by State Legislatures, the bill contains a grace period tied to the meeting schedule of State Legislatures. In any given State, the bill becomes effective either on October 1, 1996 or on the first day of the first calendar quarter after the close of the first regular session of the State Legislature that begins after the date of enactment of the bill. In the case of States that require a constitutional amendment to comply with the requirements of the bill, the grace period is extended either 1 year after the effective date of the necessary State constitutional amendment or 5 years after the date of enactment of the bill.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

Senate amendment

The Senate amendment directs the Commissioner of Social Security, within sixty days of enactment, to issue a request for comments in the Federal Register regarding improvements in the disability evaluation and determination procedures for children under age 18. The Commissioner must review the comments and issue regulations implementing changes within 18 months after enactment.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

Temporary eligibility for cash benefits for poor disabled children residing in States applying alternative income eligibility standards under Medicaid

Present law

States generally are required to provide Medicaid coverage for recipients of SSI. However, States may use more restrictive eligibility standards for Medicaid than those for SSI if they were using those standards on January 1, 1972 (before implementation of SSI). States that have chosen to apply at least one more restrictive standard are known as "section 209(b)" States, after the section of the Social Security Amendments of 1972 (P.L. 92-603) that established the option. These States may vary in their definition of disability, or in their standards related to income or resources. There are 12 section 209(b) States: Connecticut, Hawaii, Illinois, Indiana, Minnesota, Missouri, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, and Virginia.

House bill

The House bill provides for temporary eligibility for cash SSI benefits (through the end of FY 1996) for children who live in States that apply alternative income eligibility standards under Medicaid (also known as "209(b)" States).

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

4. REDUCTION OF CASH BENEFITS PAYABLE TO INSTITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE (SECTION 214)

Present law

Federal law stipulates that when an individual enters a hospital or other medical institution in which more than half of the bill is paid by the Medicaid program, his or her monthly SSI benefit standard is reduced to $30 per month. This personal needs allowance is intended to pay for small personal expenses, with the cost of maintenance and medical care provided by the Medicaid program.

House bill

Cash SSI payments to institutionalized children would be reduced for those whose medical costs are covered by private insurance.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Additional accountability requirements for parents or guardians

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Senate amendment requires a disabled child's representative payee (usually the parent) to document expenditures. These expenditures would be subject to increased review by the Social Security Administration. Effective for benefits paid after enactment.

Conference agreement

The conference agreement follow the House bill (i.e., no provision).

5. REGULATIONS (SECTION 215)

Present law

Not applicable.

House bill

The Commissioner of Social Security and the Secretary of HHS will prescribe necessary regulations within three months after enactment of this Act.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Examination of mental listings used to determine eligibility of children for SSI benefits by reason of disability

Present law

Section 202 of the Social Security Independence and Program Improvements Act of 1994 established a Childhood Disability Commission to study the desirability and methods of increasing the extent to which benefits are used in the effort to assist disabled children in achieving independence and engaging in substantial gainful activity. The Commission was also charged with examining the effects of the SSI program on disabled children and their families.

House bill

The Childhood Disability Commission must review the mental listings used by the Social Security administration to determine child SSI eligibility. The Commission should conduct this investigation to ensure that the criteria in these listings are appropriate and that SSI eligibility is limited to children with serious disabilities for whom Federal assistance is necessary to improve the child's condition or quality of life.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision) due to the Childhood Disability Commission having completed their final report.

Limitation on payments to Puerto Rico, the U.S. Virgin Islands and Guam under programs of aid to the aged, blind, or disabled

See description in section 108 of title I of the conference agreement.

SUBTITLE C—STATE SUPPLEMENTATION PROGRAMS

1. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENT APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS (SECTION 221)

Present law

Since the beginning of the SSI program, States have had the option to supplement (with State funds) the Federal SSI payment. The purpose of section 1618 was to encourage States to pass along to SSI recipients the amount of any Federal SSI benefit increase. Under section 1618, a State that is found to be not in compliance with the "pass along/maintenance of effort provision" is subject to loss of its Medicaid reimbursements. Section 1618 allows States to comply with the "pass along/maintenance of effort" provision by either maintaining their State supplementary payment levels at or above 1983 levels or by maintaining total annual expenditures for supplementary payments (including any Federal cost-of-living adjustment) at a level at least equal to the prior 12-month period, provided the State was in compliance for that period. In effect, section 1618 requires that once a State elects to provide supplementary payments it must continue to do so. [Sec. 1618 of the Social Security Act]

House bill

The House bill repeals the maintenance of effort requirements (Sec. 1618) applicable to optional State programs for supplementation of SSI benefits effective date of enactment.

Senate amendment

Similar to the House bill.

Conference agreement

The conference agreement follows the Senate amendment with modification that the effective date is the date of enactment.

Limited eligibility of noncitizens for SSI benefits

See description in title IV of the conference agreement.

SUBTITLE D—STUDIES REGARDING SUPPLEMENTAL SECURITY INCOME PROGRAM

1. ANNUAL REPORT ON SSI (SECTION 231)

Present law

To date, the Department of Health and Human Services and now the Social Security Administration have collected, compiled, and published annual and monthly SSI data, but Federal law does not require an annual report on the SSI program.

House bill

No provision.

Senate amendment

The Senate amendment requires the Commissioner of Social Security to prepare and provide to the President and the Congress an annual report on the SSI program, which includes specified information and data. The report is due May 30 of each year.

Conference agreement

The conference agreement follows the Senate amendment.

2. STUDY OF DISABILITY DETERMINATION PROCESS (SECTION 232)

Present law

Not applicable.

House bill

No provision.

Senate amendment

Within 90 days of enactment, the Commissioner must contract with the National Academy of Sciences or another independent entity to conduct a comprehensive study of the disability determination process for SSI and SSDI. The study must examine the validity, reliability and consistency with current scientific standards of the Listings of Impairments cited above.

The study must also examine the appropriateness of the definitions of disability (and possible alternatives) used in connection with SSI and SSDI; and the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical or metal impairments.

The Commissioner must issue interim and final reports of the findings and recommendations of the study within 18 months and 24 months, respectively, from the date of contract for the study.

Conference agreement

The conference agreement follows the Senate amendment.

3. GENERAL ACCOUNTING OFFICE STUDY (SECTION 233)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Senate amendment requires the General Accounting Office to study and report on the impact of title II of the Senate amendment on the SSI program by January 1, 1998.

Conference agreement

The conference agreement follows the Senate amendment with modification that the study also include extra expenses incurred by families of children receiving SSI that are not covered by other Federal, State, or local programs.

SUBTITLE E—NATIONAL COMMISSION ON THE FUTURE OF DISABILITY

1. ESTABLISHMENT (SECTION 241)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission is established and expenses are to be paid from funds appropriated to the Social Security Administration.

Conference agreement

The conference agreement follows the Senate amendment with modification that there are authorized to be appropriated such sums as necessary to carry out the purpose of the Commission.

2. DUTIES (SECTION 242)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission must study all matters related in the nature, purpose and adequacy of all Federal programs for the disabled, and especially SSI and SSDI.

The Commission must examine: projected growth in the number of individuals with disabilities and the implications for program planning; possible performance standards for disability programs; the adequacy of Federal rehabilitation research and training; and the adequacy of policy research available to the Federal government and possible improvements.

The Commission must submit to the President and the proper Congressional committees recommendations and possible legislative proposals effecting needed program changes.

Conference agreement

The conference agreement follows the Senate amendment.

3. MEMBERSHIP (SECTION 243)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission is to be composed of 15 members, appointed by the President and Congressional leadership. Members are to be chosen based on their education, training or experience, with consideration for representing the diversity of individuals with disabilities in the U.S.

The Comptroller General must serve as an ex officio member of the Commission to advise on the methodology of the study. With the exception of the Comptroller General, no officer or employee of any government may serve on the Commission.

Members are to be appointed not later than 60 days after enactment. Members serve for the life of the Commission, which will be headquartered in D.C. and meet at least quarterly.

The Senate amendment includes a number of specific requirements on the Commission regarding quorums, the naming of chairpersons, member replacement, and benefits.

Conference agreement

The conference agreement follows the Senate amendment with modification deleting the Comptroller General as a ex officio member and deleting the prohibition against officer or employee of any government being appointed to serve on the Commission. The conferees added that the Commission membership will also reflect the general interests of the business and taxpaying community, both of which are often impacted by Federal disability policy.

4. STAFF AND SUPPORT SERVICES (SECTION 244)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission will have a director, appointed by the Chair, and appropriate staff, resources, and facilities.

Conference agreement

The conference agreement follows the Senate amendment.

5. POWERS (SECTION 245)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission may conduct public hearings and obtain information from Federal agencies necessary to perform its duties.

Conference agreement

The conference agreement follows the Senate amendment.

6. REPORTS (SECTION 246)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission must issue an interim report to Congress and the President not later than 1 year prior to terminating. A final public report must be submitted prior to termination.

Conference agreement

The conference agreement follows the Senate amendment.

7. TERMINATION (SECTION 247)

Present law

Not applicable.

House bill

No provision.

Senate amendment

The Commission will terminate 2 years after first having met and named a chair and vice chair.

Conference agreement

The conference agreement follows the Senate amendment.

SUBTITLE F—RETIREMENT AGE ELIGIBILITY

1. ELIGIBILITY FOR SSI BENEFITS BASED ON SOCIAL SECURITY RETIREMENT AGE (SECTION 251)

Present law

The SSI program guarantees a minimum level of cash income to all aged, blind, or disabled persons with limited resources. The SSI program defines "aged" as persons age 65 and older.

House bill

No provision.

Senate amendment

The Senate amendment deletes references to age 65 and instead defines as "aged" those persons who reach "retirement age" as defined by the Social Security program. The Social Security "retirement age"—the age at which retired workers receive benefits that are not reduced for "early retirement"—gradually will rise from 65 to 67. It will do so in two steps. First, the retirement age will increase by 2 months for each year that a person was born after 1937, until it reaches age 66 for those born in 1943 (i.e., those who attain age 66 in 2009). Second, it will again increase by 2 months for each year that a person was born after 1954 until it reaches age 67 for those born after 1959.

Conference agreement

The conference agreement follows the Senate amendment.

TITLE IV. RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

1. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION (SECTION 400)

Present law

No provision.

House bill

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(i) Self-sufficiency has been a basic principle of U.S. immigration law since this country's earliest immigration statutes;

(ii) It continues to be the immigration policy of the U.S. that aliens within the nation's borders depend not on public resources, but rely on their own capabilities and the resources of their families and sponsors and that the availability of public benefits not constitute an incentive for immigration;

(iii) Aliens have been applying for and receiving public benefits at increasing rates;

(iv) Current eligibility rules and unenforceable financial support agreements have proved incapable of assuring that individual aliens not burden the public benefits system;

(v) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements to assure that aliens become self-reliant; and

(vi) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, with a modification regarding a

State's option to choose to follow Federal classifications regarding eligibility.

SUBTITLE A—ELIGIBILITY FOR FEDERAL BENEFITS PROGRAMS

2. INELIGIBILITY OF ILLEGAL ALIENS FOR CERTAIN FEDERAL BENEFITS PROGRAMS (SECTION 401)

Present law

Current law limits alien eligibility for most major Federal assistance programs, including restrictions on, among other programs, Supplemental Security Income, Aid to Families with Dependent Children, housing assistance, and Food Stamps Programs. Current law is silent on alienage under, among other programs, school lunch and nutrition, Special Supplemental Food Program for Women, Infants, and Children (WIC), Head Start, migrant health centers, and the earned income tax credit.

Under the programs with restrictions, benefits are generally allowed for permanent resident aliens (also referred to as immigrants and green card holders), refugees, asylees, and parolees, but benefits (other than emergency Medicaid) are denied to nonimmigrants (or aliens lawfully admitted as, e.g., tourists, students, or temporary workers) and illegal aliens. Benefits are permitted under AFDC, SSI, unemployment compensation, and nonemergency Medicaid to other aliens permanently residing in the U.S. under color of law (PRUCOL).

House bill

Any alien who is not lawfully present in the U.S. shall not be eligible for any Federal means-tested public benefits program, with the exception of non-cash, in-kind emergency assistance, including emergency medical services. Housing-related assistance, which allows limited assistance for households containing both eligible and ineligible individuals, remains prohibited as under current law.

The Attorney General is to decide which aliens are lawfully present for purposes of benefit eligibility. In doing so, the Attorney General is not required to consider an alien to be lawfully present solely because the alien is considered to be permanently residing under color of law (PRUCOL) under current standards.

Senate amendment

Any individual who is not lawfully present in the U.S. is ineligible for any Federal benefit other than: emergency medical services under Medicaid; short-term emergency disaster relief; assistance under the National School Lunch Act or the Child Nutrition Act of 1966; and public health assistance for immunizations and, if found necessary by HHS, testing for and treatment of communicable diseases. Similarly, States which administer a Federally-funded benefit program (or provide benefits pursuant to such a program) are not required to assist aliens who are not lawfully present.

An individual is lawfully present for purposes of qualifying for benefits if the individual is a citizen, non-citizen national (i.e. American Samoan), permanent resident alien, refugee, asylee (including an alien who has had his/her deportation stayed because it would return the alien to a country which would persecute him/her), or an alien who has been paroled into the U.S. by the Attorney General for at least 1 year.

Noncitizens are not lawfully present for the purposes of the SSI program merely because they are considered to be permanently residing under color of law (PRUCOL).S0634

Conference agreement

The conference agreement generally follows the House bill and the Senate amendment, except that aliens who are not lawfully present in the U.S. and nonimmigrants and aliens paroled into the U.S. for a period of less than 1 year as described below are grouped together and defined as classes "not qualified" to receive most Federal public benefits. However, even these "non-qualified" aliens may continue to receive: short-term, in-kind, emergency disaster relief; emergency medical services under Medicaid; public health assistance for immunizations and testing and treatment to prevent the spread of communicable diseases; and programs specified by the Attorney General as necessary to protect life and safety, such as soup kitchens and crisis counseling. An exception is also made for benefits payable under title II of the Social Security Act for certain legal aliens. With regard to public housing assistance, non-qualified aliens receiving benefits on the date of enactment will continue to be treated as they are under current law. This section, however, does not prevent the Secretary of Housing and Urban Development or the Secretary of Agriculture from processing all aliens currently receiving housing assistance under the rules and regulations provided for under section 214 of the housing and Community Development Act of 1980.

The conference agreement follows the Senate amendment regarding the definition of Federal public benefits for this and subsequent sections, namely: 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 any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family by an agency of the U.S. or by appropriated funds of the U.S.

The allowance for treatment of communicable diseases is very narrow. The conferees intend that it only apply where absolutely necessary to prevent the spread of such diseases. This is only a stop-gap measure until the deportation of a person or persons unlawfully here. It is *not* intended to provide authority for continued treatment of such diseases for a long term.

The allowance for emergency medical services under Medicaid is very narrow. The conferees intend that it only apply to medical care that is strictly of an emergency nature, such as medical treatment administered in an emergency room, critical care unit, or intensive care unit. The conferees do not intend that emergency medical services include pre-natal or delivery care assistance that is not strictly of an emergency nature as specified herein.

The intent of the conferees is that title I, part A of the Elementary and Secondary Education Act would not be affected by section 401 because the benefit is not provided to an individual, household, or family eligibility unit.

3. INELIGIBILITY OF NONIMMIGRANTS, ASYLEES, AND PAROLEES FOR CERTAIN FEDERAL BENEFITS PROGRAMS (SECTION 401)

A. In General

Present law

The Immigration and Nationality Act lists 19 categories of nonimmigrant aliens, including tourists, business visitors, foreign students, exchange visitors, temporary workers, and diplomats. Aliens granted political asylum and aliens allowed into the U.S. under the Attorney General's discretionary parole power are not among the nonimmigrant categories. Nonimmigrants generally are denied benefits under public benefits programs that have alienage restrictions. By contrast, asylees and parolees are not disqualified.

House bill

Aliens who are lawfully in the U.S. as nonimmigrants are ineligible for means-tested Federal benefits, other than the programs excepted below. Nonimmigrants admitted as temporary agricultural workers are not to be treated as nonimmigrants for public benefits purposes, but rather are to be treated as immigrants. Other aliens who also are not to be treated as nonimmigrants include aliens granted asylum and aliens paroled into the U.S. for 1 year or longer. However, aliens paroled into the U.S. for a period briefer than 1 year are subject to the nonimmigrant restrictions.

Senate amendment

Nonimmigrant aliens are not considered lawfully present for Federal benefits purposes, and are thus ineligible for any Federal benefit other than the programs specifically excepted below.

Conference agreement

The conference agreement generally follows the Senate amendment, as described in section 2 above.

B. Excepted Programs

Present law

Of Federal programs with alien eligibility restrictions, nonimmigrants are eligible for emergency services under Medicaid. Temporary agricultural workers may receive legal services funded through the Legal Services Corporation with respect to their wages, housing, and other employment rights covered by their employment contract. Those nonimmigrants whose wages are not exempt from unemployment taxes (FUTA) may qualify for unemployment compensation under certain circumstances.

House bill

Exception of the bill's blanket denial of Federal means-tested assistance to nonimmigrants is made for Emergency Assistance, including non-cash emergency medical services. Housing-related assistance is not covered by the bill's general rule, but rather existing restrictions udner housing programs are to continue to apply. These restrictions deny assisted housing to nonimmigrants except as they may incidentally benefit as members of mixed families. However, all aliens granted parole are eligible for housing assistance.

Senate amendment

Permits nonimmigrants (and all others who are not lawfully present) to receive: emergency medical services under Medicaid; short-term emergency disaster relief; school lunch and child nutrition assistance; and public health assistance for immunizations and, if found necessary by HHS, testing for and treatment of communicable diseases.

Conference agreement

The conference agreement generally follows the Senate amendment, as described in section 2 above.

The allowance for treatment of communicable diseases is very narrow. The conferees intend that it only apply where absolutely necessary to prevent the spread of such diseases. This is only a stop-gap measure until the deportation of a person or persons unlawfully here. It is *not* intended to provide authority for continued treatment of such diseases for a long term.

The allowance for emergency medical services under Medicaid is very narrow. The conferees intend that it only apply to medical

99-059 O—97 Vol. 141 (Pt. 26) 30

care that is *strictly* of an emergency nature, such as medical treatment administered in an emergency room, critical care unit, or intensive care unit. The conferees do not intend that emergency medical services include pre-natal or delivery care assistance that is not strictly of an emergency nature as specified herein.

C. Treatment of Aliens Paroled Into the U.S.

Present law

In some cases, aliens paroled into the U.S. are entitled to public benefits while they remain in parole status.

House bill

Aliens paroled into the U.S. for less than 1 year are treated as nonimmigrants for benefits purposes (i.e., general ineligibility) but aliens paroled into the U.S. for longer than 1 year are treated as immigrants (i.e. somewhat broader, but still limited, eligibility).

Senate amendment

Aliens who have been paroled into the U.S. for a period of less than 1 year are not considered to be lawfully present for benefits purposes and therefore are generally ineligible for benefits. (Aliens who have been paroled into the U.S. for a period of 1 year or longer are considered to be lawfully present.)

Conference agreement

The conference agreement generally follows the Senate amendment, as described in section 2 above.

4. LIMITED ELIGIBILITY OF LAWFULLY PRESENT ALIENS (OTHER THAN NONIMMIGRANTS) FOR FEDERAL BENEFITS (SECTIONS 402, 403 AND 432)

A. In General

Present law

With the exception of certain buy-in rights under Medicare, immigrants (or aliens lawfully admitted for permanent residence) are eligible for major Federal benefits, but the ability of some immigrants to meet the needs tests for SSI, AFDC, and food stamps may be affected by the sponsor-to-alien deeming provisions discussed below. Refugees, asylees, and parolees also generally are eligible. Benefits are permitted under AFDC, SSI, unemployment compensation, and nonemergency Medicaid to other aliens permanently residing in the U.S. under color of law (PRUCOL).

House bill

With certain specific exceptions noted below, any alien who is lawfully present in the U.S. shall not be eligible for any of the following Federal means-tested public benefits programs (except as they provide noncash, in-kind emergency services): Supplemental Security Income, Temporary Assistance for Needy Families, Social Services Block Grant (Title XX), Medicaid, and Food Stamps.

Under programs other than the foregoing 5 major benefits programs, the eligibility of lawfully present aliens (other than nonimmigrants) for benefits would continue to be governed by current law as modified by the sponsor-to-alien deeming provisions discussed below. The Attorney General is to determine which aliens are "lawfully present" and is not bound in doing so by current interpretations of "PRUCOL", or "permanently residing under color of law."

Senate amendment

Except for specific classes noted below, all aliens are to be denied SSI.

Except for specific classes and programs noted below, all aliens arriving after enactment are ineligible for all Federal needs-based assistance for 5 years after entry.

Except for specific classes and programs noted below, States may deny noncitizens need-based assistance funded by the Federal Government (e.g., Temporary Assistance for Needy Families and similar block grants).

For lawfully present aliens who are in the United States on the date of enactment and who have been here 5 years, current rules will continue to apply to programs other than SSI, except as eligibility may be affected by the State option to deny noncitizens needs-based assistance funded by Federal funds.

Conference agreement

The conference agreement follows the House bill and the Senate amendment with the following modifications:

(1) current resident aliens and those arriving after enactment (with the exception of the specific classes described below) may not receive SSI or food stamps until attaining citizenship or working long enough (that is, at least 10 years) to qualify for Social Security retirement benefits;

(2) aliens have no entitlement to benefits;

(3) States have the option of providing benefits to lawfully present aliens under the TANF, Medicaid, or Title XX programs; and

(4) new entrants are denied benefits under all Federal means-tested programs for five years after their entry into the United States with the exception of those programs described in section (4)(B) below.

B. Excepted Programs

Present law

Not applicable (See above.)

House bill

Only exception for non-cash, in-kind emergency services, as described above.

Senate amendment

The 5-year bar on Federally-funded assistance to new arrivals does not apply to:

(1) emergency medical services under Medicaid;

(2) short-term emergency disaster relief;

(3) assistance under the National School Lunch Act or the Child Nutrition Act of 1996;

(4) the Head Start program;

(5) foster care and adoption assistance (but foster parents or adoptive parents cannot be aliens who are ineligible for benefits due to this provision);

(6) public health assistance for immunizations and, if found necessary by HHS, testing for and treatment of communicable diseases; and

(7) programs specified by the Attorney General that

(i) deliver services at the community level,

(ii) do not condition assistance on the recipient's income or resources, and

(iii) are necessary to protect life, safety, or public health (e.g. soup kitchens).

States may deny needs-based assistance funded by the Federal government to all noncitizens except (1) programs described above in 1, 2, 3, 4, 6, or 7; or (2) assistance to noncitizens in the classes described below.

Conference agreement

The conference agreement follows the Senate amendment, with the modification that Head Start is not an excepted program but the following programs are excepted: (1) programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965, and (2) means-tested programs under the Elementary and Secondary Education Act of 1965.

C. Excepted Classes

Present law

Not applicable. (See above.)

House bill

Excepted are:

(i) refugees during their first 5 years in the U.S.;

(ii) aliens who have been lawfully admitted to the U.S. for permanent residence, are over 75 years of age, and have resided in U.S. for at least 5 years;

(iii) honorably discharged veterans and active duty personnel or their spouses and unmarried dependent children lawfully residing in any State or territory or possession of the U.S.;

(iv) aliens lawfully residing in any State or Territory or Possession of the U.S. during the first year of enactment; and

(v) immigrants who are unable to comply with naturalization requirements because of disability or mental impairment.

Senate amendment

Excepted are:

(i) refugees during their first 5 years in the U.S.;

(ii) honorably discharged veterans (if determined by the Attorney General to be lawfully present), and their spouses and unmarried dependent children;

(iii) aliens receiving SSI benefits on the date of enactment (whose eligibility would end) will remain eligible for SSI until January 1, 1997;

(iv) asylees (including those who have had deportation stayed because it would return them to a country which would persecute them) during their first 5 years in the U.S.;

(v) noncitizens who have worked long enough to be fully insured for Social Security or disability insurance benefits are exempt from the ban on SSI and the prospective 5 year ban; and

(vi) agencies may exempt individuals who have been battered or subjected to extreme cruelty from the denial of State-administered Federal benefits (and the sponsor-alien "deeming" provision discussed below) if the resulting denial of assistance will endanger their well-being.

Conference agreement

The conference agreement follows the House bill and the Senate amendment so that the following classes are excepted:

(1) refugees (during their first 5 years in the U.S.), asylees (for 5 years after being adjudicated as an asylee), and aliens whose deportation has been withheld (during their first 5 years after their deportation has been withheld);

(2) with regard to current residents and with regard to noncitizens arriving after the date of enactment after their fifty year in the country, aliens who have been lawfully admitted to the U.S. for permanent residence and have worked at least 40 quarters (that is, at least 10 years which is currently the criteria for eligibility for Social Security retirement benefits);

(3) honorably discharged veterans and active duty personnel or their spouses and unmarried dependent children lawfully residing in any State, territory, or possession of the U.S.; and

(4) lawfully present aliens receiving SSI or food stamps on the date of enactment, whose eligibility would end January 1, 1997.

D. Effective Date(s)

Present law

Not applicable.

House bill

In general, applies to applicants for benefits after the date of enactment. For current residents of the U.S. on the date of enactment, restriction on eligibility does not apply until 1 year after enactment.

Senate amendment

In general, applies to benefits on or after the date of enactment. Current SSI recipients lose eligibility after January 1, 1997. The Attorney General must adopt regulations to verify the eligibility of applicants for Federal benefits no later than 18 months after enactment. States must have a verification system that complies with these regulations within 24 months of their adoption.

Conference agreement

The conference agreement follows the Senate amendment, with the modification that the eligibility of current resident noncitizens receiving SSI and food stamps on the date of enactment ends for months beginning on or after January 1, 1997.

E. Reapplication

Present law

An individual who is eligible for SSI but who thereafter becomes ineligible for a period of 12 consecutive months must reapply for benefits.

House bill

No provision.

Senate amendment

Individuals receiving SSI benefits on the date of enactment who are notified of their termination of eligibility may reapply for benefits within 4 months after the date of enactment. The Commissioner of Social Security shall determine within 1 year of enactment the eligibility of individuals who reapply.

Conference agreement

The conference agreement follows the Senate amendment.

5. NOTIFICATION (SECTION 404)

Present law

Under regulation, individual advance written notice must be given of an intent to suspend, reduce, or terminate SSI benefits.

House bill

Each Federal Agency that administers an affected program shall post information and provide general notification to the public and to program recipients of changes regarding eligibility.

Senate amendment

The Commissioner of Social Security shall notify noncitizens made ineligible for SSI benefits within 3 months after the date of enactment.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

6. VERIFICATION (SECTIONS 433 AND 435) AND INFORMATION SHARING (SECTION 404)

Present law

State agencies that administer most major Federal programs with alienage restrictions generally use the SAVE (Systematic Alien Verification for Entitlements) system to verify the immigration status of aliens applying for benefits.

AFDC and SSI require safeguards that restrict the use of disclosure of information concerning applicants or recipients to purposes connected to the administration of needs-based Federal programs.

House bill

No provision.

Senate amendment

The Attorney General must adopt regulations to verify the lawful presence of applicants for Federal benefits no later than 18 months after enactment. States must have a verification system that complies with these regulations within 24 months of their adoption.

The agencies which administer SSI, housing assistance programs under the United States Housing Act of 1937, or block grants for temporary assistance for needy families (the successor program to AFDC) are required to furnish information to the Immigration and Naturalization Service (INS) about aliens they know to be unlawfully in the United States at least 4 times annually and upon INS request.

Conference agreement

The conference agreement follows the Senate amendment, with the modification that no State or local government may be restricted from communicating with the INS about the immigration status of a noncitizen in the U.S.

SUBTITLE B—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS

7. INELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS (SECTIONS 411 AND 435)

Present law

Under *Plyler* v. *Doe* (457 U.S. 202 (1982)), States may not deny illegal alien children access to a public elementary education. However, the narrow 5-4 Supreme Court decision may imply that illegal aliens may be denied at least some State benefits and that Congress may influence the eligibility of illegal aliens for State benefits. Many, but not all, State general assistance laws currently deny illegal aliens means-tested general assistance.

House bill

No alien who is not lawfully present in the U.S. shall be eligible for any State and local means-tested public benefits programs (see definitions below). The only exception is emergency medical services.

Senate amendment

No provision affects programs wholly administered and funded by State and local governments. Aliens who are not lawfully present are ineligible for benefits paid with Federal funds under State-administered programs (or paid with State funds pursuant to such programs).

Conference agreement

The conference agreement follows the House bill with a modification that States are permitted to affirmatively enact a State law after the date of enactment of this Act that specifies that such State wished to provide State and local benefits to illegal aliens.

No current State law, State constitutional provision, State executive order or decision of any State or Federal court shall provide a sufficient basis for a State to be relieved of the requirement to deny benefits to illegal aliens in subsection (a). Laws, ordinances, or executive orders passed by county, city or other local officials will not allow those entities to provide benefits to illegal aliens. Only the affirmative enactment of a law by a State legislature and signed by the Governor after the date of enactment of this Act, that references this provision, will meet the requirements of this section.

The phrase "affirmatively provides for such eligibility" means that the State law enacted must specify that illegal aliens are eligible for State or local benefits as defined in subsection (c). Persons residing under color of law shall be considered to be aliens unlawfully present in the U.S. and are prohibited from receiving State or local benefits, as defined in subsection (c), regardless of the enactment of any State law.

The conference agreement provides that no State or local government entity shall prohibit, or in any way restrict, any entity or official from sending to or receiving from the INS information regarding the immigration status of an alien or the presence, whereabouts, or activities of illegal aliens. It does not require, in and of itself, any government agency or law enforcement official to communicate with the INS.

The conferees intend to give State and local officials the authority to communicate with the INS regarding the presence, whereabouts, or activities of illegal aliens. This provision is designed to prevent any State or local law, ordinance, executive order, policy, constitutional provision, or decision of any Federal or State court that prohibits or in any way restricts any communication between State and local officials and the INS. The conferees believe that immigration law enforcement is as high a priority as other aspects of Federal law enforcement, and that illegal aliens do not have the right to remain in the U.S. undetected and unapprehended.

8. INELIGIBILITY OF NONIMMIGRANTS FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS (SECTION 411)

Present law

Currently, there is no Federal law barring nonimmigrants from State and local needs-based programs. In general, States are restricted in denying assistance to nonimmigrants where the denial is inconsistent with the terms under which the nonimmigrants were admitted. Where a denial of benefits is not inconsistent with Federal immigration law, however, States have broader authority to deny benefits and States often do deny certain benefits to nonimmigrants. Also, aliens in most nonimmigrant categories generally may have difficulty qualifying for many State and local benefits because of requirements that they be State "residents."

House bill

No alien who is lawfully present in the U.S. as a nonimmigrant shall be eligible for any State and local means-tested public benefit programs. Exceptions for: non-cash emergency assistance (including emergency medical services) aliens granted asylum, and certain temporary agricultural workers who are treated as immigrants for purposes of application for State and local means-tested benefits (see below). Aliens paroled into the U.S. for a period of less than 1 year are considered to be nonimmigrants under this part.

Senate amendment

No provision affects programs wholly administered and funded by State or local governments. Nonimmigrants are not considered to be lawfully present for Federal benefits purposes and are thus ineligible for benefits paid with Federal funds under State-administered programs (or paid with State funds pursuant to such programs).

Conference agreement

The conference agreement follows the House bill, with the modification that States may determine the eligibility of nonimmigrants and short-term parolees for State and local benefits.

9. STATE AUTHORITY TO LIMIT ELIGIBILITY OF IMMIGRANTS FOR STATE AND LOCAL MEANS-TESTED PUBLIC BENEFITS PROGRAMS (SECTION 412)

Present law

Under *Graham* v. *Richardson* (403 U.S. 365 (1971)), States are barred from denying legal

permanent residents from State-funded assistance that is provided to equally needy citizens.

House bill

States are authorized to determine eligibility requirements for aliens who are lawfully present in the U.S. for any State and local means-tested public benefit program (other than non-cash emergency assistance, including emergency medical services), with exception of:

(i) refugees during their first 5 years in the U.S.;

(ii) Aliens who have been lawfully admitted to the U.S. for permanent residence, are over 75 years of age, and have resided in U.S. for five years;

(iii) Honorably discharged veterans and active duty personnel or their spouses and unmarried dependent children lawfully residing in any State or territory or possession of the U.S.; and

(iv) Aliens lawfully residing in any State or Territory or possession of the U.S. during the first year after the date of enactment. Aliens lawfully present would remain eligible for emergency medical services.

In addition to enhancing State discretion to impose alienage restrictions, eligibility for State and local needs-based benefits also would be restricted by application of new sponsor-to-alien deeming requirements discussed below.

Senate amendment

No provision restricts benefits wholly funded by State or local governments, but States may use the sponsor-alien deeming provisions, described below, to determine whether a sponsored individual qualifies for assistance under such a program.

Conference agreement

The conference agreement follows the House bill, except that excepted classes are modified so that they are identical to those excepted under (4)(C) for the purposes of the denial of Federal benefits for legal permanent resident noncitizens.

SUBTITLE C—ATTRIBUTION OF INCOME AND AFFIDAVITS OF SUPPORT

10. REQUIREMENTS FOR AFFIDAVITS OF SUPPORT (SECTIONS 423 AND 424)

A. When Required and Enforceability

Present law

Administrative authorities may request an affidavit of support on behalf of an alien seeking permanent residency. Requirements for affidavits of support are not specified under current law.

Under the Immigration and Nationality Act, an alien who is likely to become a public charge may be excluded from entry unless this restriction is waived, as is the case for refugees. By regulation and administrative practice, the State Department and the Immigration and Naturalization Service permit a prospective permanent resident alien (also immigrant or green card holder) who otherwise would be excluded as a public charge (i.e., insufficient means or prospective income) to overcome exclusion through an affidavit of support or similar document executed by a individual in the U.S. Individuals who execute affidavits of support commonly are called sponsors, even though that term also is used under immigration practice to refer to individuals and other entities who undertake various other acts (e.g., file a visa preference petition for a relative or prospective employee or undertake to resettle individuals who enter in refugee status) and who may or may not also execute affidavits of support. About one-half of the aliens who obtain legal permanent resident status have had affidavits of support filed on their behalf.

Various State court decisions and decisions by immigration courts have held that these affidavits, as currently constituted, do not impose a binding obligation on the sponsor to reimburse State agencies providing aid to the sponsored alien.

House bill

When affidavits of support are required, they must comply with the following:

(A) no affidavit of support may be accepted to overcome a public charge exclusion unless the affidavit is executed as a contract that is legally enforceable against the sponsor by the Federal government and by any State or local government with respect to any means-tested benefits paid to the sponsored alien before the alien becomes a citizen. However, affidavits of support are not to be construed to provide any right to sponsored aliens;

(B) any Federal, State or local means-tested benefits paid to sponsored alien;

(C) to qualify to execute an affidavit of support, an individual must be within the definition of sponsor set out in item G(1), below;

(D) governmental entities that provide benefits may seek reimbursement up to 10 years after a sponsored alien last receives benefits. In the affidavit of support, the sponsor must agree to submit to the jurisdiction of any Federal or State court regarding reimbursement of the cost of benefits received by the alien; and

(E) sponsorship extends until alien becomes a citizen.

Senate amendment

When affidavits of support are required, they must comply with the following:

(A) no affidavit of support may be relied upon to overcome a public charge exclusion unless the affidavit is executed as a contract that is legally enforceable against the sponsor by the sponsored alien and by Federal, State, and local governmental entities that provide the sponsored alien with means-tested assistance during the support period described below;

(B) programs for which reimbursement shall be requested are: (1) AFDC or its successor; (2) Medicaid; (3) Food Stamps; (4) SSI; (5) any State general assistance program; and (6) any other Federal, State or local need-based program. However, governmental entities cannot seek reimbursement with respect to (1) emergency medical services under Medicaid; (2) short-term emergency disaster relief; (3) assistance provided under the National School Lunch Act or the Child Nutrition Act of 1966; (4) the Head Start program; (5) public health assistance for immunizations and, if determined necessary by HHS, testing for or treatment of communicable diseases; and (6) programs specified by the Attorney General that (i) deliver services at the community level, (ii) do not condition assistance on the recipient's income or resources, and (iii) are necessary to protect life, safety, or public health (e.g. soup kitchens);

(C) to qualify to execute an affidavit of support, an individual must be within the definition of sponsor set out in item G(1), below;

(D) governmental entities may seek reimbursement of other means-tested assistance up to 10 years after a sponsored alien last receives benefits. In the affidavit of support, the sponsor must agree to submit to the jurisdiction of any Federal or State court regarding reimbursement of the cost of benefits received by the alien; and

(E) sponsor must agree in the affidavit of support to provide sufficient financial support so that the sponsored individual will not become a public charge until the individual has worked in the U.S. for 40 qualifying quarters, regardless of whether the individual chooses to naturalize or not. A qualifying quarter is a 3-month period (1) which counts as a quarter for the purposes of social security coverage, (2) during which the individual did not receive needs-based assistance, and (3) which occurs in a tax year for which the individual had income tax liability.

Conference agreement

The conference agreement follows the House bill and the Senate amendment as follows:

When affidavits of support are required, they must comply with the following:

(A) no affidavit of support may be accepted to overcome a public charge exclusion unless the affidavit is executed as a contract that is legally enforceable against the sponsor by the Federal government with respect to any means-tested benefits paid to the sponsored alien before the alien becomes a citizen. However, affidavits of support are to to be construed to provide any right to sponsored aliens;

(B) programs for which reimbursement shall be requested are: (1) AFDC or its successor; (2) Medicaid; (3) Food Stamps; (4) SSI; (5) any State general assistance program; and (6) any other Federal, State or local need-based program. However, governmental entities cannot seek reimbursement with respect to (1) emergency medical services under Medicaid; (2) short-term emergency disaster relief; (3) assistance provided under the National School Lunch Act or the Child Nutrition Act of 1966; (4) payments for foster care and adoption assistance under part B of title IV of the Social Security Act; (5) public health assistance for immunizations and, if determined necessary by HHS, testing for or treatment of communicable diseases; (6) programs specified by the Attorney General that (i) deliver services at the community level, (ii) do no condition assistance on the recipient's income or resources, and (iii) are necessary to protect life, safety, or public health (e.g. soup kitchens); and (7) postsecondary education benefits (the conference report includes a provision that, notwithstanding sections 427(a)(2)(A), 428B(a), 428C(b)(4)(A), and 464(c)(1)(E), would prohibit a lawfully admitted alien from receiving a student loan authorized under Title IV of the Higher Education Act unless the loan is endorsed and cosigned by the alien's sponsor or by another individual who is a United States citizen. The conferees recognize that this provision is not currently a feature of the Higher Education Act and are aware that this requirement will necessitate modifications to the regulations that govern Federal student aid, and the application forms through which students apply. The conferees expect the Department of Education to minimize the regulatory burden on students and schools that may attend this provision, and instruct the Department to work closely with the higher education community to develop regulations and forms to implement this requirement);

(C) to qualify to execute an affidavit of support, an individual must be within the definition of sponsor set out in item G(1) below;

(D) governmental entities that provide benefits may seek reimbursement up to 10 years after a sponsored alien last receives benefits. In the affidavit of support, the

sponsor must agree to submit to the jurisdiction of any Federal or State court regarding reimbursement of the cost of benefits received by the alien; and

(E) sponsorship extends until alien becomes a citizen.

The allowance for treatment of communicable diseases is very narrow. The conferees intend that it only apply where absolutely necessary to prevent the spread of such diseases. This is only a stop-gap measure until the deportation of a person or persons unlawfully here. It is not intended to provide authority for continued treatment of such diseases for a long term.

The allowance for emergency medical services under Medicaid is very narrow. The conferees intend that it only apply to medical care that is strictly of an emergency nature, such as medical treatment administered in an emergency room, critical care unit or intensive care unit. The conferees do not intend that emergency medical services include pre-natal or delivery care assistance that is not strictly of an emergency nature as specified herein.

B. Forms

Present law

No statutory provision. The Department of Justice issues a form (Form I-134) that complies with current sponsorship guidelines.

House bill

The Attorney General, in consultation with the Secretary of State and the Secretary of HHS shall formulate an affidavit of support within 90 days after enactment, consistent with this section.

Senate amendment

The Attorney General, the Secretary of State, and the Secretary of HHS shall jointly formulate an affidavit of support with 90 days after enactment, consistent with this section.

Conference agreement

The conference agreement follows the House bill.

C. Statutory Construction

Present law

No provision.

House bill

Nothing in this section shall be construed to grant third party beneficiary rights to any sponsored alien under an affidavit of support.

Senate amendment

The Senate amendment expressly requires that affidavits of support permit sponsored individuals to enforce support obligations of their sponsors as contained in the affidavits.

Conference agreement

The conference agreement follows the Senate amendment.

D. Notification of Change of Address

Present law

There is no express requirement under current administrative practice that sponsors inform welfare agencies of a change in address. However, a sponsored alien who applies for benefits for which deeming is required must provide various information regarding the alien's sponsor.

House bill

Until they no longer are potentially liable for reimbursement of benefits paid to sponsored aliens, sponsors must notify welfare agencies of any change of their address within 30 days of moving. Failure to notify may result in a civil penalty of up to $2000 or, if the failure occurs after knowledge that the sponsored alien has received a reimbursable benefit, of up to $5000.

Senate amendment

Until they no longer are potentially liable for reimbursement of benefits paid to sponsored individuals, sponsors must notify the Attorney General and the State, district, territory or possession in which the sponsored individual resides of any change of their address within 30 days of moving. Failure to notify may result in a civil penalty of up to $2000 or, if the failure occurs after knowledge that the sponsored individual has received a reimbursable benefit, of up to $5000.

Conference agreement

The conference agreement follows the Senate amendment.

E. Reimbursement Procedures

Present law

Various State court decisions and decisions by immigration courts have held that these affidavits, as currently constituted, do not impose a binding obligation on the sponsor to reimburse State agencies providing aid to the sponsored alien.

House bill

If a sponsored alien receives any benefit under any means-tested public assistance program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance. Thereafter the official may seek reimbursement in court if the sponsor fails to respond within 45 days of the request that the sponsor is willing to begin repayments. The official also may seek reimbursement through the courts within 60 days after a sponsor fails to comply with the terms of repayment. The Attorney General, in consultation with the Secretary of HHS, shall prescribe regulations on requesting reimbursement. No action may be brought later than 10 years after the alien last received benefits.

Senate amendment

Upon notification that a sponsored individual has received a reimbursable need-based benefit (see above), the appropriate government official shall request reimbursement in accordance with the same procedures and limitations that are in the House bill. The Commissioner of Social Security is to prescribe regulations for requesting reimbursement from sponsors, and such regulations must include the notification of sponsors (at their last known address) by certified mail.

Conference agreement

The conference agreement follows the House bill.

F. Jurisdiction

Present law

State law sets forth which types of cases its courts will hear, subject to due process requirements on minimal connections between activities, people, or property within the State and the matter being litigated.

House bill

No provision.

Senate amendment

No State court shall decline for lack of jurisdiction to hear any action brought against a sponsor for reimbursement for the cost of any benefit if the sponsored individual received public assistance while residing in the State.

Conference agreement

The conference agreement follows the Senate amendment. The conferees intend that both Federal and State courts have jurisdiction over reimbursement actions against a sponsor.

G. Definitions

Present law

No provision.

House bill

A "Sponsor" is an individual who (1) is a citizen or national of the U.S. or an alien who is lawfully admitted to the U.S. for permanent residence; (2) is at least 18 years of age; and (3) resides in any State.

A "Means-Tested Public Benefits Program" is a program of public benefits of the Federal, State or local government in which eligibility or the amount of benefits or both are determined on the basis of income, resources, or financial need.

Senate amendment

A "Sponsor" is an individual who (1) is a citizen or national of the U.S. or an alien who is lawfully admitted to the U.S. for permanent residence; (2) is at least 18 years of age; (3) resides in any State or U.S. territory; and (4) is able to demonstrate (through evidence which includes attested copies of tax returns for the 2 most recent tax years) the means to maintain an income equal to 200 percent of the Federal poverty line for the individual and the individual's family, including the person sponsored.

"Federal Poverty Line" has the same meaning as in section 673(2) of the Community Services Block Grant Act.

A "Qualifying Quarter" is a 3-month period (1) in which the sponsored individual earned at least the minimum necessary for the period to count as one of 40 calendar quarters required to qualify for Social Security retirement benefits; (2) during which the sponsored individual did not receive need-based public assistance; and (3) which falls within a tax year for which the sponsored individual had income tax liability.

Conference agreement

The conference agreement follows the House bill and the Senate amendment, except that the sponsor is not required to demonstrate the means to maintain an income equal to 200 percent of the poverty level and the Senate recedes on the conditions that a qualifying quarter is (1) one in which the sponsored individual did not receive need-based public assistance, and (2) one which falls within a tax year for which the sponsored individual has tax liability. The sponsor must also be the person petitioning for the alien's admission, and reside in one of the 50 States or the District of Columbia.

H. Clerical Amendment

Present law

Not applicable.

House bill

A minor clerical amendment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

I. Effective Date

Present law

Not applicable.

House bill

The changes regarding affidavits of support shall apply to affidavits of support executed no earlier than 60 days or later than 90 days after the Attorney General promulgates the form.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

11. ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO SPONSORED IMMIGRANTS (SECTIONS 421 AND 422)

A. Federal Benefits

Present law

In determining whether an alien meets the means test for Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and Food Stamps, the resources and income of an individual who filed an affidavit of support for the alien (and the income and resources of the individual's spouse) are taken into account during a designated period after entry.

House bill

During the applicable deeming period, the income and resources of an individual who files a binding affidavit of support (as required above) for an alien (and the income and resources of the individual's spouse) are taken into account under all Federal means-tested programs (with the exception of housing-related assistance) in determining a sponsored alien's neediness. Current law remains effective for aliens whose sponsors filed affidavits before the new affidavit requirements become effective (60–90 days after enactment).

Senate amendment

During the applicable deeming period, the income and resources of an individual who filed an affidavit of support for an alien (and the income and resources of the individual's spouse) are to be taken into account under all Federally-funded means-tested programs (with the exception of the programs below) in determining the sponsored individual's neediness.

Excepted programs are (1) emergency Medicaid services; (2) short-term emergency disaster relief; (3) assistance provided under the National School Lunch Act or the Child Nutrition Act of 1966; (4) the Head Start program; (5) public health assistance for immunizations and, if determined by HHS, testing for or treatment of communicable diseases; and (6) programs specified by the Attorney General that (i) deliver services at the community level, (ii) do not condition assistance on the recipient's income or resources, and (iii) are necessary to protect life, safety, or public health (e.g. soup kitchens).

Individuals who are exempt from deeming include (1) honorably discharged legal alien veterans and their spouses and unmarried children; (2) refugees; (3) asylees (including aliens who have had their deportation stayed because it would return them to a country which will persecute them); and (4) individuals who have been battered or subjected to extreme cruelty, if application of deeming would endanger their well-being.

Conference agreement

The conference agreement follows the Senate amendment, except that post-secondary education is included as an excepted program, Head Start is not included as an excepted program, individuals who have worked 40 quarters as defined in this title are included as an excepted class, and battered individuals are not included as an excepted class.

The allowance for treatment of communicable diseases is very narrow. The conferees intend that it only apply where absolutely necessary to prevent the spread of such diseases. This is only a stop-gap measure until the deportation of a person or persons unlawfully here. It is *not* intended to provide authority for continued treatment of such diseases for a long term.

The allowance for emergency medical services under Medicaid is very narrow. The conferees intend that it only apply to medical care that is *strictly* of an emergency nature, such as medical treatment administered in an emergency room, critical care unit, or intensive care unit. The conferees do not intend that emergency medical services include pre-natal or delivery care assistance that is not strictly of an emergency nature as specified herein.

B. Amount of Income and Resources Deemed

Present law

While the offset formulas vary among the programs, the amount of income and resources deemed under AFDC, SSI, and Food Stamps is reduced by certain offsets to provide for some of the sponsor's own needs.

House bill

The full income and resources of the sponsor and the sponsor's spouse are deemed to be that of the sponsored alien.

Senate amendment

If an agency determines that a sponsored individual would not be able to obtain food and shelter without the agency's assistance (taking into account the income and resources actually provided to the individual by the sponsor and others), then deeming will not apply for a period of 12 months and the agency need take into account during this period only the amount of support the sponsor actually provides.

If the address of the sponsor is unknown to the sponsored individual, then assistance is provided until 12 months after the sponsor is located.

Conference agreement

The conference agreement follows the House bill.

C. Length of Deeming Period

Present law

For AFDC and Food Stamps, sponsor-to-alien deeming applies to a sponsored alien seeking assistance within 3 years of entry. Until September 1996, sponsor-to-alien deeming applies to a sponsored alien seeking SSI within 5 years of entry.

House bill

For aliens whose sponsors have filed binding affidavits of support as required above, the sponsors' income and resources are deemed to the alien until the alien becomes a citizen. Current law remains effective for aliens whose sponsors filed affidavits before the new affidavit requirements become effective (60–90 days after enactment).

Senate amendment

Deeming applies until the immigrant has worked 40 qualifying quarters (the period of time future sponsors must agree to support the immigrant) or for 5 years from the alien's arrival in the United States (for current noncitizens), whichever is longer. Deeming continues until the above requirements are met, regardless of whether the immigrant naturalizes or not. [A qualifying quarter is a 3-month period (1) in which the sponsored individual earned at least the minimum necessary for the period to count as one of 40 calendar quarters required to qualify for Social Security retirement benefits; (2) during which the sponsored individual did not receive need-based public assistance; and (3) which falls within a tax year for which the sponsored individual had income tax liability.]

Conference agreement

The conference agreement follows the House bill, with the modification described in section A. above that sponsored noncitizens who have worked at least 40 quarters as defined in this title are excepted from deeming requirements.

D. State and Local Benefits

Present law

The highest courts of at least 2 States have held that the Supreme Court decision barring State discrimination against legal aliens in providing State benefits (*Graham* v. *Richardson*, 403 U.S. 365 (1971)) prohibits State sponsor-to-alien deeming requirements for State benefits.

House bill

In determining the eligibility and amount of benefits of an alien for any State or local means-tested public benefit program, the income and resources of the alien shall be deemed to include the income and resources of their sponsor (and their sponsor's spouse). Housing related assistance continues to be treated as under current law.

Senate amendment

With the exception of those programs exempted from all benefit restrictions (see above) and those aliens exempt from deeming requirements, States and local governments may deem a sponsor's income and resources (and those of the sponsor's spouse) to a sponsored individual in determining eligibility for and the amount of needs-based benefits. State deeming provisions must also provide for temporary assistance if the sponsor is not assisting the sponsored individual or cannot be located.

Conference agreement

The conference agreement follows the Senate amendment, except that there is no provision for temporary assistance if the sponsor is not assisting the sponsored individual or can not be located.

SUBTITLE D—GENERAL PROVISIONS

12. DEFINITIONS (SECTION 431)

A. In General

Present law

Federal assistance programs that have alien eligibility restrictions generally reference specific classes defined in the Immigration and Nationality Act.

House bill

Unless otherwise provided, the terms used in this title have the same meaning as defined in Section 101(a) of the Immigration and Nationality Act.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

B. Lawful Presence

Present law

Some programs allow benefits for otherwise eligible aliens who are "permanently residing under color of law (PRUCOL)." This term is not defined under the Immigration and Nationality Act, and there has been some inconsistency in determining which classes of aliens fit within the PRUCOL standard.

House bill

For purposes of this Title, the determination of whether an alien is lawfully present in the U.S. shall be made in accordance with regulations issued by the Attorney General. An alien shall not be considered to be lawfully present in the U.S. merely because the alien may be considered to be permanently residing in the U.S. under color of law

("PRUCOL") for purposes of any particular program.

Senate amendment

An individual is lawfully present if the individual is a citizen, non-citizen national (i.e. American Samoan), permanent resident alien, refugee, asylee (including an alien who has had his/her deportation stayed because it would return him/her to a country which would persecute him/her), or an alien who has been paroled into the U.S. by the Attorney General for at least 1 year. Individuals who are not lawfully present are ineligible for any Federal benefit.

Conference agreement

The conference agreement follows the Senate amendment with a modification that eligibility is determined by specific classes of aliens, not whether noncitizens are "lawfully present."

C. State

Present law

There is no single definition of "State" for purposes of alien eligibility under Federal assistance programs. The Immigration and Nationality Act defines "State" to include the District of Columbia, Puerto Rico, Guam, and the Virgin Islands of the United States.

House bill

The term "State" includes the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

D. Public Benefits Programs

Present law

No provision.

House bill

A "Means-Tested Program" is a program of public benefits of the Federal, State, or local government in which eligibility for benefits under the program, or the amount of benefits, or both, are determined on basis of income, resources or financial need.

A "Federal Means-Tested Public Benefits Program" is a means-tested public benefit program of (or contributed to by) the Federal Government under which the Federal Government establishes standards for eligibility.

A "State Means-Tested Public Benefits Program" is a means-tested program of a State or political subdivision under which the State or political subdivision specifies the standards of eligibility, and does not include any Federal means-tested public benefits program.

Senate amendment

"Federal Benefit" means any grant, contract loan, professional or commercial license, retirement benefit, health or disability benefit, public housing, food stamps, higher education benefits, unemployment benefit, or any similar benefit provided by a Federal agency or with appropriated Federal funds. (Individuals who are not lawfully present are ineligibility for Federal benefits.)

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

13. CONSTRUCTION (SECTION 434)

Present law

Not applicable.

House bill

Nothing in this title shall be construed as addressing alien eligibility for governmental programs that are not means-tested public benefits programs.

Senate amendment

The Senate amendment's bar to Federal benefits for individuals who are not lawfully present covers a wide range of contracts, grants, licenses, and other assistance that is not means-tested.

Conference agreement

The conference agreement follows the House bill with a clarification that the subtitle is silent on alien eligibility for a basic public elementary education as determined by the U.S. Supreme Court in *Plyler* v. *Doe*, 457 U.S. 202 (1982).

SUBTITLE E—CONFORMING AMENDMENTS

14. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING (SECTION 441)

Present law

No provision.

House bill

A series of technical and conforming amendments.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

TITLE V. REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

1. REDUCTIONS (SECTION 501)

Present law

The Department of Health and Human Services (HHS) reports that 118 employees in the Office of Family Assistance (OFA) work on AFDC and 209 (full-time equivalent positions) in regional offices of the Administration on Children and Families. The OFA employees include 30 who spend some time interpreting AFDC/JOBS policy and participating with States in State plan development.

House bill

No provision.

Senate amendment

Requires the HHS Secretary to reduce the Department work force by 245 equivalent (FTE) positions related to the AFDC program (which the amendment would replace) and by 60 full-time equivalent managerial positions. It also requires the Secretaries of Agriculture, Education, Labor, HHS, and Housing and Urban Development to report to Congress by December 31, 1995 on the number of (FTE) positions required to carry out "covered" activities before and after enactment of the amendment and to reduce the number of employees by the difference in numbers. A covered activity is defined as one that the Department must carry out under a provision of this Act or a provision of Federal law that is amended or repealed by the Act.

Conference agreement

The conference agreement follows the Senate amendment with a modification that the reductions take place over a two-year period.

2. REDUCTIONS IN FEDERAL BUREAUCRACY (SECTION 502)

Present law

No provision.

House bill

No provision.

Senate amendment

This section also provides for a reduction of 75 percent of the FTE positions "at each such Department" that relate to any direct spending program, or program funded through discretionary spending, that is converted into a block grant program under the Act (but it calls for this action to be taken by the HHS Secretary alone to each such Department).

Conference agreement

The conference agreement follows the Senate agreement.

3. REDUCING PERSONNEL IN WASHINGTON, D.C. AREA (SECTION 503)

Present law

No provision.

House bill

No provision.

Senate amendment

In making reductions the Secretaries are encouraged to reduce personnel in the Washington, D.C. area office before reducing field personnel.

Conference agreement

The conference agreement follows the Senate amendment.

TITLE VI. HOUSING

1. CEILING RENTS

Present law

The rent paid by a public housing tenant is the greater of 30 percent of "adjusted" monthly income or 10 percent of gross income. Adjusted income deducts from annual gross income $480 per dependent, $400 for an elderly family, excess medical costs for an elderly family, and costs of child care and handicapped assistance. Regulations exclude some items from "income" by definition, among them: irregular gifts, amounts that reimburse medical expenses, earnings of children, and payments received for the care of foster children. There is no ceiling on rent paid by the tenant. When a tenant's income rises, his/her rent increases, usually by 30 cents per extra dollar of income.

House bill

No provision.

Senate amendment

The Senate amendment would permit a public housing agency to establish a ceiling on monthly rent charged to a tenant. The amendment stipulates that the amount must reflect the reasonable rental value of the unit, as compared with similar types and sizes of dwelling units in the market area, must at least equal the monthly cost to operate the housing, and must not exceed the amount payable as rent under current law (30 percent of adjusted income, or 10 percent of gross income).

Conference agreement

The conference agreement follows the House bill (no provision).

2. DEFINITION OF ADJUSTED INCOME FOR PUBLIC HOUSING

Present law

Under current law adjusted income deducts from annual gross income $480 per dependent, $400 for an elderly family, excess medical costs for an elderly family, and costs of child care and handicapped assistance. Regulations exclude some items from "income" by definition, among them: irregular gifts, amounts that reimburse medical expenses, earnings of children, and payments received for the care of foster children.

House bill

No provision.

Senate amendment

The amendment would permit a public housing agency to disregard up to 20 percent

of the earned income of the family, thus reducing its rental payment. It provides that if a housing agency offers this earnings incentive, the operating subsidy for the unit shall take no account of the resulting change in rental income until actual subsidies equal those that would have been received if all earnings were counted.

Conference agreement

The conference agreement follows the House bill (no provision).

3. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS (SECTION 601)

Present law

See item 7, below.

House bill

No provision.

Senate amendment

The amendment would provide that there be no reduction in public or assisted housing rents in response to a tenant's reduced income resulting from non-compliance with welfare or public assistance program requirements; permits reduction where State or local law limits the period during which benefits may be provided.

Conference agreement

The conference agreement follows the Senate amendment.

4. APPLICABILITY TO INDIAN HOUSING

Present law

The Housing and Urban Development (HUD) Indian Housing Program operates through Indian housing authorities. In general Indian housing authorities are comparable to public housing authorities in structure and function.

House bill

No provision.

Senate amendment

Provisions of this title apply to public housing developed or operated pursuant to a contract between the HUD Secretary and an Indian housing authority.

Conference agreement

The conference agreement follows the House bill (no provision).

5. IMPLEMENTATION

Present law

No provision.

House bill

No provision.

Senate amendment

The Secretary must issue regulations necessary to carry out this title and its amendments.

Conference agreement

The conference agreement follows the House bill (no provision).

6. DEMONSTRATION PROJECT FOR ELIMINATION OF TAKE-ONE-TAKE-ALL REQUIREMENT

Present law

A federal rule requires that if a multifamily rental housing owner makes at least one unit available to a person with a section 8 certificate or voucher, the owner cannot refuse another section 8 participant on the sole basis that he has a section 8 subsidy.

House bill

No provision.

Senate amendment

Creates a demonstration project in Madison, Wisconsin; the amendment would eliminate a so-called "take-one, take-all" requirement that concerns tenant applicants with section 8 certificates or vouchers.

Conference agreement

The conference agreement follows the House bill (no provision).

7. FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS (SECTION 602)

Present law

If a family's adjusted cash income declines—no matter what the reason—its housing benefit is increased (that is, its rental payment is decreased, by 30 cents per dollar). This applies to cash income from any source, including means-tested benefit programs. However, the housing programs take no account of noncash income. Thus, if food stamp benefits decline, housing benefits are unaffected.

House bill

No provision.

Senate amendment

The amendment provides that if a person's means-tested benefits from a Federal, State, or local program are reduced because of an act of fraud, their benefits from public or assisted housing (and from food stamps and family assistance) may not be increased in response to the income loss caused by the penalty.

Conference agreement

The conference agreement follows the Senate amendment.

8. EFFECTIVE DATE (SECTION 603)

Present law

Not applicable.

House bill

No provision.

Senate amendment

Date of enactment.

Conference agreement

The conference agreement follows the Senate amendment.

TITLE VII. CHILD PROTECTION BLOCK GRANT PROGRAM AND FOSTER CARE AND ADOPTION ASSISTANCE

1. ESTABLISHMENT OF PROGRAM (SECTION 701)

A. Purpose

Present law

Child Welfare Services, now provided for in Title IV–B of the Social Security Act, are designed to help States provide child welfare services, family preservation and community-based family support services, and improve State court procedures related to child welfare.

Title IV–E Foster Care and Title IV–E Adoption Assistance are intended to help States finance foster care and adoption assistance maintenance payments, administration, child placement services, and training related to foster care and adoption assistance.

The purpose of the Title IV–E Independent Living program is to help older foster children make the transition to independent living.

House bill

The House provision replaces Title IV–B and Title IV–E of the Social Security Act and several additional programs (see below) by establishing a block grant to enable eligible States to carry out child protection programs to:

(1) identify and assist families at risk of abusing or neglecting their children;

(2) operate a system for receiving reports of abuse or neglect of children;

(3) investigate families reported to abuse or neglect their children;

(4) provide support, treatment, and family preservation services to families which are, or are at risk of, abusing or neglecting their children;

(5) support children who must be removed from or who cannot live with their families;

(6) make timely decisions about permanent living arrangements for children who must be removed from or who cannot live with their families; and

(7) provide for continuing evaluation and improvement of child protection laws, regulations, and services.

Additional programs to be replaced are: the Child Abuse Prevention and Treatment Act; the Abandoned Infants Assistance Act; adoption opportunities under the Child Abuse Prevention and Treatment and Adoption Reform Act; family support centers under the McKinney Homeless Assistance Act; grants to improve investigation and prosecution of child abuse cases, and children's advocacy centers under the Victims of Child Abuse Act; crisis nurseries under the Temporary Child Care and Crisis Nurseries Act; and Family Unification under Section 8 of the Housing Act.

Senate amendment

The Senate amendment would leave intact child welfare services, foster care, adoption assistance and independent living, which are permanently authorized under Title IV–B and IV–E of the Social Security Act. The Senate amendment would reauthorize the Child Abuse Prevention and Treatment Act; adoption opportunities; abandoned infants assistance; missing children's assistance; investigation and prosecution grants, and children's advocacy centers under the Victims of Child Abuse Act. The amendment would repeal both the Temporary Child Care and Crisis Nurseries Act and the Family Support Centers under the McKinney Homeless Assistance Act.

The Senate amendment gives the Secretary authority under CAPTA to make grants to the States for purposes of assisting the States in improving the child protective service system of each State in:

(1) screening intake, assessing, and investigating of reports of abuse and neglect;

(2) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations;

(3) improving case management and delivery of services;

(4) enhancing the general child protection system by improving risk and safety assessment tools and protocols and automation systems;

(5) developing, strengthening, and facilitating training opportunities and requirements for individuals overseeing and providing services to children and their families;

(6) developing and facilitating training protocols for individuals mandated to report child abuse or neglect;

(7) developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors;

(8) developing, implementing, or operating information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions; and

(9) developing and enhancing the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.

Conference agreement

The Conference agreement establishes a child protection program with three major

elements: open-ended entitlements for both foster care and adoption maintenance payments, a Child Protection Block Grant program focusing on prevention and services, and a Child and Family Services Block Grant program that includes research, and demonstrations as well as services. The first block grant (the Child Protection Block Grant) has two components: an entitlement component and a discretionary spending component. Funds for the entitlement component of the block grant are made available by termination of several existing entitlement programs. These include foster care administration, foster care training, adoption assistance administration, adoption assistance training, independent living, and family preservation and support.

The second block grant established by this title is the Child and Family Services Block Grant, replacing the Child Abuse Prevention and Treatment Act, the Abandoned Infants Assistance Act, adoption opportunities under the Child Abuse Prevention and Treatment and Adoption Reform Act, family support centers under the McKinney Homeless Assistance Act, and the Temporary Child Care and Crisis Nurseries Act.

The purpose of the Child Protection Block Grant is to:

(1) identify and assist families at risk of abusing or neglecting their children;

(2) operate a system for receiving reports of abuse or neglect of children;

(3) improve the intake, assessment, screening, and investigation of reports of abuse and neglect;

(4) enhance the general child protective system by improving risk and safety assessment tools and protocols;

(5) improve legal preparation and representation, including procedures for appealing and responding to appeals of substantiated reports of abuse and neglect;

(6) provide support, treatment, and family preservation services to families which are, or are at risk of, abusing or neglecting their children;

(7) support children who must be removed from or who cannot live with their families;

(8) make timely decisions about permanent living arrangements for children who must be removed from or who cannot live with their families;

(9) provide for continuing evaluation and improvement of child protection laws, regulations, and services;

(10) develop and facilitate training protocols for individuals mandated to report child abuse or neglect; and

(11) develop and enhance the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.

B. Eligible States

Eligible State

Present law

To be eligible for funding under Title IV-B and IV-E, States must have State plans (developed jointly with the Secretary under title IV-B, and approved by the Secretary under Title IV-E).

House bill

An "Eligible State" is one that, during the 3-year period that ends on October 1 of the fiscal year, has submitted to the Secretary a plan that describes how the State intends to pursue the purposes described above.

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. See Item 6.I., below, for summary of State eligibility under CAPTA.

Conference agreement

An "Eligible State" is one that has submitted to the Secretary, not later than October 1, 1996 and every three years thereafter, a plan (as described below) which has been signed by the Chief Executive officer of the State.

Outline of child protection program

Present law

States must have a child welfare services plan developed jointly by the Secretary and the relevant State agency which provides for single agency administration and which describes services to be provided and geographic areas where services will be available, among numerous other requirements. To receive their full allotment of incentive funds under Title IV-B, States also must comply with extensive Federal Section 427 child protections. The State plan also must meet many other requirements, such as setting forth a 5-year statement of goals for family preservation and family support and assuring the review of progress toward those goals. For foster care and adoption assistance, States must submit for approval a Title IV-E plan providing for a foster care and adoption assistance program and satisfying numerous requirements. The Child Abuse Prevention and Treatment Act requires States to have in effect a law for reporting known and suspected child abuse and neglect as well as providing for prompt investigation of child abuse and neglect reports, among many other requirements.

House bill

A State plan must include the following outline of the State's Child Protection Program including procedures to be used for:

a. receiving reports of child abuse or neglect;

b. investigating such reports;

c. protecting children in families in which child abuse or neglect is found to have occurred;

d. removing children from dangerous settings;

e. protecting children in foster care;

f. promoting timely adoptions;

g. protecting the rights of families, using adult relatives as the preferred placement for children separated from their parents if such relatives meet all relevant standards;

h. preventing child abuse and neglect; and

i. establishing and responding to citizen review panels.

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. CAPTA requires a 5-year plan that is coordinated with the State plan for child welfare services and family preservation. For amendments to CAPTA requirements, see Section 6 of this document below.

Conference agreement

A State plan must include information on the Child Protection Program including procedures to be used for:

a. receiving and assessing reports of child abuse or neglect;

b. investigating such reports;

c. with respect to families in which abuse or neglect has been confirmed, providing services or referral for services for families and children where the State makes a determination that the child may safely remain;

d. protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

e. providing training for individuals mandated to report suspected cases of child abuse or neglect;

f. protecting children in foster care;

g. promoting timely adoptions;

h. protecting the rights of families, using adult relatives as the preferred placement for children separated from their parents if such relatives meet all relevant standards;

i. providing services aimed at preventing child abuse and neglect; and

j. establishing and responding to citizen review panels.

Certifications

Present law

To receive funds under the Child Abuse Prevention and Treatment Act, States must have a law in effect that provides for reporting of known and suspected instances of child abuse and neglect and provides immunity from prosecution for reporters of abuse or neglect. States also must have a program to investigate allegations of abuse or neglect, must preserve confidentiality of records, and must provide that every abused or neglected child involved in a court proceeding is represented by a guardian ad litem. To receive funding under Title IV-B and IV-E of the Social Security Act, States must comply with certain procedures for removal of children from their families when necessary, and must develop case plans for each child that are reviewed at least every six months and contain specified information.

House bill

Also included in the submitted plan must be the following certifications;

a. certification of State law requiring reporting of child abuse and neglect;

b. certification of State program to investigate child abuse and neglect cases;

c. certification of State procedures for removal and placement of abused or neglected children;

d. certification of State procedures for developing and reviewing written plans for permanent placement of each child removed from the family that:

(1) specifies the goal for achieving a permanent placement for the child in a timely fashion;

(2) ensures that the plan is reviewed every 6 months; and

(3) ensures that information about the child is gathered regularly and placed in the case record;

e. certification that when the State begins operating under the block grant on or after October 1, 1995, families receiving adoption assistance payments at that time continue to receive adoption assistance payments;

f. certification of State program to provide Independent Living services to 16-19 year old youths (at State option to age 21) who are in the foster care system but have no family to turn to for support;

g. certification of State procedures to respond to reporting of medical neglect of disabled infants; and

h. a declaration of State child welfare goals; States must, within 3 years of the date of passage, report quantifiable information on whether they are making progress toward achieving their self-defined child protection goals. (See Data Collection and Reporting, item G. below.)

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. CAPTA requires several certifications, many of which are identical to those outlined for the House bill. For amendments to

CAPTA requirements, see Section 6 of this document, below.

Conference agreement

The following certifications must be included in the State plan:

(1) certification of State law requiring reporting of child abuse and neglect;

(2) certification of State procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

(3) certification of State procedures for the removal and placement of abused or neglected children;

(4) certification of State laws requiring immunity from prosecution under State and local laws for individuals making good faith reports of suspected or known cases of child abuse or neglect;

(5) certification of State law and procedures for expungement of any public records on false or unsubstantiated cases;

(6) certification of State laws and procedures affording individuals an opportunity to appeal an official finding of abuse or neglect;

(7) certification of State procedures for developing and reviewing written plans for permanent placement of each child removed from the family that:

(A) specifies the goal for achieving a permanent placement for the child in a timely fashion;

(B) ensures that the plan is reviewed every 6 months; and

(C) ensures that information about the child is gathered regularly and placed in the case record;

(8) certification of State program to provide Independent Living Services to 16–19 year old youths (at State option to age 21) who are in the foster care system but have no family to turn to for support;

(9) certification of State procedures to respond to reporting of medical neglect of disabled infants;

(10) a declaration of quantifiable State child welfare goals;

(11) with respect to fiscal years beginning on April 1, 1996, certification that—

(A) the State has completed an inventory of all children who, before the inventory, had been in foster care under the responsibility of the State for 6 months or more, which determined—

(i) the appropriateness of, and necessity for, the foster care placement;

(ii) whether the child could or should be returned to the parents of the child or should be freed for adoption or other permanent placement; and

(iii) the services necessary to facilitate the return of the child or the placement of the child for adoption or legal guardianship;

(B) is operating to the satisfaction of the Secretary—

(i) a statewide information system on children who are or have been in foster care in the last year,

(ii) a case review system for each child receiving foster care under the supervision of the State;

(iii) a service program designed to help children—

(I) return families from which they have been removed; or

(II) be placed for adoption,

(iv) a preplacement preventive service program; and

(C) has reviewed (or, will review by October 1, 1997) State policies and procedures in effect for children abandoned at birth; and is implementing (or, will implement by October 1, 1997) such policies or procedures to enable permanent decisions to be made expeditiously with respect to the placement of such children;

(12) certification of reasonable efforts to prevent placement of children in foster care;

(13) certification of cooperative efforts to secure an assignment to the States of any rights to support on behalf of each child receiving foster care maintenance payments; and

(14) certification of confidentiality and requirements for information disclosure.

Determinations

Present law

State Title IV–B plans are developed jointly with the Secretary. State Title IV–E plans must be approved by the Secretary. The Secretary must approve any plan that complies with statutory provisions.

House bill

The Secretary of HHS must determine whether the State plan includes all of the elements required above but cannot add new elements or review the adequacy of State procedures. The Secretary may not require a State to alter its child protection law regarding determination of the adequacy, type, and timing of health care.

Senate amendment

No directly comparable provision in Title IV–B or IV–E. Current law would remain intact. See item 6.N., below for description of similar CAPTA provision on medical care.

Conference agreement

The Secretary of HHS must determine whether the State plan includes the required materials and certificates (except material related to the certification of State procedures to respond to reporting of medical neglect of disabled infants). The Secretary cannot add new elements beyond those listed above.

C. Grants to States for Child Protection

Entitlement

Present law

Titles IV–B and IV–E of the Social Security Act contain several types of funding, including substantial entitlement funding, for helping States provide assistance to troubled families and their children.

House bill

The block grant money is guaranteed funding to States. Each eligible State is entitled to receive from the Secretary an amount equal to the State share of the Child Protection Grant amount for fiscal years 1996 through 2000.

Senate amendment

No directly comparable provision in Title IV–B or IV–E. Current law would remain intact. See item 6 below for description of similar CAPTA provision.

Conference agreement

As explained above, the Child Protection Block Grant includes a capped entitlement component for States. Each eligible State is entitled to receive from the Secretary an amount equal to the State share of the child Protection Grant amount which increases from $2.047 billion in 1997 to $2.766 billion in 2002.

The Child Protection Block Grant also includes funds from the discretionary program outlined below. In addition to the Block Grant, each eligible State is entitled to receive reimbursements, on as open-ended basis, for the State share of allowable expenditures on eligible children placed in qualified foster care and adoption.

Child protection grant amount

Present law

Federal funds for child welfare and child protection activities consist both of direct spending under Titles IV–B and IV–E of the Social Security Act, and appropriated funds under Title IV–B of the Social Security Act and selected additional programs, including the Child Abuse Prevention and Treatment Act. (For additional programs, see Item 1.A. of this document, above.)

House bill

The Child Protection Grant amount is composed of both a direct spending component and an appropriated component as follows: $3.930 billion in 1996, $4.195 billion in 1997, $4.507 billion in 1998, $4.767 billion in 1999, and $5.071 billion in 2000 in direct spending; and $486 million in each year 1996–2000 in appropriated spending.

Senate amendment

No directly comparable provision in Titles IV–B or IV–E. Current law would remain intact. The amendment authorizes a total of $263 million for FY1996 and such sums as necessary for FY1997 through FY2000 for State grants, State demonstration projects, discretionary activities, and community-based family resources and support grants under CAPTA; adoption opportunities grants; and abandoned infants assistance grants.

Conference agreement

The discretionary component of the block grant includes a $325 million authorization for each year 1997–2002.

State share

Present law

No specific allocation formula governs the allocation of foster care and adoption assistance funds to States; States are reimbursed on an open-ended entitlement basis for eligible expenditures on behalf of eligible children. Independent living allocations to States are based on each State's share of Title IV–E foster children in FY1984. Family violence grants are awarded on the basis of State population. [Note: The family violence program would not be repealed by H.R. 4.] Child abuse State grants and community-based family resource grants are awarded on the basis of population under the age of 18. State allocations for child welfare services under Title IV–B are based on per capita income and population age 21 and under.

House bill

"State Share" means each State receives the same proportion of the block grant each year as it received of payments to States by the Federal government for the following selected child welfare programs in either the average of years 1992 through 1994 or in 1994, whichever is greater:

a. foster care maintenance, administration, and training;

b. adoption assistance maintenance, administration, and training;

c. title IV–E independent living award;

d. family violence and prevention services;

e. child abuse State grants;

f. child abuse community-based prevention grants; and

g. child welfare services.

Senate amendment

No directly comparable provision in Titles IV–B or IV–E. Current law would remain intact. See Item 6 below for description of similar CAPTA provision.

Conference agreement

The conference agreement follows the House bill, except the selected child welfare programs on which the State share is to be based are:

(1) foster care administration and training;

(2) adoption assistance administration and training;

(3) child welfare services;

(4) family preservation and family support; and

(5) independent living services.

The following table shows State percentage allocations under the Child Protection Block Grant.

Table 3.—State percentage allocations under the child protection block grant

State:	Percent of national totals
Alabama	0.78
Alaska	0.28
Arizona	1.07
Arkansas	0.91
California	18.71
Colorado	1.27
Connecticut	1.77
Delaware	0.15
District of Columbia	0.55
Florida	3.49
Georgia	1.36
Hawaii	0.35
Idaho	0.22
Illinois	4.98
Indiana	2.36
Iowa	0.80
Kansas	0.88
Kentucky	1.60
Louisiana	1.48
Maine	0.31
Maryland	1.89
Massachusetts	2.87
Michigan	3.85
Minnesota	1.14
Mississippi	0.47
Missouri	1.49
Montana	0.24
Nebraska	0.45
Nevada	0.17
New Hampshire	0.30
New Jersey	1.27
New Mexico	0.35
New York	19.77
North Carolina	0.84
North Dakota	0.26
Ohio	4.60
Oklahoma	0.58
Oregon	1.06
Pennsylvania	4.38
Rhode Island	0.44
South Carolina	0.62
South Dakota	0.17
Tennessee	0.80
Texas	3.93
Utah	0.41
Vermont	0.27
Virginia	0.93
Washington	1.01
West Virginia	0.29
Wisconsin	1.78
Wyoming	0.06
U.S. totals	100.00

Source.—Table prepared by the Congressional Research Service based on data received from the U.S. Department of Health and Human Services in March of 1995.

Definition of State

Present law

Under Titles IV-B and IV-E of the Social Security Act, "State" means the 50 States and the District of Columbia. The Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa receive funds through set-asides and under special rules.

House bill

"State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa.

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact.

Conference agreement

"State"includes the several States and the District of Columbia. The territories will carry out a child protection program in accordance with this part; entitlement funding is provided under section 1108 of the Social Security Act.

Use of grant

Present law

Funds must be used for: "protecting and promoting the welfare of children, preventing unnecessary separation of children from their families, restoring children to their families if they have been removed, family preservation services, community-based family support services to promote the well-being of children and families and to increase parents' confidence and competence." Foster care maintenance and adoption assistance payments are an open-ended entitlement to individuals.

House bill

A State to which funds are paid under this section may use such funds in any manner that the State deems appropriate to accomplish the purposes of this part.

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. CAPTA grants can be used for improving child protective services, investigating and reporting of abuse and neglect, case management and delivery of services to children and families, training for service providers and abuse reporters, demonstration projects, kinship care arrangements, abuse and neglect prevention, and similar activities.

Conference agreement

The conference agreement follows the House bill. A State to which funds are paid under this section may use such funds in any manner that the State deems appropriate to accomplish the purposes of this part.

Transfer of funds

Present law

No provision.

House bill

In FY1998 and succeeding years, States may transfer up to 30 percent of funds paid under this section for activities under any or all of the following: the temporary assistance for needy families block grant; the social services block grant under Title XX of the Social Security Act; the child care and development block grant; and any food and nutrition or employment and training grants enacted during the 104th Congress. Rules of the recipient program will apply to the transferred funds. Funds may be transferred into the Child Protection Block Grant from other block grants and are then subject to the rules of this part.

Senate amendment

No provision.

Conference agreement

Conferees agree that no funds can be transferred out of the block grant.

Timing of expenditures

Present law

Provisions vary under programs to be replaced. Under Title IV-E, States have up to two fiscal years in which to claim reimbursement for expenditures.

House bill

A State to which funds are paid under this section for a fiscal year shall expend such funds not later than the end of the immediately succeeding fiscal year.

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact.

Conference agreement

The conference agreement follows the House bill.

Rule of interpretation

Present law

For-profit foster care providers are not eligible for Federal funding under Title IV-E.

House bill

Nothing in this act shall preclude for-profit short- and long-term foster care facilities from being eligible to receive funds from this block grant.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Timing of payments

Present law

Under Title IV-B, the Secretary makes payments to States periodically. Under Title IV-E, the Secretary reimburses States for expenditures on a quarterly basis.

House bill

The Secretary must make payments on a quarterly basis.

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact.

Conference agreement

The conference agreement follows the House bill.

Penalties

Present law

States that do not comply with Section 427 child protections may not receive their share of Title IV-B appropriations above $141 million. However, effective April 1, 1996, these protections are to become State plan requirements and the incentive funding mechanism will no longer be in effect. Section 1123 of the Social Security Act requires the Secretary to establish by regulation a new Federal review system for child welfare, which would allow penalties for misuse of funds.

House bill

The Secretary must reduce amounts otherwise payable to a State by any amount which an audit conducted under the Single Audit Act finds has been used in violation of this part. The Secretary, however, shall not reduce any quarterly payment by more than 25 percent. The amount of misspent funds will be withheld from the State's payments during the following year, if necessary, to recover the full amount of the penalty.

If an audit conducted pursuant to the Single Audit Act finds that a State has reduced its level of expenditures in FY 1996 or 1997 below its level of non-Federal expenditures in FY 1995 under Title IV-B or Title IV-E, the Secretary must reduce subsequent amounts otherwise payable to the State by an amount equal to the difference between State spending in FY 1995 and the current year.

The Secretary must reduce by 3 percent the amount otherwise payable to a State for a fiscal year if the State has not submitted a report required (see item 7 below) for the immediately preceding fiscal year within 6 months after the end of the year. The penalty may be rescinded if the report is submitted within 12 months after the end of the year.

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact.

Conference agreement

Conferees agree to maintain the detailed child protections now found in section 427 of the Social Security Act. Conferees also agree that an additional penalty equal to 5 percent of a State's block grant amount will be imposed in cases where the Secretary finds that funds have been spent in violation of the part, or where a State has failed to meet its maintenance-of-effort requirement. States will be required to maintain 100 percent of their FY 1994 non-Federal expenditure level in FY 1997 and 1998, and 75 percent of such expenditures in subsequent years.

The agreement provides that the Secretary may not impose a penalty if she determines that the State has reasonable cause for failing to comply with the requirement. Further, a State must be informed before any penalty is imposed and be given an opportunity to enter into a corrective compliance plan. The agreement provides a series of deadlines for submission of such corrective compliance plans and review by the Federal government.

Limitation on Federal authority

Present law

See above.

House bill

Except as expressly provided in this part, the Secretary may not regulate the conduct of States under this part or enforce any provision of this part.

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact.

Conference agreement

The conference agreement follows the House bill with a modification to refer to authority expressly provided in the Social Security Act

D. Child Protection Standards

Present law

In order to receive its full share of appropriations for child welfare services under subpart 1 of Title IV-B, each State must meet section 427 protections, including requirements that it: conduct an inventory of children in foster care; operate a tracking system for all children in foster care; operate a case review system for all children in foster care; and conduct a service program to reunite foster children with their families if appropriate, or be placed for adoption or another permanent placement. In addition, if Federal appropriations for the program reach $325 million for two consecutive years, States also must implement a preplacement preventive services program to help children remain with their families. [This funding level has never been reached.] Effective April 1, 1996, these provisions are scheduled to become mandatory State plan requirements, rather than funding incentives, under legislation enacted on Oct. 31, 1994 (P.L. 103-432). States also will be required to review their policies and procedures regarding abandoned children and to implement policies and procedures considered necessary to enable permanent decisions to be made expeditiously with regard to placement of such children.

House bill

The following standards are included in the bill to indicate what States must do to assure the protection of children and to provide guidance to the Citizen Review Panels:

a. the primary standard by which child welfare system shall be judged is the protection of children.

b. each State shall investigate reports of abuse and neglect promptly;

c. children removed from their homes shall have a permanency plan and a dispositional hearing within 3 months after a fact-finding hearing' and

d. all child protection cases with an out-of-home placement shall be reviewed every 6 months unless the child is already in a long-term placement.

A State receiving funds from this block grant may consider: establishing a new type of permanent foster care placement referred to as "kinship care" in which adult relatives would be the preferred placement option if they met all relevant standards, and could receive needs-payments and supportive services; and, in placing children for adoption, giving preference to adult relatives who meet applicable standards.

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. CAPTA requires a number of certifications by the State, including several that are similar to standards in the House block grant. For details see Item 6.I. below.

No directly comparable provision in Titles IV-B or IV-E. Under CAPTA, the Secretary may award grants to public entities to develop or implement procedures using adult relatives as the preferred placement for children removed from their home; see item 6.H. below.

Conference agreement

In order for a State to receive any funds under this part, such State must certify that it has conducted an inventory of children in foster care; is operating a tracking system for all children in foster care; is operating a care review for all children in foster care, and is conducting a service program to reunite foster children with their families if appropriate, or be placed for adoption or another permanent placement. States will also be required to review their policies and procedures regarding abandoned children and to implement policies and procedures considered necessary to enable permanent decisions to be made expeditiously with regard to placement of such children. These child protection standards are identical to those found in section 427 of current law.

E. Citizens Review Panels

Present law

No provision.

House bill

Each State to which funds are paid under this part must have at least three Citizen Review Panels. Each panel is to be broadly representative of the community farm which it is drawn.

The Panels, which must meet at least quarterly, are charged with the responsibility of reviewing cases from the child welfare system to determine whether State and local agencies receiving funds under this program are carrying out activities in accord with the State plan, are achieving the child protection standards, and are meeting any other child welfare criteria that the Panels consider important.

The members and staff of any Panel must not disclose to any person or government agency any information about specific cases. States must afford a Panel access to any information on any case that the Panel desires to review, and shall provide the Panels with staff assistance in performing their duties.

Panels must produce a public report after each meeting and States must include information in their annual report detailing their responses to the panel report and recommendations. (See Data Collection and Reporting, item G. below.)

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

F. Clearinghouse and Hotline for Missing and Runaway Children

Present law

The Missing Children's Assistance Act, authorized as part of the Juvenile Justice and Delinquency Prevention Act, authorizes a toll-free hotline and national clearinghouse to collect and disseminate information about missing children.

House bill

The Attorney General of the United States shall have the authority to establish and operate a national information clearinghouse, including a 24-hour toll free telephone hotline, for information on missing children cases. An appropriation not to exceed $7 million per fiscal year is authorized for this purpose.

Senate amendment

Reauthorizes the Missing Children's Assistance Act through FY 1997 (see Item 12.A. of this document, below).

Conference agreement

The House recedes.

G. Data Collection and Reporting

Present law

States are not required to report specific child welfare data. Section 479 requires the Secretary to publish regulations that implement a system for the collection of adoption and foster care data. These regulations were published as final on Dec. 22, 1993, and are mandatory for all States. In addition, section 13713 of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66) makes available enhanced Federal matching funds (75 percent Federal match instead of 50 percent) for planning, design, development and installation of statewide automated child welfare information systems. Regulations governing these systems were published on Dec. 22, 1993, and May 19, 1995. The enhanced match expires after Sept. 30, 1996.

House bill

Three years after the effective date and annually thereafter, each State to which funds are paid under this part must submit to the Secretary a report containing quantitative information on the extent to which the State is making progress toward its child protection program goals (as described above).

Each State to which funds are paid under this part must annually submit to the Secretary of Health and Human Services a report that includes the following annual statistics:

(1) the number of children reported to the State during the year as abused or neglected;

(2) of the number of reported cases of abuse or neglect, the number that were substantiated;

(3) of the number of reported cases that were substantiated, (a) the number that received no services under the State program funded under this part; (b) the number that received services under the State program funded under this part; and (c) the number removed from their families;

(4) the number of families that received preventive services from the State;

(5) the number of children who entered foster care under the responsibility of the State;

(6) the number of children who exited foster care under the responsibility of the State;

(7) types of foster care placements made by State and the number of children in each type of care;

(8) average length of foster care placements made by State;

(9) the age, ethnicity, gender, and family income of children placed in foster care under the responsibility of the State;

(10) the number of children in foster care for whom the State has the goal of adoption;

(11) the number of children in foster care under the responsibility of the State who were freed for adoption;

(12) the number of children in foster care under the responsibility of the State whose adoptions were finalized;

(13) the number of disrupted adoptions in the State;

(14) quantitative measurements showing whether the State is making progress toward the child protection goals identified by the State;

(15) the number of infants abandoned during the year, the number of these infants who were adopted, and the length of time between abandonment and legal adoption;

(16) the number of deaths of children occurring while said children were in custody of the State;

(17) the number of deaths of children resulting from child abuse or neglect;

(18) the number of children served by the State Independent Living program;

(19) other information which the Secretary and a majority of the State agree is appropriate to collect for purposes of this part; and

(20) the response of the State to findings and recommendations of the citizen review panels.

States may fulfill the data collection and reporting requirements by collecting the required information on either individual children and families receiving child protection services or by using scientific statistical sampling methods.

Within 6 months after the end of each fiscal year, the Secretary must prepare an annual report on State data for Congress and the public.

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. States receiving CAPTA grants must submit annual data reports to the Secretary (see Item 6.I below). CAPTA requires States to report 10 data elements, many of which are substantially similar to the House reporting requirements.

Requires the Secretary, in administering CAPTA, to prepare annual reports, based on State data, for Congress and the national information clearinghouse on child abuse and neglect. (See Item 6.I below.) Requires Secretary in 6 months after receiving State reports to prepare and submit annual report to Congress.

Conference agreement

The Senate recedes with an amendment mandating two sets of data to be collected for child protection programs. There is a single data collection and reporting system required for child protection programs. Part one of the mandated data reporting requires States to report the following data every 6 months: (1) whether the child received services under the program funded under this part; (2) the age, race, gender, and family income of the parents and child; (3) county of residence; (4) whether the child was removed from the family; (5) whether the child entered foster care under the responsibility of the State; (6) the type of out of home care in which the child was placed (including institution, group home, family foster care, or relative placement); (7) the child's permanency planning goal, such as reunification, kinship care, adoption, or independent living; (8) whether the child was freed for adoption; and (9) whether the child existed from foster care, and, if so, whether the exit was due to return to the family, adoption, independent living, or death.

In addition, the States must submit the following aggregate data annually: (1) the number of children reported to the State during the year as alleged victims of abuse or neglect; (2) of the number of children for whom an investigation of alleged maltreatment resulted in a determination of substantiated abuse or neglect, the number for whom maltreatment was unsubstantiated, and the number determined to be false; (3) the number of families that received preventive services; (4) the number of infants abandoned during the year, the number of these infants who were adopted, and the length of time between abandonment and adoption; (5) the number of deaths of children occurring while the children were in custody of the State; (6) the number of deaths of children resulting from child abuse and neglect, including those which occurred while the child was in the custody of the State; (7) the number of children served by the State Independent Living program; (8) quantitative measurements showing whether the State is making progress toward the child protection goals identified by the State; (9) the types of maltreatment suffered by victims of abuse and neglect; (10) the number of abused and neglected children receiving services; (11) the average length of stay in out-of-home care; (12) the response of the State to findings and recommendations of the citizen review panels; and (13) other information which the Secretary and a majority of the States agree is appropriate to collect for the purposes of this part. States may be required to report other information approved by the Secretary and agreed to by a majority of States, including information necessary to assure a smooth transition from AFCARS and NCANDS to the data reporting system required by this legislation. The Secretary will define by regulation the information required to be included in State data reports. States may comply with requirements for precise numerical information by using scientifically acceptable sampling methods. The Secretary will report annually to Congress and the public on information provided in State data reports.

H. Research and Training

Present law

Current law authorizes appropriations for research under Title IV-B of the Social Security Act and the Child Abuse Prevention and Treatment Act. In FY 1995, $6 million is appropriated under Title IV-B and $9 million under CAPTA.

House bill

An appropriation of $10 million per year is authorized for the Secretary to spend at her discretion on research and training in child welfare.

Senate amendment

No directly comparable provision in Titles IV-B or IV-E. Current law under Title IV-B would remain intact, and CAPTA would be reauthorized. Although CAPTA has no separate authorization for research and training, the Secretary has discretionary authority to conduct research and training. For details see Item 6.G., below.

Conference agreement

The Senate recedes with an amendment establishing specific research activities, authorized in the Child and Family Services Block Grant, to be undertaken by the Secretary of the Department of Health and Human Services. Under this part, $10 million are authorized and appropriated for each of FYs 1996-2002 for the Secretary to conduct child welfare research.

I. National Random Sample Study of Child Welfare

Present law

No provision.

House bill

The Secretary is provided with $6 million per year for fiscal years 1996-2000 to conduct a national random-sample study of child welfare. The study will have a longitudinal component, yield data reliable at the State level for as many States as the Secretary determines is feasible, and should alternate data collection in small States from year-to-year to yield an occasional picture of child welfare in small States. The Secretary has discretion in drawing the sample and in selecting measures, but should carefully consider selecting the sample from all cases of confirmed abuse and neglect and then following each case over several years while obtaining such measures as type of abuse or neglect involved, frequency of contact with agencies, whether the child was separated from the family, types and characteristics of out-of-home placements, number of placements, and average length of placement. The Secretary must prepare occasional reports on this study and make them available to the public. The reports should summarize and compare the results of this study with the data reported by States. Written reports or tapes of the raw data from the study should be made available to the public at a fee the Secretary thinks appropriate.

Senate amendment

No provision.

Conference agreement

The Senate recedes. The provisions mandating the national random sample study of child welfare are contained in the Child and Family Services Block Grant. Mandatory funds will be available to conduct the study equal to $6 million per year for FY 1996-FY 2002. In addition, $10 million are authorized and appropriated for each of FYS 1996-1998 for the Secretary to carry out the State court assessment and improvement program authorized under section 13712 of the Omnibus Budget Reconciliation Act of 1993. These funds may be expended no later than September 30, 1999.

J. Removal of Barriers to Interethnic Adoption

Present law

State law governs adoption and foster care placement. Forty three States permit race

matching either in regulation, statute, policy, or practice. The Metzenbaum Multiethnic Placement Act of 1994 permits States to consider race and ethnicity in selecting a foster care or adoptive home, but States cannot delay or deny the placement of the child solely on the basis of race, color or national origin.

Noncompliance with the Metzenbaum Act is deemed a violation of title VI of the Civil Rights Act.

House bill

Section 553 of the Howard M. Metenbaum Multiethnic Placement Act of 1994 is repealed. (See conforming amendments, item 2 below.) In addition, a State or other entity that receives Federal assistance may not 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. Similarly, no State or other entity receiving Federal funds can delay or deny the placement of a child for adoption or 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.

A State or other entity that violates this provision during a period shall remit to the Secretary all funds that were paid to the State or entity during the period.

An action under this paragraph may not be brought more than 2 years after the date the alleged violation occurred.

Senate amendment

No provision.

Conference agreement

The Senate recedes with an amendment modifying the sanctions which can be imposed on a State. This provision is authorized under the Child and Family Services Block Grant. If the State is found to be in violation of the provisions of this section, the Secretary will notify the State of the violation. The State will then have 90 days to correct the violation. If the violation continues after the 90 day period, the Secretary will reduce the amount allotted to a State for the next fiscal year under Part B of title IV of the Social Security Act by 10 percent. The conferees express their strong desire that States use some of the funding under this part to recruit loving families from all racial and national origin backgrounds from which social service departments may choose when it becomes necessary to find foster care and adoptive placements for children.

While agencies must obviously make placements based on the best interests of children, such family recruitment by the States may not cause a delay or prevent the timely placement of a child in an adoptive or preadoptive home.

2. CONFORMING AMENDMENTS (SECTION 702)

Present law

No provision.

House bill

This section contains technical amendments that conform provisions of the bill to Titles IV-D and XVI of the Social Security Act, and to the Omnibus Budget Reconciliation Act of 1986, and provide for the repeal of Section 553 of the Howard M. Metzenbaum Multiethnic Placement Act of 1994, Title IV-E of the Social Security Act, section 13712 of the Omnibus Budget Reconciliation Act of 1993, and subtitle C of Title 17 of the Violent Crime Control and Law Enforcement Act of 1994. (Under section 371 of Title III-C of the House bill, the following additional programs are repealed related to the Child Protection Block Grant: abandoned infants assistance, the Child Abuse Prevention and Treatment Act, adoption opportunities, crisis nurseries, mission children's assistance, family support centers, certain activities under the Victims of Child Abuse Act, and Family Unification under the Housing Act.)

Senate amendment

No provision.

Conference agreement

The conference agreement requires the Secretary of HHS to submit, within 90 days of enactment, a legislative proposal providing necessary technical and conforming amendments.

The agreement also repeals Title IV-E of the Social Security Act, and makes conforming amendments to Title XVI and Title IV-D of the Social Security Act, section 9442 of the Omnibus Budget Reconciliation Act of 1986, and section 1123 of the Social Security Act.

3. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM

Present law

Children for whom Federal foster care payments are made are deemed to be "dependent children" for purposes of Medicaid eligibility.

House bill

Conforms Medicaid coverage of this title with title I of the House bill. In general, the Medicaid provision is designed to ensure that individuals who receive Medicaid coverage under current law will continue to be covered after passage of H.R. 4. Here is a summary of Medicaid provision from title I: "An individual who on enactment was receiving AFDC, was eligible for medical assistance under the State plan under this title, and would be eligible to receive aid or assistance under a State plan approved under part A of title IV but for the prohibition on grant funds being used to provide assistance to noncitizens, minor unwed mothers or their children, or children born to families already on welfare, would continue to be eligible for Medicaid. Families leaving welfare for work would also continue to receive the 1-year Medicaid transition benefit."

Senate amendment

The Senate amendment is similar to the House bill except that States have flexibility to be more restrictive in awarding Medicaid coverage than under current law.

Conference agreement

The conference agreement changes both the House bill and the Senate amendment because of pending changes in Medicaid legislation. To conform this bill with the pending Medicaid legislation, conferees agree that States will determine Medicaid eligibility for recipients of block grant assistance. This provision is found in section 114 of Title I of the conference bill.

4. EFFECTIVE DATE (SECTION 703)

Present law

No provision.

House bill

Under otherwise indicated in particular sections of the bill, the amendments and repeals made by this title take effect on October 1, 1995. The amendments shall not apply with respect to powers, duties, functions, rights, claims, penalties, or obligations applicable to aid or services provided before the effective date, or to administrative actions and proceedings commenced, or authorized to be commenced, before the effective date.

Senate amendment

No provision.

Conference agreement

The amendments will take effect on Oct. 1, 1996, except for provisions that authorize and appropriate funds in FY 1996 for research and count improvements, and requiring the Secretary to prepare technical and conforming amendments. The agreement establishes transition rules for pending claims, actions and proceedings, and relating to the closing out of accounts for programs that are terminated or substantially modified.

5. SENSE OF THE CONGRESS REGARDING TIMELY ADOPTION OF CHILDREN (SECTION 704)

Present law

No provision.

House bill

It is the sense of the Congress that:

(1) too many adoptable children are spending too much time in foster care;

(2) States must increase the number of waiting children being adopted in a timely manner;

(3) Studies have shown that States would save significant amounts of money if they offered incentives to families to adopt special needs children who would otherwise require foster care;

(4) States should allocate sufficient funds for adoption and medical assistance to encourage families to adopt children who are languishing in foster care;

(5) States should offer incentives for families that adopt special needs children to make adoption more affordable for middle-income families;

(6) States should strive to provide children removed from their biological parents with a single foster care placement and case team and to conclude an adoption of the child, when adoption is the goal, within one year of the child's placement in foster care; and

(7) States should participate in programs to enable maximum visibility of waiting children to potential parents, including a nationwide computer network to disseminate information on children eligible for adoption.

Senate amendment

Title VIII of the Senate amendment addresses adoption issues. See Section 13, below.

Conference agreement

The Senate recedes.

6. CHILD ABUSE PREVENTION AND TREATMENT; GENERAL PROGRAM (SECTION 751)

A. Reference

Present law

No provision.

House bill

No provision.

Senate amendment

Provides that, unless otherwise indicated, any amendments or repeals should be considered to apply to the Child Abuse Prevention and Treatment Act (CAPTA).

Conference agreement

The House recedes with an amendment renaming this chapter as Child and Family Services Block Grant.

B. Findings

Present law

Section 2 of CAPTA contains findings with regard to the scope of child abuse and neglect, the need for a comprehensive approach to address child abuse and neglect, various goals with regard to national policy, and the appropriate Federal role in this area.

House bill

No provision.

Senate amendment

Amends section 2 to update findings with regard to the scope of child abuse and neglect and to make minor changes, including change of references from "child protection" to "child and family protection."

Conference agreement

The Senate recedes with an amendment restructuring the findings to reflect the consolidation and blending of other programs.

C. Office of Child Abuse and Neglect

Present law

Section 101 of CAPTA requires the Secretary of HHS to establish a National Center on Child Abuse and Neglect.

House bill

No provision.

Senate amendment

Amends section 101 to allow the Secretary of HHS to establish an Office on Child Abuse and Neglect which would be responsible for executing and coordinating the functions and activities authorized by CAPTA. Repeals current mandate for a National Center on Child Abuse and Neglect.

Conference agreement

The Senate recedes.

D. Advisory Board on Child Abuse and Neglect

Present law

Section 102 of CAPTA requires the Secretary to appoint a U.S. Advisory Board on Child Abuse and Neglect, and specifies the composition and duties of the board.

House bill

No provision.

Senate amendment

Amends section 102 by repealing current mandate for a U.S. Advisory Board on Child Abuse and Neglect, and instead allows the Secretary of HHS to appoint an advisory board to make recommendations concerning child abuse and neglect issues. Duties of the new board would include making recommendations on coordination of Federal, State and local child abuse and neglect activities with similar activities regarding family violence at those levels; specific modification needed in Federal and State laws to reduce the number of unfounded or unsubstantiated cases of child maltreatment; and modifications needed to facilitate coordinated data collection with respect to child protection and child welfare.

Conference agreement

The Senate recedes with an amendment giving the Secretary authority to appoint an advisory board to: provide recommendations on coordinating Federal, State, and local child abuse and neglect activities at the State level with similar activities at the State and local level pertaining to family violence; consider specific modifications needed in State laws and programs to reduce the number of unfounded or unsubstantiated reports of child abuse or neglect while enhancing the ability to identify and substantiate legitimate cases of abuse or neglect which place a child in danger; and provide recommendations for modifications needed to facilitate coordinated national and Statewide data collection with respect to child protection and child welfare.

E. Repeal of Interagency Task Force

Present law

Section 103 of CAPTA requires the Secretary to establish an Interagency Task Force on Child Abuse and Neglect.

House bill

No provision.

Senate amendment

Repeals section 103 of CAPTA.

Conference agreement

The House and Senate concur.

F. National Clearinghouse for Information Relating to Child Abuse and Neglect

Present law

Section 104 of CAPTA requires the Secretary to establish a national clearinghouse for information relating to child abuse and neglect.

House bill

No provision.

Senate amendment

Amends section 104 to retain authorization for a national information clearinghouse on child abuse and neglect, and expands the duties of the clearinghouse to include collecting data on false and unsubstantiated reports and deaths resulting from child abuse and neglect, and, through a national data collection and analysis program, to collect and make available State child abuse and neglect reporting information which, to the extent practical, is universal and case specific, and integrated with other case-based factor care and adoption data collected by HHS.

Conference agreement

The Senate recedes with an amendment placing the Clearinghouse within the Research, Demonstrations, Training, and Technical Assistance section. The function of the clearinghouse is to: maintain, coordinate, and disseminate information on all programs, including private (nongovernmental) programs, that show promise of success with respect to the prevention, assessment, identification, and treatment of child abuse and neglect; and maintain and disseminate information relating to the incidence of cases of child abuse and neglect including the incidence of such cases that are related to alcohol or drug abuse in the United States.

G. Research, Evaluation and Assistance Activities

Present law

Section 105 of CAPTA authorizes the Secretary, through the National Center, to conduct research and technical assistance related to child abuse and neglect.

House bill

Authorizes appropriations of $10 million annually for the Secretary to conduct research and training related to child welfare. (See Item 1.H., above).

Senate amendment

Amends section 105 to restructure the research activities function of the Secretary of HHS by deleting references to the National Center and by requiring research on additional issues, including substantiated and unsubstantiated reported child abuse cases. Authorizes technical assistance to include evaluated or identification of: various methods for investigation, assessment, and prosecution of child physical and sexual abuse cases; ways to mitigate psychological trauma to child victims; and effective programs carried out under CAPTA. Allows the Secretary of HHS to provide for dissemination of information related to various training resources available at the State and local levels. Continues authorization for a formal peer review process which utilizes scientifically valid review criteria.

Conference agreement

The House recedes with an amendment restructuring the research activities to focus on information designed to better protect children from abuse or neglect by examining the national incidence of child abuse and neglect, including substantiated and unsubstantiated report child abuse or neglect cases.

H. Grants for Demonstrated Programs

Present law

Section 106 of CAPTA authorizes the Secretary to make grants to public agencies and private nonprofit organizations for demonstration or service programs or projects, that must include an evaluation component; resource centers; and discretionary grants that may be used for a variety of purposes.

House bill

No provision.

Senate amendment

Amends section 106 to retain authority for the demonstration grants program and to change the criteria for awarding grants. Authorizes the following purposes for demonstration programs and projects: training programs, mutual support and self-help programs for parents, innovative programs that use collaborative partnerships between various agencies to allow for establishment of a triage system in responding to child abuse and neglect reports; kinship care programs, and supervised visitation centers for families where there has been child abuse or domestic violence. All demonstration projects will be evaluated for their effectiveness.

Conference agreement

The House recedes with an amendment authorizing the following demonstration programs and projects: Innovative programs and projects that use collaborative partnerships between various agencies to allow for the establishment of a triage system in responding to child abuse and neglect; kinship care programs; programs to expand opportunities for the adoption of children with special needs; family resource and support programs; and other innovative preventative and treatment programs such as Parents Anonymous.

I. State Grants for Prevention and Treatment Programs

Present law

Section 107 of CAPTA authorizes the Secretary to make development and operation grants to States to assist them in improving their child protective service systems. States must meet certain eligibility requirements, which include having a State law in effect providing for reporting of child abuse or neglect allegations and providing immunity from prosecution for reporters of abuse or neglect.

Requires that States have in place procedures for responding to reports of medical neglect, including instances of withholding medically indicated treatment from disabled infants with life-threatening conditions.

House bill

States would receive Child Protection Block Grants, which would be used for child protective service systems, among other related activities. To receive block grants, States must certify that they have in effect a State law for reporting of child abuse or neglect, a program to investigate child abuse and neglect reports, and procedures to respond to reporting of medical neglect of disabled infants among other requirements. (See Item 1.B. (2) and (3), above.)

Requires States participating in the Child Protection Block Grant to submit detailed annual data reports to the Secretary. (See Item 1.G.2., above.) The Secretary would prepare annual reports for Congress. (See Item 1.G.4., above.)

Senate amendment

Revises section 107. Under revised eligibility requirements, States would provide an assurance or certification, signed by the chief executive officer of the State, that the State has a law or statewide program relating to procedures for: reporting of known and suspected instances of child abuse and neglect; immediate screening, safety assessment, and prompt investigation of such reports; procedures for immediate steps to be taken to protect the safety of children; provisions for immunity from prosecution for individuals making good faith reports of child abuse; methods for preserving confidentiality of records; requirements for the prompt disclosure of relevant information to appropriate entities working to protect children; the cooperation of law enforcement officials, court personnel and human services agencies; provision for the appointment of a guardian ad litem to represent the child in any judicial proceedings; and provisions that facilitate the prompt expungement of unsubstantiated or false child abuse reports.

Requires that States have in place procedures for responding to reports of medical neglect, including instances of withholding medically indicated treatment from disabled infants with life-threatening conditions.

States must have in place, within two years of enactment, provisions by which individuals who disagree with an official finding of abuse or neglect can appeal such a finding.

States would submit a plan every 5 years, instead of 4, demonstrating their eligibility and specifics about how their grant money will be used.

States would be required to work annually with the Secretary to provide, to the maximum extent practicable, a report containing specified data on their child protective service systems, including the number of children reported as abused or neglected, data on substantiation of reports, services provided to reported children, preventive services provided to families, the number of child deaths resulting from abuse or neglect including the number of children who died while in foster care, number of caseworkers responsible for intake and screening, agency response time to abuse or neglect reports, response time with respect to provision of services to families where abuse or neglect has been alleged, and the number of caseworkers relative to the number of reports investigated in the previous year. The Secretary would prepare a report based on State data, to be submitted to Congress and the national information clearinghouse on child abuse and neglect.

Conference agreement

The Senate recedes with an amendment providing for a block grant to States for the purpose of (1) assisting each State in improving the child protective services of such State, (2) supporting State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs, (3) facilitating the elimination of barriers to adoption for children with special needs, (4) responding to the needs of children, in particular those who are drug exposed or inflicted with Acquired Immune Deficiency Syndrome (AIDS), and (5) carrying out any other activities as the Secretary determines to be consistent with this chapter. Requirements regarding the State plan, eligibility for funding, assurances and certifications, and data collection and reporting are the same as those mandated for receipt of the Child Protection Block Grant, as described below.

The conference agreement establishes uniform eligibility and reporting requirements for the programs funded under Title VII of this act (Child Protection Block Grant Program and Foster Care and Adoption Assistance). To be eligible to receive funds from the child protection block grant programs included in Title VII, States must submit a written document outlining the activities which the State will undertake to ensure the protection of abused and neglected children and their families. States are required to certify that the State has in effect and operational a State law or statewide program relating to procedures for: reporting of known and suspected instances of child abuse and neglect by public officials and professionals; the immediate screening, safety assessment, and prompt investigation of such reports; the removal of abused and neglected children from their homes (if necessary) and the placement of those children in safe environments; providing immunity from prosecution for individuals making good faith reports of child abuse; the prompt expungement of records in cases determined to be unsubstantiated or false; (within two years of enactment) appealing an official finding of abuse or neglect by individuals in disagreement with such finding; ensuring that a written plan is prepared for children who have been removed from their families; providing independent living services for older children in State protective care; responding to reports of medical neglect, including instances of withholding medically indicated treatment from disabled infants with life-threatening conditions; ensuring that reasonable efforts are made to prevent or eliminate the removal of a child from their family prior to placement in foster care or other placements outside the home; identifying quantitative goals for the State child protection services; compliance with the child protection standards specified in the Act; the prompt disclosure of relevant information to appropriate government entities working to protect children, including citizen review panels and child fatality review panels; and public disclosure of information regarding a child fatality or near-fatality caused by child abuse or neglect.

The conferees intend to preserve the confidentiality of reports and case information pertaining to child abuse and neglect except in the instances specifically delineated in this act or when a State legislature has specifically authorized limited release of such information. It is the clear intention of the conferees that case information must be shared among the various governmental agencies responsible for the protection of children form abuse or neglect in order to facilitate the most effective response to these cases. Furthermore, it also is the intent of the conferees that in the case of a fatality or near-fatality resulting from child abuse or neglect, that the factual information regarding how the case was handled may be disclosed to the public in an effort to provide public accountability for the actions or inaction of public officials.

J. Repeal

Present law

Section 108 of CAPTA authorizes the Secretary to provide training and technical assistance to States.

House bill

No provision.

Senate amendment

Repeals section 108.

Conference agreement

The House recedes with an amendment providing for technical assistance to the States in planning, improving, developing and carrying out programs and activities relating to the prevention, assessment, identification and treatment of child abuse and neglect as well as assistance to public or private non-profit agencies or organizations to expand adoption opportunities.

K. Miscellaneous Requirements

Present law

Section 110(c) of CAPTA requires the Secretary to ensure that a majority share of assistance under CAPTA is available for discretionary research and demonstration grants.

House bill

No provision.

Senate amendment

Strikes section 110(c).

Conference agreement

The House and Senate concur.

L. Definitions

Present law

Section 113 of CAPTA contains definitions.

House bill

No provision.

Senate amendment

Amends section 113 to change some definitions. Strikes definitions of "Board" and "Center," and changes the definition of "child abuse and neglect" to mean, at a minimum, "any recent act or failure to act on the part of a parent or caretaker, which results in death, serious physical or emotional harm, sexual abuse or exploitation, or an act or failure to act which presents an imminent risk of serious harm."

Conference agreement

The House recedes with an amendment striking certain definitions, and modifying other including "child abuse and neglect" to mean, "at a minimum: any act or failure to act on the part of a parent or caretaker, which results in death, serious physical or emotional harm, sexual abuse or exploitation, or an act or failure to act which presents an imminent risk of serious harm."

M. Authorization of Appropriations

Present law

Section 114(a) authorizes appropriations for Title I of CAPTA, and specifies how funds are to be allocated among authorized activities. The authorization of appropriations expires at the end of FY 1995.

House bill

The House bill has no funding for CAPTA but includes funding for the Child Protection Block Grant; see sections C.1. and C.2., above.

Senate amendment

Amends section 114(a) to authorize $100 million in FY1996, and "such sums as necessary " in FY1997–FY2000, for title I of CAPTA. Requires that one-third of funds be spent on discretionary activities and, that of funds reserved for discretionary activities, no more than 40 percent shall be for demonstration projects under section 106.

Conference agreement

The Senate recedes with an amendment providing for $230,000,000 for FY1996, and such sums as are necessary for FY1997–FY2002, for the new Child and Family Services Block Grant.

Of the amount appropriated, 12 percent shall be made available to the Secretary to carry out subchapter B, Research, Demonstrations, Training and Technical Assistance. Not less than 40 percent of the amount made available to the Secretary may be used for Demonstration programs.

Furthermore, 1 percent of the amounts appropriated under this chapter, shall be reserved for the Secretary to make allotments to Indian tribes and tribal organizations. Block grant funds will be allocated among States according to their population of children under age 18.

N. Rule of Construction

Present law

No provision.

House bill

No directly comparable provision, but see section 1.B.4., above.

Senate amendment

Establishes a new section of CAPTA that addresses the issue of spiritual treatment of children. The section does not require a parent or legal guardian to provide a child with medical service or treatment, against his or her religious beliefs, nor does it require a State to find, or prohibit a State from finding, abuse or neglect in cases where the parent or guardian relied solely or partially on spiritual means rather than medical treatment, in accordance with their religious beliefs. The sections requires a State to have in place authority under State law to pursue any legal remedies necessary to provide medical care or treatment when such care or treatment is necessary to prevent or remedy serious harm to the child, or to prevent the withholding of medically indicated treatment from children with life-threatening conditions. In general, each State has sole discretion over its case-by-case determinations relating to the exercise of authority of the subsection and is not foreclosed from considering treatment by non-medical or spiritual means. However, in light of special concerns about enforcement of Federal law protecting disabled infants from medical neglect (see e.g., U.S. Commission on Civil Rights, Medical Disabilities), the conference committee retains existing language concerning the Federal oversight with references to cases involving the withholding of medically indicated treatment from disabled infants with life-threatening conditions.

Conference agreement

The House recedes.

O. Technical Amendment

Present law

No provision.

House bill

No provision.

Senate amendment

Makes a technical amendment to section 1404A of the Victims of Crime Act.

Conference agreement

The Senate recedes.

7. COMMUNITY-BASED FAMILY RESOURCE AND SUPPORT GRANTS

Present law

Title II of CAPTA authorizes the Secretary to make grants to States for Community-Based Family Resource Programs.

House bill

No provision.

Senate amendment

Replaces current law with a new Title II to establish Community-Based Family Resource and Support Grants.

Conference agreement

The Senate recedes. Community-Based Family Resource and Support Services are an allowable activity under the Child and Family Block Grant funds made available to the States under Subchapter A of this Chapter and demonstration grants funded by the Secretary under Subchapter B of this Chapter.

A. Purpose and Authority

Present law

No provision.

House bill

States could use Child Protection Block Grant allotments for family resource and support services. (See Item 1.C.(5), above.)

Senate amendment

Establishes the purpose of Title II as: to support State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs. Authorizes the Secretary of HHS to make grants on a formula basis to entities designated by States as "lead entities."

Conference agreement

The Senate recedes.

B. Eligibility

Present law

No provision.

House bill

No provision.

Senate amendment

Establishes eligibility requirements for States to receive grants. States are eligible if:

(1) the chief executive officer has designated a lead entity that is an existing public, quasi-public or nonprofit private entity, with priority for the State trust fund advisory board or an existing entity that leverages funds for a broad range of child abuse and neglect prevention activities and family resource programs;

(2) the chief executive officer assures that the lead entity will provide or be responsible for providing a network of community-based family resource and support programs and providing direction and oversight to the network; and

(3) the chief executive officer assures that the lead entity has a demonstrated commitment to parental participation, a demonstrated ability to work with State and community-based public and private nonprofit organizations, the capacity to provide operational support and training and technical assistance to the statewide network of community-based family resource and support programs, and will integrate its efforts with experienced individuals and organizations.

Conference agreement

The Senate recedes.

C. Amount of Grant

Present law

No provision.

House bill

No provision.

Senate amendment

Reserves 1 percent of appropriations for Title II of CAPTA for allotments to Indian tribes and tribal organizations and migrant programs. Remaining funds are allotted to States equally according to the State "minor child amount" and the State "matchable amount." The State minor child amount is based on the State's relative population of children under 18, except that no State can receive less than $250,000. The State matching amount is based upon each State's relative amount of funds (including foundation, corporate and other private funding, State revenues and Federal funds) that have been dedicated toward the purposes of this program.

Conference agreement

The Senate recedes.

D. Existing and Continuation Grants

Present law

No provision.

House bill

No provision.

Senate amendment

Provides that any State or entity that has a grant, contract, or cooperative agreement in effect on the date of enactment, under the Family Resource and Support Program, the Community-Based Family Resource Program, the Family Support Center Program, the Emergency Child Abuse Prevention Grant Program, or the Temporary Child Care and Crisis Nurseries Program, shall continue to be funded under the original terms through the end of the applicable grant cycle. Also allows the Secretary to continue grants for Family Resource and Support Program grantees and other programs funded under CAPTA on a non-competitive basis, subject to available appropriations, grantee performance, and receipt of required reports.

Conference agreement

The Senate recedes.

E. Application

Present law

No provision.

House bill

No provision.

Senate amendment

Provides that, to receive grants under Title II, States must submit an application to the Secretary containing information requested by the Secretary, including:

(1) a description of the lead entity;

(2) a description of how the network of community-based, prevention-focused, family resource and support programs will operate, and how family resource and support services will be integrated into a continuum of preventive services for children and families;

(3) an assurance that an inventory of current family resource programs, respite, child abuse and neglect prevention activities, and other family resource programs in the State, and a description of current unmet needs, will be provided;

(4) a budget for the State's network of community-based, prevention-focused, family resource and support programs that verifies that the State will spend an amount equal to no less than 20 percent of the amount received under this program (in cash, not in-kind);

(5) an assurance that funds received under this Title will supplement and not supplant other State and local public funds designated for the statewide network of family resource and support programs;

(6) an assurance that the statewide network of family resource and support programs will maintain cultural diversity, and be culturally competent and socially sensitive and responsive to the needs of families with children with disabilities;

(7) an assurance that the State has the capacity to ensure meaningful involvement of parents;

(8) a description of the criteria to be used to develop, or select and fund, individual programs to be part of the statewide network;

(9) a description of outreach activities that will be used to maximize the participation of racial and ethnic minorities, new immigrant

populations, children and adults with disabilities, homeless families and those at risk of homelessness, and members of other under-served or under-represented groups;

(10) a plan for providing operational support, training and technical assistance to family resource and support programs;

(11) a description of how activities will be evaluated;

(12) a description of actions that will be taken to advocate changes in State policies, practices, procedures, and regulations to improve the delivery of family resource and support program services to all children and families; and

(13) an assurance that reports will be submitted to the Secretary on time and containing requested information.

Conference agreement

The Senate recedes.

F. Local Program Requirements

Present law

No provision.

House bill

No provision.

Senate amendment

Grants will be used for family resource and support programs that:

(1) assess community assets and needs through a planning process that includes parents, local agencies, and private sector representatives;

(2) develop a strategy to provide a continuum of preventive, holistic, family-centered services to children and families;

(3) provide "core" services, such as parent education, support and self-help, and leadership services, development screening of children, outreach, referral and follow-up services; "other core" services, which can be provided directly or through contracts, including respite services; and access to "optional" services, including child care, early childhood development and intervention, services for families with children with disabilities, job readiness, educational services, self-sufficiency and life management skills training, community referral services, and peer counseling;

(4) develop leadership roles for the meaningful involvement of parents;

(5) provide leadership in mobilizing local resources to support family resource and support programs; and

(6) participate with other community-based, prevention-focused family resource and support programs in developing and operating the statewide network.

Priority for local grants shall be given to community-based programs serving low-income communities and those serving young parents or parents with young children, and to family resource and support programs previously funded under the programs consolidated by this Title.

Conference agreement

The Senate recedes.

G. Performance Measures

Present law

No provision.

House bill

No provision.

Senate amendment

States receiving grants must submit reports to the Secretary that:

(1) demonstrate effective development of a statewide network of family resource and support programs;

(2) supply an inventory and description of services provided to families, including "core" and "optional" services;

(3) demonstrate the establishment of new respite and other new family services, and expansion of existing services, to meet identified unmet needs;

(4) describe number of families served (including families with children with disabilities), and the involvement of a diverse representation of families in designing, operating and evaluating the statewide network of family resource and support programs;

(5) demonstrate a high level of satisfaction among families that have used family resource and support program services;

(6) demonstrate innovative funding mechanisms that blend Federal, State, local and private funds, and innovative and interdisciplinary service delivery mechanisms;

(7) describe the results of a peer review process conducted under the State program; and

(8) demonstrate an implementation plan to ensure continued leadership of parents in family resource and support programs.

Conference agreement

Senate recedes.

H. National Network for Community-Based Family Resource Programs

Present law

No provision.

House bill

No provision.

Senate amendment

Authorizes the Secretary to allocate such sums as necessary from the amount provided under the State allotment to support State activities related to a peer review process, an information clearinghouse, a yearly symposium, a computerized communication system between State lead entities, and State-to-State technical assistance through biannual conferences.

Conference agreement

The Senate recedes.

I. Definitions

Present law

No provision.

House bill

No provision.

Senate amendment

Defines the following terms: "children with disabilities," "community referral services," "culturally competent," "family resource and support program," "national network for community-based family resource programs," "outreach services," and "respite services."

Conference agreement

The Senate recedes with an amendment which includes the definitions for Family Resource and Support programs and respite care in the definition section of the Chapter.

J. Authorization of Appropriations

Present law

No provision.

House bill

No provision.

Senate amendment

Authorizes $108 million for Title II for each of FY1996–FY2000.

Conference agreement

The Senate recedes.

8. REPEALS (SECTION 753)

Present law

No provision.

House bill

Repeals the crisis nurseries portion of Temporary Child Care and Crisis Nurseries; and family support centers under the Stewart B. McKinney Homeless Assistance Act. (See Item 2, above.)

Senate amendment

Repeals the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act. Also repeals family support centers under Subtitle F of Title VII of the Stewart B. McKinney Homeless Assistance Act.

Conference agreement

This portion of the conference agreement repeals Title II of the Child Abuse Prevention and Treatment and Adoption Reform Act (adoption opportunities), the Abandoned Infants Assistance Act, section 553 of the Howard Metzenbaum Multiethnic Placement Act, family support centers under the Stewart McKinney Homeless Assistance Act, and the Temporary Child Care and Crisis Nurseries Act.

The agreement also requires the Secretary of HHS, within 6 months after enactment, to submit a legislative proposal with any necessary technical and conforming amendments.

The agreement also includes a transition provision to allow entities with a grant, contract or cooperative agreement in effect under various programs that will be terminated, to continue to receive funds through the end of the applicable grant, contract or agreement cycle.

9. FAMILY VIOLENCE PREVENTION AND SERVICES

A. State Demonstration Grants

Present law

No provision.

House bill

No provision.

Senate amendment

Amends section 303(e) of the Family Violence Prevention and Services Act, relating to non-Federal matching requirements.

Conference agreement

The Senate recedes.

B. Allotments

Present law

No provision.

House bill

No provision.

Senate amendment

Amends section 304(a)(1) of Family Violence Prevention and Services Act.

Conference agreement

The Senate recedes.

C. Authorization of Appropriations

Present law

Section 310 of the Family Violence Prevention and Services Act authorizes appropriations for the program and specifies how funds are to be allocated among activities.

House bill

No provision.

Senate amendment

Amends section 310 of Family Violence Prevention and Services Act to reduce from 80 percent to 70 percent the minimum amount of funds to be used for making grants to States for family violence activities. Also requires the Secretary to use not less than 10 percent of appropriations for grants for State family violence coalitions, and provides that Federal funds made available under this program must be used to supplement and not supplant other Federal, State or local public funds expended for similar activities.

Conference agreement

The Senate recedes.

10. ADOPTION OPPORTUNITIES; REFERENCE

A. Findings and Purpose

Present law

Section 201 of the adoption opportunities program establishes congressional findings with regard to the child welfare population, and declares the program's purpose to facilitate the elimination of barriers to adoption and to provide permanent homes for children who would benefit from adoption, particularly children with special needs.

House bill

Repeals the adoption opportunities program. (See Item 2, above.)

Senate amendment

Amends section 201 of the adoption opportunities program to update congressional findings, and delete references to the promotion of model adoption legislation and procedures.

Conference agreement

The Senate recedes.

B. Information and Services

Present law

No provision.

House bill

No provision.

Senate amendment

Amends section 203 of the adoption opportunities program, to require the Secretary of HHS to conduct studies related to kinship care, recruitment of foster and adoptive parents; and to provide technical assistance and resource and referral information related to termination of parental rights, recruitment and retention of adoptive placements, placement of special needs children, provision of pre- and post-placement services, and other assistance to help State and local governments replicate successful adoption-related projects.

Conference agreement

The Senate recedes.

C. Authorization of Appropriations

Present law

No provision.

House bill

No provision.

Senate amendment

Authorizes $20 million for FY1996, and such sums as necessary for each of FY1997–FY2000, for the adoption opportunities program.

Conference agreement

The Senate recedes.

11. ABANDONED INFANTS ASSISTANCE ACT

Present law

No provision.

House bill

Repeals abandoned infants assistance.

Senate amendment

Authorizes $35 million for each of FY1995–FY1996, and such sums as necessary for each of FY1997–FY2000, for abandoned infants assistance.

Conference agreement

The Senate recedes.

12. REAUTHORIZATION OF VARIOUS PROGRAMS (SECTION 752)

A. Missing Children's Assistance Act

Present law

The Missing Children's Assistance Act is authorized through FY1996.

House bill

Repeals the Missing Children's Assistance Act (see Item 2, above; however, authorizes appropriations of $7 million for the Attorney General to operate an information clearinghouse and telephone hotline for information on missing children (see Item 1.F, above).

Senate amendment

Extends the authorization for the Missing Children's Assistance Act through FY1997; such sums as necessary are authorized. Provides that the Department of Justice shall use no more than 5 percent of appropriations in a fiscal year to evaluate the program.

Conference agreement

The House recedes.

B. Victims of Child Abuse Act of 1990

Present law

Appropriations are authorized through FY1996 for grants to improve investigation and prosecution of child abuse cases, and for children's advocacy centers, under the Victims of Child Abuse Act.

House bill

Repeals grants to improve investigation and prosecution of child abuse and neglect cases, and children's advocacy centers, under the Victims of Child Abuse Act. (See Item 2, above.)

Senate amendment

Extends the authorization through FY1997, at such sums as necessary, for these two programs under the Victims of Child Abuse Act.

Conference agreement

The House recedes.

13. ADOPTION EXPENSES

A. Refundable Credit for Adoption Expenses

Present law

No provision.

House bill

No provision in H.R. 4, but similar provision in the House-passed H.R. 1215.

Senate amendment

Amends subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986, to insert a new section 35, adoption expenses, that would provide a tax credit for expenditures for adoption fees, court costs, attorney fees, and other expenses directly related to a legal and finalized adoption. This dollar-for-dollar tax credit of up to $5,000 per child is reduced for taxpayers with adjusted gross income above $60,000 and is fully phased out at incomes of $100,000. Married couples must file a joint return and the credit is not available for expenditures that contradict State or Federal law. The amendment prohibits double benefits. The amendment will apply to taxable beginning after Dec. 31, 1995.

Conference agreement

This provision has been moved to the tax portion of the Reconciliation Act of 1995 and, if enacted, will provide a tax credit for expenditures for adoption fees, court costs, attorney fees, and other expenses directly related to a legal and finalized adoption. This dollar-for-dollar tax credit of up to $5,000 per child is reduced for taxpayers with adjusted gross income above $75,000 and is fully phased out at incomes of $115,000. The credit is not available for expenditures that contradict State or Federal law. The amendment prohibits double benefits with respect to State and local credits, except in cases of "special children". The amendment will apply to taxable years beginning after Dec. 31, 1995 and allow for carry over of up to five years in the event tax liability does not cover the entire credit during a single year.

B. Exclusion of Adoption Assistance

Present law

No provision.

House bill

No provision.

Senate amendment

Amends part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 by inserting a new section 137, which treats as a tax-free fringe benefit employer-provided adoption assistance benefits, or reimbursement by the employer of qualified adoption expenses, provided the adoptee is physically or mentally incapable of self-care (a "special needs" child). Military adoption assistance benefits for these children also would be free of tax. The amendment will apply to taxable years beginning after Dec. 31, 1995.

Conference agreement

This provision has been moved to the tax portion of the Reconciliation Act of 1995. This provision treats as a tax-free fringe benefit employer-provided adoption assistance benefits of up to $5,000, or reimbursement by the employer of qualified adoption expenses. The amendment will apply to taxable years beginning after Dec. 31, 1995. This benefit is not available if the credit (above) is chosen.

C. Withdrawal from IRA for Adoption Expenses

Present law

No provision.

House bill

No provision.

Senate amendment

Amends subsection (d) of section 408 of the Internal Revenue Code of 1986 to permit tax-free withdrawals from an individual retirement account (IRA) for qualified adoption expenses.

Conference agreement

The Senate recedes.

TITLE VIII. CHILD CARE

1. GOALS (SECTION 802)

Present law

No provision.

House bill

Establishes the following goals as part of the Child Care and Development Block Grant:

(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

(2) to promote parental choice to empower working parents to make their own decision on the child care that best suits their family's needs;

(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

(4) to assist States to provide child care to parents trying to achieve independence from public assistance; and

(5) to assist States in implementing the health, safety, licensing and registration standards established in State regulation.

Senate amendment

No provision.

Conference agreement

The Senate recedes.

2. AUTHORIZATION OF APPROPRIATIONS (SECTION 803)

Present law

The authorization of appropriations expires at the end of FY1995. Appropriations in FY1995 are $935 million; such sums as necessary are authorized. (Sec. 658B of the CCDBG Act.)

(Note: In addition, entitlement funds are available for child care under the AFDC

Child Care, Transitional Child Care, and At-Risk Child Care programs authorized by Title IV–A of the Social Security Act.)

House bill

Authorizes appropriations of $2,093 million for each of FY1996–2000.

(Note: Title I of the House bill repeals the AFDC Child Care, Transitional Child Care, and At-Risk Child Care programs.)

Senate amendment

Authorizes appropriations as follows: $1 billion for FY1996, and such sums as may be necessary for each of FY1997–2000.

(Note: Additional funds are provided for child care under Title I of the Senate amendment, to replace the current AFDC Child Care, Transitional Child Care, and At-Risk Child Care programs—$8 billion over 5 years in direct spending.)

Conference agreement

The conference agreement establishes a single child care block grant and State administrative system by adding mandatory funds to the existing Child Care and Development Block Grant (CCDBG). Specifically, one discretionary and two mandatory streams of funding will be consolidated in a reconstituted CCDBG. The effective date of this title will be October 1, 1996, except for the authorization of discretionary funds, which will be effective upon date of enactment.

The child care funds made available in the Child Care Block Grant total $18 billion over 7 years; $11 billion in mandatory funds ($1.3 billion in FY1997, $1.4 billion in FY1998, $1.5 billion FY1999, $1.7 billion in FY2000, $1.9 billion in FY2001, and $2.05 in FY2002) combined with $1 billion each year (FY1996–FY2002) in discretionary funds.

Each State will receive the amount of funds it received for child care under all of the entitlement programs currently under title IV of the Social Security Act (AFDC Child Care, transitional Child Care, and At-Risk Child Care) in the 1994 fiscal year, or the average amount of funds received for those programs from FY1992 through FY1994, which ever is greater. These programs, combined, provide approximately $990 million in mandatory child care funding for the States.

The mandatory funds remaining after the State allocations based on the child care allotments from previous years will be distributed among the States based on the formula currently used in the title IV–A At-Risk Child Care grant. Specifically, funds will be distributed based on the proportion of the number of children under the age of 13 residing in the State to the number of all of the nation's children under the age of 13. States must provide matching funds in the amount of the FY1994 State Medicaid rate to receive these funds.

If a State does not use its full portion of funds, the remaining portion will be redistributed to the States according to section 402(i) (as such section was in effect before October 1, 1995).

Discretionary funds appropriated for the Child Care Block Grant will be distributed to States based on the current formula for the Child Care and Development Block Grant. This formula utilizes the number of children in low income families and the State per capita income as criteria for the distribution of funds to States. As in current law governing the CCDBG, there is no requirement for the State to provide matching funds to receive an allotment from the discretionary funds appropriated for the Child Care Block Grant (see Table 4 for State allotments over the 7 years of the Block Grant).

Table 4—Estimated total 7-year funding by State under the child care block grant

[In thousands of dollars]

State:	Amount
Alabama	328,208
Alaska	45,728
Arizona	305,507
Arkansas	146,212
California	2,005,717
Colorado	202,491
Connecticut	203,659
Delaware	54,264
District of Columbia	45,711
Florida	789,027
Georgia	579,921
Hawaii	66,313
Idaho	75,410
Illinois	680,274
Indiana	359,127
Iowa	151,901
Kansas	171,492
Kentucky	301,154
Louisiana	337,574
Maine	66,441
Maryland	331,868
Massachusetts	447,645
Michigan	522,624
Minnesota	321,275
Mississippi	197,315
Missouri	352,011
Montana	56,602
Nebraska	144,930
Nevada	66,512
New Hampshire	63,772
New Jersey	412,380
New Mexico	156,887
New York	1,110,049
North Carolina	732,212
North Dakota	44,315
Ohio	781,424
Oklahoma	307,398
Oregon	247,540
Pennsylvania	717,854
Rhode Island	73,756
South Carolina	229,794
South Dakota	47,719
Tennessee	452,486
Texas	1,311,075
Utah	194,779
Vermont	49,670
Virginia	346,339
Washington	458,049
West Virginia	140,340
Wisconsin	310,981
Wyoming	40,327
Puerto Rico[1]	190,438
Guam[1]	16,829
Virgin Islands[1]	11,807
Northern Marianas[1]	6,363
Indian Set-Aside	188,500
Total	18,000,000

[1] Discretionary amounts for the territories only.

Source: Table prepared by CRS. Mandatory child care allocations based on the federal share of expenditures in title IV–A programs and Census Bureau estimates (FY1996) and projections (FY1997–2002) of the Population Under 13. Discretionary child care allocations based on DHHS estimates, 2/95. FY1996 amounts for mandatory child care assume: (1) CBO baseline amounts for national totals; and (2) a distribution among the States based on the historical distribution of mandatory funds (average of FY1992–1994 or FY1994 whichever is higher).

3. LEAD AGENCY (SECTION 804)

Present law

Requires the chief executive officer of a State to designate an appropriate State agency to act as the lead agency in administering financial assistance under the Act. (Sec. 658D of the CCDBG Act)

House bill

Changes the term "agency" to "entity."

Senate amendment

Allows the State lead agency to administer financial assistance received under the Act through other "governmental or nongovernmental" agencies (instead of other "State" agencies); requires that "sufficient time and Statewide distribution of the notice" be given of the public hearing on development of the State plan; and strikes language on issues that may be considered during consultation with local governments on development of the State plan.

Conference agreement

The House recedes.

4. APPLICATION AND PLAN (SECTION 805)

Present law

Requires States to prepare and submit to the Secretary an application that includes a State plan. The initial plan must cover a 3-year period, and subsequent plans must cover 2-year periods. Required contents of the plan include designation of a lead agency and policies and procedures regarding parental choice of providers, unlimited parental access, parental complaints, consumer education, compliance with State and local regulatory requirements, establishment of and compliance with health and safety requirements, review of State licensing and regulatory requirements, and supplementation.

In addition, the State plan must provide that funds will be used for child care services, and that 25 percent of funds will be reserved for activities to improve the quality of child care and to increase the availability of early childhood development and before- and after-school child care. (Sec. 658E of the CCDBG Act)

Further, State plans must assure that payment rates will be adequate to provide eligible children equal access to child care as compared with children whose families are not eligible for subsidies, and must assure that the State will establish and periodically revise a sliding fee scale that provides for cost sharing by families that receive child care subsidies.

House bill

Requires the State plan to cover a 2-year period. Requires States to provide a detailed description of procedures to be used to assure parental choice of providers. Changes "provide assurances" to "certify" that procedures are in effect within the State to ensure unlimited parental access to children and parental choice; also requires that the State plan provide a detailed description of such procedures. Changes "provide assurances" to "certify" that the State maintains a record of parental complaints, and requires the State to provide a detailed description of how such a record is maintained and made available. Changes the consumer education part of the State plan to require assurances that the State will collect and disseminate consumer education information. Requires that the State certify that providers comply with State and local health, safety and licensing or regulatory requirements and provide a detailed description of such requirements and how they are enforced. Eliminates current law provisions requiring establishment of and compliance with health and safety requirements, review of State licensing and regulatory requirements, notification to HHS when standards are reduced, and supplementation. Eliminates the requirement that unlicensed providers be registered.

Adds a requirement that a summary of the facts relied upon by the State to determine that payment rates are sufficient to ensure equal access to child care is included in the

State plan. Eliminates the assurance that the State will establish a sliding fee scale. Also provides that funds, other than amounts transferred under section 658T (see Item 14 below), will be used for child care services, activities to improve the quality and availability of such services, and any other activity that the State deems appropriated to realize the goals specified above (see Item 1). Deletes the current law requirement that States reserve 25 percent of funds for activities to improve the quality of child care and to increase availability of early childhood development and before- and after-school care.

Requires States to spend no more than 5 percent on administrative costs.

Senate amendment

Requires the State plan to cover a 2-year period. Replaces the requirement that providers not subject to licensing or regulation be registered with the State, with a requirement that the State implement mechanisms to ensure proper payment to providers. Requires the Secretary to develop minimum standards for Indian tribes and tribal organizations receiving assistance under the Act, in lieu of State or local licensing or regulatory requirements. Eliminates provisions related to reduction in standards and reviews of State licensing and regulatory requirements.

Requires the State plan to describe the manner in which services will be provided to the working poor. Reserves 15 percent of each State's allotment for activities to improve quality of child care, instead of 25 percent for both quality improvement and before- and after-school child care services.

Requires States to spend no more than 5 percent on administrative costs, not including direct service costs. Administrative costs shall not include direct service costs.

Conference agreement

The Senate recedes, with a modification that the States must certify that they have licensing standards for child care. The Secretary must develop minimum standards for Indian tribes and tribal organizations receiving assistance under this Act, in lieu of State or local licensing or regulatory requirements. At least 70 percent of the mandatory funding must be used to provide child care for children in families who are receiving welfare, working their way off welfare, or at risk of becoming welfare dependent. A substantial portion of the discretionary funding for child care authorized under this Act is intended to be used for low-income working families who are not working their way off welfare or at risk of becoming welfare dependent. The State plan must demonstrate how the State is meeting the specific needs of each of these populations.

5. LIMITATION ON STATE ALLOTMENTS (SECTION 806)

Present law

Prohibits the use of funds for purchase or improvement of land or buildings, except in the case of sectarian agencies or organizations that need to make renovations or repairs in order to comply with specific health and safety requirements that States are required to establish. (Sec. 658F of the CCDBG Act)

House bill

Amends section 658F to make a conforming amendment referring to the elimination of specific health and safety requirements.

Senate amendment

No provision (maintains current law).

Conference agreement

The Senate recedes, with a modification that this Act prohibit the use of funds for purchase or improvement of land or buildings except for Indian tribes or tribal organizations. Indian tribes and tribal organizations may use funds for construction or renovation of facilities, upon the request by the tribe or tribal organization and subject to the approval by the Secretary.

6. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE (SECTION 807)

Present law

As stated above, 25 percent of State allotments must be reserved for activities to improve child care quality and to increase the availability of early childhood development and before- and after-school child care (see Item 1.D above). Section 658G specifies how these funds are to be used. Of reserved funds, States are required to use no less than 20 percent for activities to improve the quality of care, including resource and referral programs, grants or loans to assist providers in meeting State and local standards, monitoring of compliance with licensing and regulatory requirements, training of child care personnel, and improving compensation for child care personnel. (Sec. 658G of the CCDBG Act)

House bill

Repeals the requirement that 25 percent of funds be set aside for quality improvement activities (see Item 5 above). Repeals section 658G regarding the use of these set-aside funds.

Senate amendment

As stated above, reduces quality improvement set-aside to 15 percent (see Item 5 above). Amends section 658G to require States to use their quality improvement set-aside for resource and referral activities, 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," and for one or more "other activities," which include those listed in the current section 658G, plus activities to increase the availability of before- and after-school care, infant care, and child care between the hours of 5:00 p.m. and 8:00 a.m.

Adds new language to prohibit States from discriminating against providers that wish to participate in resource and referral systems even if they are exempt from State licensing requirements as long as they are operating legally within the State.

Conference agreement

The Senate recedes, with a modification that States retain at least a 3 percent set-aside of the total mandatory and discretionary funding received for child care under this Act for activities designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care, such as resource and referral services.

The House recedes, with a modification to limit the amount of total child care funds made available under this Act of administrative costs to 3 percent. Administrative cost shall not include direct service costs.

7. EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE REQUIREMENT (SECTION 808)

Present law

Requires States to use no less than 75 percent of funds reserved for quality improvement for activities to expand and conduct early childhood development programs and before- and after-school child care. (Sec. 658H of the CCDBG Act)

House bill

Repeals section 658H.

Senate amendment

Repeals section 658H.

Conference agreement

The House and Senate concur.

8. ADMINISTRATION AND ENFORCEMENT (SECTION 809)

Present law

Requires the Secretary of Health and Human Services (HHS) to coordinate HHS and other Federal child care activities, to collect and publish a list of State child care standards every 3 years, and to provide technical assistance to States. Requires the Secretary to review, monitor, and enforce compliance with the Act and the State plan by withholding payments and imposing additional sanctions in certain cases. (Sec. 658I of the CCDBG Act)

House bill

Deletes the requirement that the Secretary of HHS collect and publish a list of child care standards every 3 years. Maintains current law for repayment.

Senate amendment

Strikes the current law requirement that the Secretary withhold further payments to a State in case of a finding of noncompliance until the noncompliance is corrected. Instead, authorizes the Secretary, in such cases, to impose additional program requirements on the State, such as a requirement that the State reimburse the Secretary for any improperly spent funds, or the Secretary may deduct from the administrative portion of the State's subsequent allotment an amount equal to or less than the misspent funds, or a combination of such options. The amendment also strikes sections related to additional sanctions and notice of such additional sanctions.

Conference agreement

The House recedes, with a modification that the Secretary may not impose additional program requirements on the State for improperly spent funds, and that the Secretary shall deduct misspent funds from subsequent State administrative allotments.

9. PAYMENTS (SECTION 810)

Present law

Provides that payments received by a State for a fiscal year may be expended in that fiscal year or in the succeeding 3 fiscal years. (ec. 658J of the CCDBG Act)

House bill

Provides that payments received by a State for a fiscal year may be obligated in the fiscal year received or the succeeding fiscal year, instead of expended in the fiscal year received or the succeeding 3 fiscal years.

Senate amendment

No provision (maintains current law).

Conference agreement

The Senate recedes.

10. ANNUAL REPORT AND AUDITS (SECTION 811)

Present law

Requires each State to prepare and submit to the Secretary every year a report: specifying how funds are used; presenting data on the manner in which the child care needs of families in the State are being fulfilled, including information on the number of children served, child care programs in the State, compensation provided to child care staff, and activities to encourage public-private partnerships in child care; describing

the extent to which affordability and availability of child care has increased; summarizing findings from a review of State licensing and regulatory requirements, if applicable; explaining any action taken by the State to reduce standards, if applicable; and describing standards and health and safety requirements applied to child care providers in the State, including a description of efforts to improve the quality of child care. (Sec. 658K of the CCDBG Act)

House bill

Changes the title of the section from "Annual Report and Audits" to "Annual Report, Evaluation Plans, and Audits." Changes required data elements in annual reports to include:

(1) the number and ages of children being assisted with funds provided under this subchapter;

(2) with respect to the families of such children:

—the number of other children in such families;

—the number of such families that include only 1 parent;

—the number of such families that include both parents;

—the ages of the mothers of such children;

—the ages of the fathers of such children;

—the sources of the economic resources of such families, including the amount of such resources obtained from (and separately identified as being from)—

a. employment, including self-employment;

b. assistance received under part A of title IV of the Social Security Act (SSA);

c. part B of title IV of the SSA;

d. the Child Nutrition Act of 1966;

e. the National School Lunch Act;

f. assistance received under title XVI of the SSA;

g. assistance received under title XVI of the SSA;

h. assistance received under title XIX of the SSA;

i. assistance received under title XX of the SSA; and

j. any other source of economic resources the Secretary determines to be appropriate;

(3) the number of such providers separately identified with respect to each type of child care provider specified in section 658P(5) that provided child care services obtained with assistance provided under this subchapter;

(4) the cost of child care services and the portion of such cost paid with assistance from this Act;

(5) the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided;

(6) the number of parental complaints about child care that were found to have merit and a description of corrective actions taken by the State; and

(7) information on programs to which funds were transferred under section 648T (see item 15, below).

States are also required to present evidence demonstrating that they have state requirements designed to protect the health and safety of children.

Deletes current report requirements on: (1) increasing the affordability and availability of child care; (2) reviewing findings on State licensing and regulatory requirements; and (3) reducing standards.

Requires States to include an evaluation plan in their first annual report due after enactment and every 2 years thereafter, and to include the results of such evaluation in the second annual report due after enactment and every 2 years thereafter. The plan must include an evaluation regarding the extent to which the State has realized the following goals:

(1) promoting parental choice to make their own decisions on the child care that best suits their family's needs;

(2) providing consumer education information to help parents make informed choices about child care;

(3) providing child care to parents trying to achieve independence from public assistance; and

(4) implementing the health, safety, licensing, and registration standards established in State regulations.

Senate amendment

Requires States to submit reports every 2 years, rather than every year, with the first report due no later than December 31, 1996. Requires that States include information on the type of Federal child care and preschool programs serving children in the State, and requires that States describe the extent and manner to which resource and referral activities are being carried out by the State. Strikes the current requirement for information on the type and number of child care programs, providers, caregivers and support personnel in the State, and strikes the provision related to review findings of State licensing and regulatory requirements.

Conference agreement

The Senate recedes, with a modification that the State prepare and submit a data report to the Secretary every six months, and that the report include the following information on each family receiving assistance:

(1) family income;

(2) county of residence;

(3) the sex, race, age of children receiving benefits;

(4) whether the family includes only one parent;

(5) the sources of family income, including the amount obtained from (and separately identified as being from): (a) employment, including self-employment; (b) Part A cash assistance or other assistance; (c) housing assistance; (d) food stamps; and (e) other;

(6) the number of months the family has received benefits;

(7) the type of care in which the child was enrolled (family day care, center, own home);

(8) whether the provider was a relative;

(9) the cost of care; and

(10) the average hours per week of care.

Annually, the State must submit the following aggregate data:

(1) the number of providers separately identified in accord with each type of provider specified in section 658P(5) that received funding under this subchapter;

(2) the monthly cost of child care services and the portion of such cost paid with assistance from this Act by type of care;

(3) the number and total amount of payments by the State in vouchers, contracts, cash, and disregards from public benefit programs by type of care;

(4) the manner in which consumer education information was provided; and

(5) total number (unduplicated) of children and families served.

The House recedes on the requirement that States include an evaluation plan in their reports to the Secretary.

Conferees agree to delete current report requirements on: (1) increasing the affordability and availability of child care; (2) reviewing findings on State licensing and regulatory requirements; and (3) reducing standards.

11. REPORT BY THE SECRETARY (SECTION 812)

Present law

Requires the Secretary to prepare and submit an annual report, summarizing and analyzing information provided by States, to the House Education and Labor Committee and the Senate Labor and Human Resources Committee. This report must contain an assessment and, where appropriate, recommendations to Congress regarding efforts that should be taken to improve access of the public to quality and affordable child care. (Sec. 658L of the CCDBG Act)

House bill

Revises the Secretary's report to become a biennial report to the Speaker of the House and the President pro tempore of the Senate.

Senate amendment

Requires the Secretary to prepare and submit biennial reports, rather than annual, with the first report due no later than July 31, 1997; and replaces the reference to the House Education and Labor Committee with the House Economic and Educational Opportunities Committee.

Conference agreement

The House recedes.

12. ALLOTMENTS (SECTION 813)

Present law

Requires the Secretary to reserve one-half of 1 percent of appropriations for payment to Guam, American Samoa, the Virgin Islands, the Northern Marianas and the Trust Territory of the Pacific Islands. The Secretary also must reserve no more than 3 percent for payment to Indian tribes and tribal organizations with approved applications. Remaining funds are allocated to the States based on the States' proportion of children under age 5 and the number of children receiving free or reduced-price school lunches, as well as the States' per capita income. Any portion of a State's reallotment that the Secretary determines is not needed by the State to carry out its plan for the allotment period, must be reallotted by the Secretary to the other States in the same proportion as the original allotments. (Sec. 658O of the CCDBG Act)

House bill

Maintains the current law set-asides for the Territories and Indian tribes and tribal organizations, except that the Trust Territory of the Pacific Islands is deleted from the set-aside for Territories. Allots remaining funds to States as follows: each State will receive an amount based on its relative share of the aggregate amount of Federal funds received by the State in FY1994 under the Child Care and Development Block Grant Act, and under child care programs for AFDC recipients and former AFDC recipients and the At-Risk Child Care program under Title IV–A of the Social Security Act. Eliminates reallotment provisions.

Senate amendment

Maintains current law allotment procedures. Amends section 658O(c), related to payments for the benefit of Indian children, to add new provisions allowing the use of funds by Indian tribes or tribal organizations for construction or renovation of facilities, upon request by the tribe or tribal organization and subject to approval by the Secretary. The Secretary may not permit a tribe or tribal organization to use funds for construction or renovation if such use will result in a decrease in the level of child care services. The Secretary is also allowed to reallot to other tribes any tribal allotments that are not expended, which is similar to what happens with unused State allotments.

Conference agreement

The Senate recedes, with a modification that the set-aside for Indian tribes and tribal organizations and Native Hawaiian Organizations is 1 percent of the total funds for child care made available under this Act. Any portion of a State's allotment that the Secretary determines is not needed by the State to carry out its plan for the allotment period must be realloted by the Secretary to the other States in the same proportion as the original allotments. The Secretary is also allowed to reallot to other tribes any tribal allotments that are expended, which is similar to the process for reallotment to States.

13. DEFINITIONS (SECTION 814)

Present law

Provides definitions of the following terms: caregiver, child care certificate, elementary school, eligible child, eligible child care provider, family child care provider, Indian tribe, lead agency, parent, secondary school, Secretary, sliding fee scale, State, and tribal organization. (Sec. 658P of the CCDBG Act)

House bill

Includes definitions for lead entity and child care services, and strikes definitions for elementary school, secondary school, and sliding fee scale.

Senate amendment

Revises the definition of eligible child to one whose family income does not exceed 100 percent of the State median, instead of 75 percent.

Adds the following as an allowable use of a child care certificate: "as a deposit for child care services if such a deposit is required of other children being cared for by the provider."

Revises the definition of relative child care provider by: adding great grandchild and sibling (if the provider lives in a separate residence) to the list of eligible children; striking the requirement that such providers be registered; and requiring such providers to comply with any "applicable" requirements govern child care provided by a relative.

Conference agreement

The House recedes, with a modification that strikes the definition for elementary and secondary school and revises the definition of eligible child to one whose family income does not exceed 85 percent of the State median income.

14. TRANSFER OF FUNDS

Present law

No provision.

House Bill

Adds a new section 658T to the CCDBG Act, allowing a State to transfer no more than 20 percent of CCDBG funds to one or more of the following programs:

1. Part A of Title IV of the Social Security Act;
2. Part B of Title IV of the Social Security Act;
3. Child Nutrition Act of 1966;
4. National School Lunch Act; and
5. Title XX of the Social Security Act.

Transfer funds would be subject to the rules of the program to which they are transferred.

Senate amendment

States can transfer up to 30 percent of their cash assistance block grant (title IV–A) into the CCDBG.

Conference agreement

The House recedes; no funds can be transferred out of the Child Care and Development Block Grant (although funds could be transferred into the CCDBG from other block grants).

15. APPLICATION TO OTHER PROGRAMS

Present law

No provision.

House bill

No provision.

Senate amendment

Adds a new section 658T to the CCDBG Act, that requires States that use any Federal funds for child care services to ensure that such services meet the requirements, standards and criteria, with the exception of the 15 percent quality set-aside, of the CCDBG and any regulations issued under the CCDBG. These funds must be administered through a uniform State plan and, to the maximum extent practicable, shall be transferred to the lead agency and integrated into the CCDBG program.

Conference agreement

The Senate recedes (no provision).

16. REPEALS AND TECHNICAL AND CONFORMING AMENDMENTS (SECTION 815)

Present law

Not applicable.

House bill

Repeals the following programs:

(1) Child Development Associate (CDA) Scholarship Assistance;

(2) State Dependent Care Development Grants;

(3) Programs of National Significance under Title X of the Elementary and Secondary Education Assistance Act of 1965 (child care related to Cultural Partnerships for At-Risk Children and Youth, and Urban and Rural Education Assistance); and

(4) Native-Hawaiian Family-Based Education Centers.

(Note: Title I of the House bill also repeals child care assistance provided under current law by Title IV–A of the Social Security Act. This assistance is provided under 3 programs known as AFDC Child Care, Transitional Child Care, and At-Risk Child Care.)

Senate amendment

Repeals CDA Scholarship Assistance and State Dependent Care Development Grants.

Requires the Secretary of HHS, after consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, to prepare and submit to Congress, within 6 months after enactment, a legislative proposal containing technical and conforming amendments that reflect the amendments and repeals made by this Act.

(Note: Title I of the Senate amendment also earmarks and provides additional funds for child care, to replace the AFDC Child Care, Transitional Child Care, and At-Risk Child Care programs.)

Conference agreement

The Senate recedes.

TITLE IX. CHILD NUTRITION

1. CHILD NUTRITION ACT OF 1966

Present law

Authorizes the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the School Breakfast program, the Special Milk program, assistance to States for child nutrition administrative expenses and nutrition education and training, and school breakfast assistance for Defense Department overseas dependents' schools.

The WIC program provides specific nutritious foods to lower-income pregnant, postpartum, and breastfeeding women, and infants and children (up to age 5). Recipients' family income must be below 185% of Federal poverty guidelines, and they must be judged at nutritional risk. Federal funds, set by appropriation levels, are made available to State health agencies under a formula. States then provide funds to local health agencies, which are responsible for day-to-day operations. Funds also are used for food, nutrition assessments and counselling, referrals to other programs, breastfeeding promotion, and a farmers' market program. [Sec. 17 and 21 of the Child Nutrition Act]

Under the School Breakfast program, schools choosing to participate in the program receive per-meal Federal cash subsidies for all breakfasts they serve that meet Federal nutrition standards. Subsidies are indexed annually for inflation and differ depending on whether the meal is served free (to children from families with income below 130% of poverty), at a reduced price (to children with family income between 130% and 185% of poverty), or at "full price" (so-called "paid" meals for those with family income above 185% of poverty or who do not apply for free or reduced-price meals). Schools with high proportions of lower-income students get larger per-meal subsidies, and special grants are provided to assist in paying start-up and expansion costs. [Sec. 4 of the Child Nutrition Act]

Under the Special Milk program, schools and institutions not otherwise participating in a meal service program (and schools with split sessions for kindergartners) provide milk to all children at a low price or free, and each half-pint served is federally subsidized at a different rate—depending on whether it is served free or not. Provision of free milk is not required. [Sec. 3 of the Child Nutrition Act]

Under the State administrative expense assistance program, grants are made to States to help cover administrative costs associated with child nutrition programs. The amount available each year is 1.5% of Federal cash payments for School Lunch, School Breakfast, Child and Adult Care Food, and Special Milk programs. [Sec. 7 of the Child Nutrition Act]

For nutrition education and training, States are provided with Federal funds for training school food service personnel in food service management, instructing teachers in nutrition education, and teaching children about nutrition. [Sec. 19 of the Child Nutrition Act]

Social provisions are made for Federal assistance for school breakfast programs in Defense Department overseas dependents' schools. [Sec. 20 of the Child Nutrition Act]

House bill

Retains the designation of the Act as the Child Nutrition Act of 1966 and replaces the Act's current provisions with authorization for a Family Nutrition Block Grant Program.

Senate amendment

No comparable provisions.

Conference agreement

House recedes with an amendment to streamline provisions in the Child Nutrition Act of 1966. The following changes are intended to streamline the operation of programs under the Child Nutrition Act.

1. Strike Sec. 4(e)(1)(B) to eliminate training and technical assistance in food preparation. [Sec. 923]

2. Strike Sec. 4(f) and 4(g) to eliminate school breakfast expansion and start-up provisions. [Sec. 923]

3. Strike Sec. 7(e) to eliminate provision allowing States to use a portion of SAE funds for commodity distribution administration. [Sec. 924]

4. Revise Sec. 7(f) to provide that, after submission of an initial State plan, States are only required to submit substantive changes for approval. [Sec. 924]

5. Strike Sec. 7(h) to eliminate requirement on State to participate in Agricultural studies. [Sec. 924]

6. Strike Sec. 10(b)(2), Sec 10(b)(3) and Sec. 10(b)(4) to eliminate provisions on model competitive food language. [Sec. 925]

7. Change the provision that allows the Secretary to establish regulations providing for transfers of funds to require such regulations. This language is intended to require the Secretary to issue regulations that allow the transfer of funds on the basis of an approved State plan. It is not intended to require the Secretary to allow all States to transfer funds. [Sec. 925]

8. Strike Sec. 11(a) to eliminate the bar against States imposing curriculum or instruction requirements on school. [Sec. 926]

9. Strike Sec. 15(3)(C) to eliminate an out-of-date provision referring to Puerto Rico's special child care food program's use of schools. [Sec. 927]

10. Strike Sec. 16(a) to eliminate the requirement that accounts and records be available "at all times" and insert "at any reasonable time." [Sec. 928]

11. Revise Sec. 17(b)(15)(iii) to add limit on temporary residence of "90 days" to the definition of homeless. [Sec. 929(a)]

12. Strike 17(b)(15)(C) to eliminate the requirement for the provision of drug abuse and education materials from the definition of "Drug Abuse Education." [Sec. 929(a)]

13. Strike Sec. 17(c)(5) to eliminate the Secretary's promotion of WIC. [Sec. 929(b)]

14. Revise Sec. 17(d)(2)(A)(ii)(II) to make a conforming change with respect to the reference to AFDC.

15. Strike Sec. 17(d)(4) to eliminate provision for reports by the Secretary and the National Advisory Council. [Sec. 929(c)]

16. Revise Sec. 17(e)(1) to "allow" agencies to provide for drug abuse education. [Sec. 929(d)]

17. Revise Sec. 17(e)(2) to eliminate provision regarding evaluation of nutrition education/breastfeeding promotion. [Sec. 929(d)]

18. Revise Sec. 17(e)(4) to provide that States "may" provide local agencies with information materials on other programs for which WIC recipients may be eligible. [Sec. 929(d)]

19. Revise Sec. 17(e)(5) to provide that local agencies "may" make available information on substance abuse counseling and treatment. [Sec. 929(d)]

20. Strike Sec. 17(e)(6) to eliminate provision for "master file" information requirement for provision of nutrition education. [Sec. 929(d)]

21. Revise Sec. 17(f)(1)(A) to require that only substantive changes in the State plan be submitted annually. [Sec. 929(e)]

22. Revise Sec. 17(f)(1)(C)(iii) to provide that State agencies are required to submit a plan to coordinate with other services or programs that might benefit WIC applicants.. [Sec. 929(e)]

23. Revise Sec. 17(f)(1)(C)(vi) to require State agencies to submit a plan to improve access to the program for participants and prospective applicants who are employed, or who reside in rural areas. [Sec. 929(e)]

24. Strike Sec. 17(f)(1)(C)(vii) to eliminate requirement that State agencies submit plans to provide services to those most in need. [Sec. 929(e)]

25. Strike Sec. 17(f)(1)(C)(ix) to eliminate requirement that State agencies submit plans to provide services to those in prison. [Sec. 929(e)]

26. Strike Sec. 17(f)(1)(C)(x) Incorporates language into clause (ii). [Sec. 929(e)]

27. Strike Sec. 17(f)(1)(C)(xii) to eliminate provision for conversion of competitive bidding savings. [Sec. 929(e)]

28. Strike Sec. 17(f)(1)(C)(xiii) to eliminate requirement to State agencies to submit additional information as the Secretary may reasonably require. [Sec. 929(e)]

29. Strike Sec. 17(f)(1)(D) Technical and conforming. [Sec. 929(e)]

30. Strike Sec. 17(f)(2) to eliminate requirement for State procedures for general public comments on the State plan. [Sec. 929(e)]

31. Revise Sec. 17(f)(5) to provide that accounts and records be available at any "reasonable time." [Sec. 929(e)]

32. Strike Sec. 17(f)(6) Technical and conforming (notification of eligibility/ineligibility). [Sec. 929(e)]

33. Strike Sec. 17(f)(8) to eliminate State agency publicity/information requirements. [Sec. 929(e)]

34. Revise Sec. 17(f)(9)(B) to eliminate specific notice requirements. [Sec. 929(e)]

35. Revise Sec. 17(f)(11) to eliminate requirements regarding State staffing standards. [Sec. 929(e)]

36. Revise Sec. 17(f)(12) to eliminate provisions dealing with products specifically designed for WIC recipients. [Sec. 929(e)]

37. Revise Sec. 17(f)(14) to provide that the Secretary "may" provide education in languages other than English. [Sec. 929(e)]

38. Revise Sec. 17(f)(17) to eliminate provisions dealing with incarcerated individuals. [Sec. 929(e)]

39. Revise Sec. 17(f)(19) to provide that the Secretary "may" provide information about other potential sources of information. [Sec. 929(e)]

40. Strike Sec. 17(f)(20) to eliminate requirement for State policies on those who do not fulfill appointment schedules. [Sec. 929(e)]

41. Strike Sec. 17(f)(22) Obsolete. [Sec. 929(e)]

42. Strike Sec. 17(f)(24) Obsolete. [Sec. 929(e)]

43. Revise Sec. 17(g)(5) Technical and conforming. [Sec. 929(f)]

44. Strike Sec. 17(g)(6) Obsolete. [Sec. 929(g)]

45. Strike Sec. 17(h)(8)(A). Obsolete. [Sec. 929(g)]

46. Strike Sec. 17(h)(8)(C). Obsolete. [Sec. 929(g)]

47. Strike Sec. 17(h)(8)(G)(ii)–(ix) to eliminate specific provisions as to how the Secretary solicits bids. Insert a new clause (ii) to "grandfather" existing contracts. [Sec. 929(g)]

48. Revise Sec. 17(h)(8)(I), striking all but clause (v), which relates to funds for cost containment innovations. [Sec. 929(g)]

49. Strike Sec. 17(h)(8)(M) to eliminate requirement for product code pilot projects. [Sec. 929(g)]

50. Strike Sec. 17(h)(10) to change from "shall" to "may" the requirement for infrastructure development and breastfeeding promotion funding. [Sec. 929(g)]

51. Revise Sec. 17(k)(3) providing that the council shall elect a Chairman and a Vice-Chairman. [Sec. 929(h)]

52. Strike Sec. 17(n). Obsolete. [Sec. 929(i)]

53. Strike Sec. 17(o) to eliminate community college demonstration. [Sec. 929(i)]

54. Strike Sec. 17(p) to eliminate authorization to make grants for information/data systems. [Sec. 929(i)]

55. Strike Sec. 18 to eliminate unused authority for cash grants for nutrition education. [Sec. 930]

56. Revise Sec. 19(a) to modify language concerning Congressional findings about nutrition education and training. [Sec. 931(a)]

57. Revise Sec. 19(b) to modify language regarding purpose of nutrition education and training. [Sec. 931(a)]

58. Revise Sec. 19(f)(1)(A), striking clauses (ix)–(xix), eliminating unnecessary stipulations on uses of funds. [Sec. 931(b)]

59. Strike Sec. 19(f)(1)(B) to eliminate "language appropriate" information provision. [Sec. 931(b)]

60. Strike Sec. 19(f)(2) and 19(f)(4). Technical and conforming. [Sec. 931(b)]

61. Revise Sec. 19(g)(1) to provide that accounts and records shall be available at any "reasonable time." [Sec. 931(c)]

62. Revise Sec. 19(h)(1) to eliminate paragraph cross-references. Technical and conforming. [Sec. 931(d)]

63. Revise Sec. 19(h)(2), striking all but the first sentence to eliminate language concerning assessment of nutrition education and training needs. [Sec. 931(d)]

64. Revise Sec. 19(h)(3) to eliminate specific requirements with regard to nutrition coordinator's duties. [Sec. 931(d)]

65. Revise Sec. 19(i), to make the Nutrition Education and Training program discretionary instead of mandatory and authorize appropriations of $10 million per year. [Sec. 931(e)]

66. Strike Sec. 19(J) to eliminate requirement for Secretarial assessment of nutrition education and training. [Sec. 931(e)]

67. Repeal Sec. 21. [Sec. 932]

68. Insert, at the end of the Act, subsection (n), to disqualify approved vendors that are disqualified from accepting benefits under the food stamp program. [Sec. 929(j)]

2. AUTHORIZATION FOR FAMILY NUTRITION BLOCK GRANT

A. Requirement for Grants

Present law

The Child Nutrition Act (see item 1) and the National School Lunch Act (see item 11) require that the Secretary of Agriculture provide Federal assistance to States for the WIC, Child and Adult Care Food Summer Food Service, and Special Milk programs, as well as other support (e.g., for State administrative expenses and nutrition education and training), under terms of agreements with States meeting Federal standards.

House bill

Directs the Secretary of Agriculture to provide to each State that submits an annual application in accordance with the revised Child Nutrition Act's requirements (see item 4) an annual family nutrition grant for the purpose of achieving the goals of the Family Nutrition Block Grant Program (see item 2B for the program's goals and item 3 for State allotments).

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see Item #1).

B. Goals

Present law

The Child Nutrition Act declares it the policy of Congress to extend, expand, and strengthen child nutrition programs as a measure to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of agricultural commodities by assisting States

through grants and other means to more effectively meet children's nutritional needs. [Sec. 2 of the Child Nutrition Act]

House bill

Establishes the goals of the Family Nutrition Block Grant Program:

(1) to provide nutritional risk assessments, food assistance based on the assessments, and nutrition education and counseling to economically disadvantaged pregnant, postpartum, and breastfeeding women, as well as infants and young children, determined to be at nutritional risk (see item 10 for definitions);

(2) to provide nutritional risk assessments of participating women so that food assistance and nutrition education is provided that meets their specific needs;

(3) to provide nutrition education to participating women to increase their awareness of the foods needed for good health;

(4) to provide food assistance, including nutritious supplements, to participating women in order to reduce the incidence of low-birthweight babies and babies born with birth defects because of nutritional deficiencies;

(5) to provide food assistance, including nutritious supplements, to participating women, infants, and children to ensure their future good health;

(6) to ensure that participating women, infants, and children are referred to other health services, including routine pediatric/obstetric care;

(7) to ensure that children from economically disadvantaged families in day care facilities, family day care homes, homeless shelters, settlement houses, recreational centers, Head Start centers, Even Start programs, and facilities for disabled children receive nutritious meals, supplements, and low-cost milk (see item 10B for definition of "economically disadvantaged"); and

(8) to provide summer food service programs for children from economically disadvantaged families when school is not in session (see item 10B for definition of "economically disadvantaged").

Senate amendment

No provision.

Conference agreement

Senate recedes with an amendment making changes to the Child Nutrition Act (see Item #1).

C. Timing of Payments

Present law

No provision.

House bill

Directs that the Secretary of Agriculture make family nutrition grant payments to the States on a quarterly basis.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to the Child Nutrition Act (see Item #1).

3. ALLOTMENT OF FAMILY NUTRITION BLOCK GRANT

Present law

Current activities that may be funded under the House bill's Family Nutrition Block Grant include those now supported by the WIC program, the Homeless Children Nutrition program (authorized under section 17B of the National School Lunch Act), the Child and Adult Care Food program (authorized under section 17 of the National School Lunch Act), the Summer Food Service program (authorized under section 13 of the National School Lunch Act), and the Special Milk program.

Under the WIC program, Federal funds, determined by appropriations levels, are made available to States under a formula that reflects State caseloads, food cost inflation, need (as evidenced by poverty and health indices) and a specified national average per participant grant; in effect, funds are allotted so that each State can maintain its caseload from year to year, and extra money is shared so as to support expanded enrollment in States with greater need.

Under the Homeless Children Nutrition program, Federal funds are made available to existing projects to continue operations and, from any additional amounts, money is provided for new projects or to expand existing projects.

Under the Child and Adult Care Food program, child and adult care centers and family day care homes receive Federal reimbursements for each meal or supplement served at legislatively established, inflation indexed rates.

Under the Summer Food Service program, sponsors receive Federal reimbursements for each meal or supplement served, at legislatively established, inflation indexed rates.

Under the Special Milk program, schools and other participating institutions receive specified, inflation indexed Federal reimbursements for each half-pint of milk served.

House bill

As set forth below, provides for the Secretary of Agriculture to make State allotments of any appropriations for the Family Nutrition Block Grant.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see Item #1).

A. First Year State Allotments

Present law

No provisions.

House bill

For the first fiscal year in which grants are made, provides that the Secretary make allotments to States based on the proportion of funds each State received under prior law for the preceding fiscal year.

Base-year State shares.—Each State's allotment would be its prior-year share of funds received under the WIC and Homeless Children Nutrition programs, plus its prior-year share of 87.5% of the amounts received under the Child and Adult Care Food, Summer Food Service, and Special Milk programs.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see Item #1).

B. Second Year State Allotments

Present law

No provision.

House bill

For the second fiscal year in which grants are made, provides that (1) 95% of the amount appropriated be allotted according to each State's share of the amount allotted in the first year and (2) 5% of the amount allotted be based on each State's share of the number of individuals receiving assistance under the grant during the 1-year period ending the preceding June 30.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

C. Third and Fourth Year State Allotments

Present law

For the third and fourth fiscal years in which grants are made, provides that (1) 90% of the amount appropriated be allotted according to each State's share of the amount allotted in the preceding year and (2) 10% of the amount allotted be based on each State's share of the number of individuals receiving assistance under the grant during the 1-year period ending the preceding June 30.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

D. Fifth Year State Allotments

Present law

No provision.

House bill

For the fifth fiscal year in which grants are made, provides that (1) 85% of the amount appropriated be allotted according to each State's share of the amount allotted in the fourth year and (2) 15% of the amount allotted be based on each State's share of the number of individuals receiving assistance under the grant during the 1-year period ending the preceding June 30.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

4. APPLICATION FOR FAMILY NUTRITION GRANTS

Present law

Nutrition requirements for food assistance provided under the current WIC, Child and Adult Care Food, and Summer Food Service programs are established by the Secretary of Agriculture, as are the general standards for determining nutritional risk in women, infants, and children, on the basis of tested nutritional research. [Sec. 17(b)(8) & (14) and (f)(12) of the Child Nutrition Act; Sec. 17(g)(1) and Sec. 13(f) of the National School Lunch Act]

The use/disclosure of information obtained from applications for free/reduced-price meals is limited to those administering/enforcing child nutrition programs, administrators of other health or education programs (with restrictions), and the General Accounting Office and law enforcement officials. [Sec. 9(b)(2) of the National School Lunch Act]

House bill

Provides that the Secretary make a family nutrition grant to a State if it submits an application containing only the following:

(1) an agreement that the State will use the grant in accordance with Family Nutrition Block Grant program requirements (see item 5);

(2) an agreement that the State will set minimum nutrition requirements for food assistance provided under the grant based on the most recent tested nutrition research

available (but the requirements may not prohibit the substitution of foods to accommodate medical or other special dietary needs, and would have to be based, at a minimum, on the weekly average nutrient content of school lunches or other standards set by the State);

(3) an agreement that, with respect to assistance to pregnant, postpartum, and breastfeeding women, and infants and children, the State will implement minimum nutrition requirements based on the most recent tested nutritional research available or the model nutrition standards developed by the National Academy of Sciences (see item 8B);

(4) an agreement that the State will take reasonable steps it deems necessary to restrict the use and disclosure of information about those receiving assistance under the grant;

(5) an agreement that the State will not use more than 5% of its grant for administrative costs incurred to provide assistance (costs associated with nutritional risk assessments of pregnant, postpartum, and breastfeeding women, and infants and children, as well as those associated with nutrition education and counseling for these individuals, would not be considered administrative costs subject to the 5% limit); and

(6) an agreement that the State will submit an annual report to the Secretary (see item 6).

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

5. USE OF AMOUNTS PROVIDED UNDER THE FAMILY NUTRITION BLOCK GRANT

A. Activities Supported

Present law

The WIC program provides nutritional risk assessment, specific nutritious foods (under Federal guidelines), nutrition education/counseling, breastfeeding support, and a farmers' market program for lower-income pregnant, postpartum, and breastfeeding women, as well as infants and children (up to age 5). Recipients' family income must be below 185% of poverty, and they must be judged at nutritional risk. [Sec. 17 of the Child Nutrition Act]

The Special Milk program provides Federal reimbursement for each half-pint of milk served in schools and other child care institutions not participating in a meal service program (and schools with split sessions for kindergartners). Milk is served at a low price or for free and each half-pint is subsidized at a different rate depending on whether it is served free or not. Provision of free milk is not required. [Sec. 3 of the Child Nutrition Act]

The Child and Adult Care Food program provides Federal per-meal/supplement reimbursements for all meals and supplements served in public and private nonprofit child care centers, public and private nonprofit adult day care centers, certain for-profit child and adult day care centers, and family day care homes. Reimbursements for meals/supplements served in child/adult care centers differ according to whether they are served free (to children from families with income below 130% of Federal poverty guidelines), at a reduced price (to children with family income between 130% and 185% of the poverty guidelines), or at "full price" (so-called "paid" meals and supplements for those with family income above 185% of poverty or who do not apply for free or reduced price meals/supplements). Reimbursements for meals and supplements served in family day care homes do not vary by the family income of the child, and sponsors of family day care homes receive monthly payments for administrative costs. [Sec. 17 of the National School Lunch Act]

The Summer Food Service program provides Federal per meal/supplement reimbursements for all summer meals and supplements served through public and private nonprofit sponsors (including schools and local governments) to children in areas where 50% or more have family income below 185% of the Federal poverty guidelines (are eligible for free or reduced-price school meals). Summer food service subsidies also are provided to public and private nonprofit summer camps and higher education institutions in the National Youth Sports program. [Sec. 13 of the National School Lunch Act]

The Homeless Children Nutrition program grants funds to public and private nonprofit sponsors providing food service (meals and supplements), similar to that provided under the Child and Adult Care Food program, to homeless children under age 6 in shelters. [Sec. 17B of the National School Lunch Act] [General Note: In addition to cash reimbursements, Federal commodity assistance is available for the Child and Adult Care Food and Summer Food Service programs.]

House bill

Provides that the Secretary of Agriculture make family nutrition grants to States if they agree to use their grant to:

(1) provide nutritional risk assessment, food assistance based on the assessment, and nutrition education and counseling to economically disadvantaged pregnant, postpartum, and breastfeeding women, and infants and young children, who are determined to be at nutritional risk (see item 10 for definitions);

(2) provide milk in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar child care settings to children from economically disadvantaged families (see item 10 for definitions) [Note: Under the School-Based Nutrition Block Grant Program, support could be provided for milk served in schools.];

(3) provide food service in institutions and family day care homes providing child care to children from economically disadvantaged families (see item 10 for definitions) [Note: Under the School-Based Nutrition Block Grant Program, support could be provided for child care food service provided through schools. Further Note: Adult-care food service would not be funded under the Family Nutrition Block Grant program.];

(4) provide summer food service to economically disadvantaged children through programs carried out by nonprofit food authorities, local governments, higher education institutions in the National Youth Sports program, and nonprofit summer camps (see item 10 for definitions) [Note: Under the School-Based Nutrition Block Grant Program, support could be provided for summer food service by schools.]; and

(5) provide nutritious meals to pre-school-age homeless children in shelters and other facilities serving the homeless.

[General Note: Federal commodity assistance would not be available for child care food and summer food service activities under the family nutrition grant.]

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

B. Additional Requirements for Assistance for Women, Infants, and Children

Present law

Under the WIC program, States must carry out cost containment measures in procuring infant formula (and, where practicable, other foods). Cost containment must be by competitive bidding (selection of a single source offering the lowest price) or another method that yields equal or greater savings. Cost savings (e.g., through manufacturer rebates) may be used by the State for WIC program purposes. The Secretary of Agriculture must provide technical assistance for cost-containment bids and offer to solicit multi-State bids for infant formula and infant cereal. In addition, certain rules against bid-rigging and anti-competitive practices are established. [Sec. 17(b) (17)–(20) and (h) (8) and (9) of the Child Nutrition Act, and Sec. 25 of the National School Lunch Act]

House bill

Requires that each State ensure that not less than 80% of its family nutrition grant is used to provide nutrition risk assessment, food assistance based on the assessment, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children.

With respect to assistance provided to women, infants, and young children, requires States to establish and carry out a cost containment system for procuring infant formula. Requires States to use cost containment savings for any of the activities supported under their family nutrition grant. Requires States to submit annual reports to the Secretary (1) describing their infant formula cost containment system and (2) estimating the cost savings from the system for the report year compared to savings from the preceding year, where appropriate.

Requires States to ensure that equitable assistance for economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children is provided to members of the Armed Forces and their dependents, regardless of their State of residence (see item 10 for definitions).

Senate amendment

Includes findings on the success of the WIC program in improving the health status of women, infants, and children and saving Medicaid expenditures, as well as the importance of manufacturer rebates in helping to fund the WIC program. Provides that it is the sense of the Senate that any legislation not eliminate or in any way weaken present competitive bidding requirements for the purchase of infant formula in programs supported with Federal funds.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

C. Child Care Food Assistance on Military Installations

Present law

Assisted child care facilities must be licensed under Federal, State, or local rules. [Sec. 17(a)(1) of the National School Lunch Act]

House bill

Requires States to provide equitable assistance under its program for child care facilities to Defense Department child care

programs on military installations—to the extent consistent with the number of children in the programs and after consultation with the programs' representatives.

In carrying out programs for child care facilities, bars States from requiring that those on military installations be licensed under State law if they are licensed by the Defense Department.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment making changes to the Child Nutrition Act (see item 1).

D. Authority to Use Family Nutrition Block Grant Amounts for Other Purposes

Present law

No provision.

House bill

Allows States to use not more than 20% of amounts received from a family nutrition block grant for any fiscal year to carry out State programs under other block grants authorized by:

(1) part A of title IV of the Social Security Act (relating to welfare for families with children);

(2) part B of title IV of the Social Security Act (relating to provision of child welfare services);

(3) title XX of the Social Security Act (relating to provision of social services);

(4) the National School Lunch Act (relating to school-based nutrition block grants); and

(5) the Child Care and Development Block Grant.

Provides that States may not transfer funds to other block grants unless the appropriate State agency makes a determination that sufficient amounts will remain available for the fiscal year to carry out activities under the Family Nutrition Block Grant program.

Provides that family nutrition grant amounts States transfer to other block grants (noted above) will not be subject to the requirements of the Family Nutrition Block Grant program under the revised Child Nutrition Act, but will be subject to the requirements that apply to Federal funds provided directly to the block grant to which they are transferred.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to the Child Nutrition Act (see item 1).

6. REPORTS

Present law

No comparable provision.

House bill

Requires that States, as a condition of receiving a family nutrition grant, agree to submit an annual report to the Secretary of Agriculture describing:

(1) the number of individuals receiving assistance under the grant for the reporting (fiscal) year;

(2) the different types of assistance provided;

(3) the extent to which the assistance provided was effective in achieving the goals of the Family Nutrition Block Grant program (see item 2B);

(4) the standards and methods the State is using to ensure the nutritional quality of assistance under the grant;

(5) the number of low-birthweight births in the State in the reporting (fiscal) year compared to the number of low-birthweight births in the previous year; and

(6) any other information that can be reasonably required by the Secretary.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to the Child Nutrition Act (see item 1).

7. PENALTIES

A. Penalty for Violations

Present law

The Child Nutrition and National School Lunch Acts provide penalties for fraud in relation to assistance provided under either Act, grant the Secretary of Agriculture authority to establish and adjust claims against States, and establish a compliance and accountability program to monitor the use of Federal funds. [Sec. 12(g) and Sec. 22 of the National School Lunch Act, and Sec. 16 of the Child Nutrition Act]

House bill

Requires the Secretary of Agriculture to reduce family nutrition grant amounts otherwise payable to a State by any amount paid under the grant that an audit made under the "Single Audit Act" (chapter 75 of title 31 of the United States Code) finds has been used in violation of the revised Child Nutrition Act. However, the Secretary is barred from reducing any quarterly payment to the State by more than 25%.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

B. Penalty for Failure to Submit a Required Report

Present law

No specific provision

House bill

Requires the Secretary to reduce by 3% the family nutrition grant amount otherwise payable to a State for any fiscal year if the Secretary determines that the State has not submitted the required annual report (see item 6) for the immediately preceding fiscal year within 6 months after the end of that fiscal year.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

8. MODEL NUTRITION STANDARDS FOR FOOD ASSISTANCE FOR WOMEN, INFANTS, AND CHILDREN

A. Requirement

Present law

No comparable provisions. [Note: The Secretary establishes nutrition standards for and foods to be made available under the WIC program; Sec. 17(b)(14) and 17(f)(12) of the Child Nutrition Act.]

House bill

Not later than April 1, 1996, requires the National Academy of Sciences to develop model nutrition standards for food assistance provided to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children under the Family Nutrition Block Grant program (see item 10 for definitions). The standards are to be developed by the Food and Nutrition Board of the Academy's Institute of Medicine, in cooperation with pediatricians, obstetricians, nutritionists, and directors of programs providing food assistance, nutrition education and counseling to these women, infants, and children.

The model standards must require that food assistance provided to these women, infants and children contain nutrients that are lacking in their diets, as determined by nutritional research.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

B. Report to Congress

Present law

No provision.

House bill

Not later than one year after the model nutrition standards (noted above) are developed, requires the National Academy of Sciences to report to Congress regarding effort of States to implement them.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (See item 1).

9. AUTHORIZATION OF APPROPRIATIONS

A. Authorization

Present law

Federal appropriations for activities under current law replaced by the House bill's Family Nutrition Block Grant program are authorized at such sums as are necessary, except for the Homeless Children Nutrition program (provided specific amounts). [Sec. 13(r), 17(b), and 17B of the National School Lunch Act; Sec. 3(a) and 4(a) of the Child Nutrition Act]

House bill

Authorizes appropriations for the Family Nutrition Block Grant program under the revised Child Nutrition Act at: $4.606 billion for fiscal year 1996, $4.777 billion for fiscal year 1997, $4.936 billion for fiscal year 1998, $5.120 billion for fiscal year 1999, and $5.308 billion for fiscal year 2000.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

B. Availability

Present law

With the exception of funding for the WIC program, appropriations for the activities under current law to be replaced by the Family Nutrition Block Grant program generally cannot be carried over to the next fiscal year.

House bill

Authorizes amounts for the Family Nutrition Block Grant program to remain available until the end of the fiscal year subsequent to the year they were appropriated for.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

10. DEFINITIONS

A. Breastfeeding Women, Infants, Postpartum Women, Pregnant Women, and Young Children

Present law

For purposes of the WIC program: (1) breastfeeding women are defined as women up to 1 year postpartum who are breastfeeding their infants; (2) infants are defined as persons under 1 year of age; (3) postpartum women are defined as women up to 6 months after termination of pregnancy; (4) pregnant women are defined as those who have 1 or more fetuses in utero; and (5) young children are persons who have had their first birthday but not attained their fifth birthday. [Sec. 17(b) of the Child Nutrition Act]

House bill

For purposes of State family nutrition grant programs, adopts present-law definitions of breastfeeding women, infants, postpartum women, pregnant women, and young children.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

B. Economically Disadvantaged

Present law

No directly comparable provisions. [Note: Under present law, means tests for assistance apply as follows: (1) for the WIC program, recipients must have family income below 185% of the Federal poverty guidelines (but States may not set standards below poverty); and (2) for those in child and adult care centers under the Child and Adult Care Food program, persons with family income below 130% of poverty are eligible for free meals/supplements, those with family income between 130% and 185% of poverty are eligible for reduced-price meals and supplements, and those with family income above 185% of poverty (or who do not apply for free or reduced-price treatment) are eligible for "paid" (but still subsidized meals and supplements. No individual income test is applied in the family day care home component of the Child and Adult Care Food program, the Summer Food Service program, the Special Milk program, and the Homeless Children Nutrition program.

House bill

The term "economically disadvantaged" is defined to apply to individuals or families with annual income below 185% of the Federal poverty guidelines. [Note: No assistance under a family nutrition grant (other than aid to homeless children) could be given to those with family income above 185% of poverty.]

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

C. School and Secretary

Present law

"Schools" are defined as public or private nonprofit elementary, intermediate, or secondary schools. The "Secretary" is defined as the Secretary of Agriculture.

House bill

"Schools" and the "Secretary" would, under the Family Nutrition Block Grant program, have the same meaning as in present law.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

D. State

Present law

In general, "State" is defined as the 50 States, the District of Columbia, Puerto Rico, the Northern Marianas, American Samoa, Guam, and the Virgin Islands. In the WIC program, it includes an Indian tribe, band, or group recognized by the Interior Department, an intertribal council or group recognized by the Interior Department, or the Indian Health Service.

House bill

"State" would, under the Family Nutrition Block Grant program have the same meaning as in present law. In addition, Indian tribal organizations (as defined under section 4(l) of the Indian Self-Determination and Education Assistance Act) would be included as States and could apply for grants.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment making changes to Child Nutrition Act (see item 1).

11. NATIONAL SCHOOL LUNCH ACT

Present law

Authorizes the School Lunch, Summer Food Service, Child and Adult Care Food, and Homeless Children Nutrition programs. Also authorizes commodity assistance for child nutrition programs and school lunch assistance for Defense Department overseas dependents' schools.

Under the School Lunch program, schools choosing to participate receive per-meal Federal subsidies for all lunches they serve that meet Federal nutrition standards. Subsidies are indexed annually and differ depending on whether the meal is served free (to children from families with income below 130% of Federal poverty guidelines), at a reduced price (to children with family income between 130% and 185% of poverty), or at "full price" (so-called "paid" lunches for those with family income above 185% of poverty or who do not apply for free or reduced-price meals). Schools with high proportions of free or reduced-price participants receive an additional per-meal subsidy. [Sec. 4 & 11 of the National School Lunch Act]

The Summer Food Service program provides Federal per-meal/supplement reimbursements for all summer meals and supplements served through public and private nonprofit sponsors (including schools and local governments) to children in areas where 50% or more have family income below 185% of the Federal poverty guidelines (are eligible for free or reduced-price school meals). Summer food service subsidies also are provided to public and private nonprofit summer camps and higher education institutions in the National Youth Sports program. [Sec. 13 of the National School Lunch Act]

The Child and Adult Care Food Service program provides Federal per-meal reimbursements for all meals and supplements served in public and private nonprofit child care centers, public and private nonprofit adult day care centers, certain for-profit child and adult daycare centers, and family day care homes. Reimbursements for meals/supplements in centers vary by the recipient's income, but not in family day care homes. Certain schools with after-school care programs also may receive assistance. [Sec. 17 & 17A of the National School Lunch Act] The Homeless Children Nutrition program grants funds to public and private nonprofit sponsors providing food service (meals and supplements), similar to that provided under the Child and Adult Care Food program, to homeless children under age 6 in shelters.

The Agriculture Department is required to provide commodity support for meals served by institutions in the School Lunch, Child and Adult Care Food, and Summer Food Service programs. Schools and other institutions are "entitled" to a specific dollar value of commodities based on the number of meals served. Schools and other institutions also receive "bonus" commodities donated from Federal stocks at the Agriculture Department's discretion. [Sec. 6 & 14 of the National School Lunch Act]

The Secretary of Agriculture is required to make funds available for school lunch programs in Defense Department overseas dependent's schools to the same degree as for other schools (authority for school breakfast programs in these schools is contained in Sec. 20 of the Child Nutrition Act). [Sec. 17A of the National School Lunch Act]

House bill

Retains the designation of the Act as the National School Lunch Act and replaces the Act's current provisions with authority for a School-Based Nutrition Block Grant Program.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment to:

A. Create an optional State block grant demonstration program entitled, "School Nutrition Optional Block Grant Demonstration Program"

Optional Block Grant Demonstration Program.—Under the terms of the optional block grant demonstration program, seven States—one per USDA Food and Consumer Service Region—will be eligible to receive funds to carry out programs offering school breakfasts and lunches for all school children under a block grant demonstration program.

Decision to participate.—States opting to participate in the block grant demonstration program may not reverse such decision prior to the end of the authorization period.

State plan.—States are required to submit a State plan to the Secretary in order to participate in the block grant demonstration program.

Use of funds.—Allows States to use funds only for school lunches, breakfasts, meal supplements and for the purchase of equipment or improvement of facilities needed to improve school food services.

Nonprofit operation.—School lunch and breakfast programs are to be operated on a nonprofit basis.

Administrative expenses.—None of the funds under the block grant demonstration program are to be used for State administrative expenses (States will continue to receive such funds under current SAE provisions).

Nutritional requirements.—States are to provide minimum nutritional requirements

for meals based on the most recent tested nutritional research available. Such requirements shall be consistent with the goals of the most recent Dietary Guidelines for Americans. Meals shall provide, on the average over a week, at least ⅓ of the recommended dietary allowance for lunches and ¼ of the recommended dietary allowance for breakfasts. The Secretary may not impose any additional nutritional requirements beyond those specified in this section.

State review.—States will review the meal operations in each school food authority participating in the block grant demonstration program no later than two years after implementation of the block grant demonstration program and at the end of each 5-year period thereafter.

Income eligibility.—The State plan will describe how the block grant demonstration program will serve specific groups of children in the State. The plan will further describe the income eligibility limitations established for free meals and low-cost meals. A state may use group eligibility criteria based upon census or other data that measures family income in determining eligibility.

Free meals.—State's plans are required to offer access to free meals to students who are members of families with incomes at or below 130 percent of poverty and who attend a school participating in the block grant demonstration program. In addition, the block grant demonstration program allows States to provide students who are members of families with incomes at or above 130 percent of poverty free school lunches and school breakfasts.

Low cost meals.—The State plan must provide for a low cost meal payment charge for students who are members of families whose incomes are equal to or more than 130 percent of poverty and equal to or less than 185 percent of the poverty line. States may develop their own eligibility criteria which may be based on group eligibility, census data, demographic information, and prior year participation.

Proportion of students served.—The State shall ensure that for any year the proportion of low income and needy students served meals under the block grant demonstration program is not less than the proportion of such students served meals in the last year of participation by the State in the School Lunch program or the School Breakfast program.

Proportion of funds used to provide service.—The State plan shall provide that for any year the proportion of funds used by the State to provide meals for low income and needy students under the block grant demonstration program is not less than the proportion of funds used to provide meals for such students in the last year of participation by the State in the School Lunch program or the School Breakfast program.

Continued participation.—Each school participating in the current school lunch and breakfast program in a State opting into the block grant demonstration program is to be given the opportunity to operate similar programs under the block grant demonstration program.

CASH/CLOC.—States are required to permit to permit a school district, nonprofit private school or DOD domestic dependents' school to receive commodity assistance in the same form they received such assistance as of January 1, 1987.

Privacy.—States shall provide for safeguarding and restricting the use and disclosure of information about children receiving assistance under this Act. Physical segregation and overt identification of children participating in the block grant demonstration program is prohibited.

Required report.—In order to participate, States must agree to submit a report to the Secretary each fiscal year describing (a) the number of children receiving assistance; (b) the different types of assistance provided; (c) the extent to which assistance was effective in achieving in achieving program goals; (d) the standards and methods used to ensure the nutritional quality of meals and meal supplements; and (e) other information the Secretary can reasonably require. Failure to submit the required report will cause a 3 percent reduction in amounts otherwise payable to a State.

Compliance.—The Secretary is required to review and monitor State compliance and withhold funds to the State with respect to the program or activity for which noncompliance is found, until the Secretary determines the problem has been corrected. The sanctions to be implied may include a partial reduction of grant in subsequent years. The Secretary may seek financial restitution for misused funds.

Payments to States.—Payments to States under the block grant demonstration program shall be on a quarterly basis and may be expended by the State for the current fiscal year or the succeeding fiscal year.

Audits.—A yearly audit is required.

Allotment.—In the first year of participation, the Secretary is required to allot to each participating State an amount that is equal to the amount the Secretary projects will be made available to the State to carry out the school lunch and breakfast programs (including commodities) for the current fiscal year. In succeeding years, the amount will equal the amount provided in the preceding fiscal year, adjusted to reflect changes in the consumer price index, services for food away from home, and changes in each State's student enrollment.

State contribution.—Funds appropriated or used specifically by the State for block grant demonstration program purposes shall be not less than the amount that the State made available for the preceding fiscal year for the School Lunch program and the School Breakfast program.

Commodities.—Not less than 8 percent and not more than 10 percent of the amount of a State's allotment will be in the form of commodities.

Alternative assistance.—Requires the Secretary to arrange for the provision of assistance and reduce State allotments accordingly, in cases where a State is prohibited by law from providing assistance to a nonprofit private school or a DOD domestic dependents' school or if a State has substantially failed or is unwilling to provide such assistance to a nonprofit private school, a DOD domestic dependents' school or a public school.

Transition.—A State opting into the block grant demonstration program may use funds and commodities from the block grant demonstration program to transition out of the block grant demonstration program at the end of the authorization period.

Evaluation.—No later than three years after the establishment of the block grant demonstration program the Secretary is to conduct an evaluation and submit a report to Congress, including the comments of the Comptroller General. The report is to include information on the effects of the block grant demonstration program on the nutritional quality of meals; the degree to which children, particularly low income children participated in the block grant demonstration program, the income distribution of children served and the amount of assistance such children received; the types of meals offered under the block grant demonstration program; how the implementation of the block grant demonstration program differs from the implementation of the school lunch and breakfast programs; the effect of the block grant demonstration program on state and school administrative costs, the effect of the block grant demonstration program on paperwork.

Authorization period.—the authority to carry out the block grant demonstration program shall terminate on September 30, 2000. [Sec. 914]

B. Streamline provisions of the National School Lunch Act of 1966.

1. Revise Sec. 8, striking the third and fourth sentences, moving the 5th sentence (defining child) to the Miscellaneous/Definitions section of the Act and striking language relating to maximum per meal reimbursements. [Sec. 901]

2. Strike Sec. 9(a)(2)(B) to eliminate the required purchase of low fat cheese equivalent to estimated decline in milk fat purchases because of elimination of whole milk requirement. [Sec. 902]

3. Strike Sec. 9(a)(3) to eliminate administrative procedures to diminish plate waste. [Sec. 902]

4. Strike Sec. 9(b)(2)(A) to eliminate requirement that State Educational Agencies and local school food authorities announce income eligibility requirements each year. [Sec. 902]

5. Revise Sec. 9(b)(5), striking sentence relating to physical segregation and overt identification (duplicative of preceding language). [Sec. 902]

6. Revise Sec. 9(c), striking the second, fourth and sixth sentences to eliminate requirement that schools use commodities that are in abundance in their lunch programs. [Sec. 902]

7. Revise Sec. 9(f), striking paragraph (1) to eliminate provision requiring schools to inform students of nutritional content of lunches and their consistency with the Dietary Guidelines for Americans. [Sec. 902]

8. Revise Sec. 9(f)(2)(D) to permit schools to use any reasonable approach to meet dietary guidelines. [Sec. 902]

9. Strike Sec. 9(h) to eliminate language providing the States can use NET funds for training to improve nutritional quality and acceptance of meals. [Sec. 902]

10. Revise Sec. 11(b), striking references to "maximum per lunch amounts." [Sec. 904]

11. Strike Sec. 11(d) to eliminate language referring to applicability of other provisions in the Act to Sec. 11. [Sec. 904]

12. Revise Sec. 11(e)(2) to require that the Secretary make a request for monthly reports rather than receive them automatically. [Sec. 904]

13. Revise Sec. 12(a) providing that accounts and records shall be available at any reasonable time. [Sec. 905]

14. Revise 12(c) to strike language that prohibits "State" from imposing requirements on teaching personnel and curricula. [Sec. 905]

15. Revise Sec. 12(d) by changing the definition of "State," by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands." Makes conforming changes throughout. [Sec. 905]

16. Strike Sec. 12(d)(3) to eliminate "participation need rate" definition. [Sec. 905]

17. Strike Sec. 12(d)(4) to eliminate assistance need rate definition. [Sec. 905]

18. Strike Sec. 12(k)(1),(2), and (5) to eliminate provisions dealing with the establishment of regulations on food based menus. [Sec. 905]

19. Revise Sec. 12(l)(1)(B)(2)(A), striking clauses (v), (vi), (vii), and (2)(B). [Sec. 905]

20. Strike Sec. 12(l)(3(B) to eliminate requirement that Sec. respond in writing to written waiver request. [Sec. 905]

21. Strike Sec. 12(l)(3)(C) to eliminate requirement that the result of waiver decisions be disseminated by State. [Sec. 905]

22. Strike Sec. 12(l)(3)(D)(i) and (ii) to eliminate the 2 year limit on waiver period and authority for extension. [Sec. 905]

23. Revise Sec. 12(l)(4), striking subparagraphs (B), (D), (F), (H), (J), (K), (L), and inserting a general prohibition on any waiver that will increase Federal costs. [Sec. 905]

24. Strike Sec. 12(l)(6)(A) to eliminate requirement that eligible service providers receiving waivers report annually to the State, therefore eliminating the requirement that States annually submit a summary of said reports to the Secretary. [Sec. 905]

25. Strike Sec. 12(m) to eliminate Nutrition Instruction Grants. [Sec. 905]

26. Revise Sec. 13(a)(1) to eliminate reference to expansion. [Sec. 906]

27. Revise Sec. 13(a)(7)(A). Technical and conforming. [Sec. 906]

28. Revise Sec. 13(b)(2) to change "may serve up to four meals" to "three meals or two meals and one supplement." [Sec. 906]

29. In Sec. 13, references to the National Youth Sports Program are amended by (1) striking non summer months payments; (2) striking severe needs reimbursements; and (3) requiring that participants be eligible based on residence in low income areas, or on the basis of income eligibility statements from children enrolled in the program. [Sec. 906]

30. Revise Sec. 13(f) by (1) eliminating requirement that the Secretary provide additional technical assistance to service providers having difficulty maintaining compliance; and (2) providing that contracts between service institutions and food service management companies require periodic inspections by an independent State agency to determine conformance with standards set by local health authorities. [Sec. 906]

31. Strike Sec. 13(f)(4) to eliminate specific provisions governing advance payments. [Sec. 906]

32. Strike Sec. 13(g)(1)(A). Redundant in relation to preceding language. [Sec. 906]

33. Revise Sec. 13(g)(1)(B) by striking second statement to eliminate technical assistance for those with difficulty maintaining compliance. [Sec. 906]

34. Strike Sec. 13(k)(3) to eliminate added Federal funding to States for health department inspections. [Sec. 906]

35. Strike Sec. 13(l)(4) to eliminate provision for small business preference). [Sec. 906]

36. Strike Sec. 13(l)(5) to eliminate provision for standard contract forms. [Sec. 906]

37. Revise Sec. 13(m) to provide that accounts and records be available "at any reasonable time." [Sec. 906]

38. Revise Sec. 13(n)(2) by striking the clause beginning "including the State's methods." [Sec. 906]

39. Strike Sec. 13(n)(3) to eliminate provisions dealing with States' "best estimates" of those served. [Sec. 906]

40. Strike Sec. 13(n)(4) to eliminate requirement for a State "schedule" for providing technical assistance. [Sec. 906]

41. Strike Sec. 13(p). Obsolete. [Sec. 906]

42. Strike Sec. 13(q)(2) to eliminate requirements for training and technical assistance for private nonprofits. [Sec. 906]

43. Strike Sec. 13(q)(4). Technical and conforming. [Sec. 906]

44. Strike Sec. 14(b)(1) regarding the inclusion of cereal and shortening in commodity donations. [Sec. 907]

45. Revise Sec. 14(d) by striking the matter requiring an impact study of commodity distribution procedures. [Sec. 907]

46. Strike Sec. 14(e) to eliminate the State Advisory Council. [Sec. 907]

47. Strike Sec. 14(g)(3). Obsolete. [Sec. 907]

48. Revise Sec. 17 by, in the title of the section, striking "and Adult." [Sec. 908]

49. Revise Sec. 17(a) to eliminate reference to authorization to "expand" programs. [Sec. 908]

50. Revise Sec. 17(d)(1) to eliminate provision for technical assistance in completing applications. [Sec. 908]

51. Revise Sec. 17(f)(3)(B) by striking last two sentences. Obsolete. [Sec. 908]

52. Revise Sec. 17(f)(3)(C)(i) by striking all references to "expansion." [Sec 908]

53. Strike Sec. 17(f)(3)(C)(ii) to eliminate provision for outreach and recruitment. [Sec. 908]

54. Strike Sec. 17(f)(4) to eliminate specific provisions requiring advance payments. States would be allowed to make such payments but would not be required to do so. [Sec. 908]

55. Strike Sec. 17(g)(1)(A) to eliminate redundant provision. [Sec. 908]

56. Strike Sec. 17(g)(1)(B) to eliminate provision for added technical assistance for those with difficulty maintaining compliance. [Sec. 908]

57. Strike Sec. 17(k), replacing with language requiring States to provide sufficient training, technical assistance and to facilitate effective operation of the program. [Sec. 908]

58. Revise Sec. 17(m) to provide that accounts and records be available at any "reasonable time." [Sec. 908]

59. Strike Sec. 17(o) to modify provision to limit eligibility to day care centers providing services to chronically impaired disabled persons. [Sec. 908]

60. Strike Sec. 17(q). Obsolete (provisions for WIC information). [Sec. 908]

61. Strike Sec. 18(a) to eliminate the 3 State evaluation of effect of Secretary contracting with vendors to act as States in administering programs not administered by States. [Sec. 909]

62. Strike Sec. 18(d)(3)(A),(B),(C) to eliminate the universal free pilot. [Sec. 909]

63. Revise Sec. 18(e) to make the demonstration project for outside school hours discretionary. [Sec. 909]

64. Strike Sec. 18(g) and (h) dealing with additional food choices: Fruits, vegetables, cereals, organic foods and low fat dairy products. [Sec. 909]

65. Strike Sec. 18(i) to eliminate Paperwork reduction pilot. [Sec. 909]

66. Repeal Section 19. [Sec. 910]

67. Repeal Section 23. Obsolete. [Sec. 911]

68. Repeal Section 24. [Sec. 912]

69. Repeal Section 26. [Sec. 913]

12. AUTHORIZATION FOR SCHOOL-BASED NUTRITION BLOCK GRANT

A. Entitlement

Present law

States are entitled to "performance-based" funding according to the number and type of meals and supplements served under school-based programs authorized by the National School Lunch and Child Nutrition Acts.

House bill

"Entitles" each State that submits an annual application (see item 14) to receive an annual school-based nutrition grant for the purpose of achieving the goals of the School-Based Nutrition Block Grant Program (see item 12D for the program's goals and item 13 for State entitlement allotments).

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

B. Requirement To Provide Commodities

Present law

The Secretary of Agriculture is required to ensure that no less than 12% of the total amount of "entitlement" commodity and cash assistance for the School Lunch program is in the form of commodity support (including cash in lieu of commodities in the limited instances where available and administrative costs for procuring commodities). [Sec. 6(g) of the National School Lunch Act]

House bill

Requires that 9% of the amount of assistance available under the school-based block grant be in the form of commodities.

Senate amendment

No directly comparable provision. [Note: See item 26]

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11)

C. The School-Based nutrition Block grant

Present law

Federal funds for activities under existing law replaced by the House bill's school-based grant are authorized at such sums as are necessary and provided based on the number of meals, supplements, and half-pints of milk served.

The Secretary is required to make school lunch and school breakfast funding and commodities available to Defense Department overseas dependents' schools to the same degree as other schools. [Sec. 20 of the National School Lunch Act and Sec. 20 of the Child Nutrition Act]

House bill

Provides that the annual total school-based block grant provided States as their "entitlement" will be: $6.681 billion for fiscal year 1996, $6.956 billion (fiscal year 1997), $7.237 billion (fiscal year 1998), $7.538 billion (fiscal year 1999), and $7.849 billion (fiscal year 2000).

For each fiscal year, requires the Secretary to reserve from the total entitlement an amount determined necessary, in consultation with the Secretary of Defense, to establish and carry out nutritious food service programs at Defense Department overseas dependents' schools.

Permits States to obligate payments under a school-based nutrition grant in the succeeding fiscal year.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

D. Goals

Present law

The National School Lunch Act declares it the policy of Congress, as a measure of national security, to safeguard the health and

well-being of the Nation's children and to encourage the domestic consumption of agricultural commodities by assisting States through grants and other means in providing support for the establishment, maintenance, operation, and expansion of nonprofit school lunch programs. [Sec. 2 of the National School Lunch Act]

House bill

Establishes the goals of the School-Based Block Grant Program:

(1) to safeguard the health and well-being of children through the provision of nutritious, well-balanced meals and food supplements;

(2) to provide economically disadvantaged children (see item 21B for definition) access to nutritious free or low-cost meals, food supplements, and low-cost milk;

(3) to ensure that children served under the School-Based Block Grant program are receiving the nutrition they require to take advantage of educational opportunities;

(4) to emphasize foods that are naturally good sources of vitamins and minerals over enriched foods and those high in fat or sodium content;

(5) to provide a comprehensive school nutrition program for children; and

(6) to minimize paperwork burdens and administrative expenses for participating schools.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

E. Timing of Payments

Present law

No provision.

House bill

Directs that the Secretary of Agriculture make school-based nutrition grant payments to the States on a quarterly basis.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

13. ALLOTMENT OF SCHOOL-BASED NUTRITION BLOCK GRANT

Present law

Current activities that may be funded under the House bill's School-Based Nutrition Block Grant program include those now supported by the School Lunch and Breakfast programs, and school-sponsored programs under the Child and Adult Care Food program, the Summer Food Service program, and the Special Milk program.

In all cases, "performance funding" is provided for each meal, supplement, or half-pint of milk served by participating schools, at legislatively established, inflation indexed rates.

House bill

As set forth below, provides for the Secretary of Agriculture to make State allotments of the School-Based Nutrition Block Grant entitlement.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

A. First Year State Allotments

Present law

No provisions.

House bill

For the first fiscal year in which grants are made, provides that the Secretary make allotments to States based on the proportion of funds each State received under prior law for the preceding fiscal year.

Base-year State Shares: Each State's allotment would be its prior-year share of funds received under the School Lunch and Breakfast programs, plus 12.5% of the amounts received under the Child and Adult Care Food, Summer Food Service, and Special Milk programs.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

B. Second Year State Allotments

Present law

No provision.

House bill

For the second fiscal year in which grants are made, provides that (1) 95% of the total entitlement amount be allotted to each State's share of the amount allotted in the first year and (2) 5% of the entitlement amount allotted be based on each State's share of the number of meals served under the grant during the 1-year period ending the preceding June 30.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

C. Third and Fourth Year State Allotments

Present law

No provision.

House bill

For the third and fourth fiscal years in which grants are made, provides that (1) 90% of the total entitlement amount be allotted according to each State's share of the amount allotted in the preceding year and (2) 10% of the entitlement amount allotted be based on each State's share of the number of meals served under the grant during the 1-year period ending the preceding June 30.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch (see item 11).

D. Fifth Year Sale Allotments

Present law

No provision.

House bill

For the fifth fiscal year in which grants are made, provides that (1) 85% of the total entitlement amount be allotted according to each State's share of the amount allotted in the fourth year and (2) 15% of the entitlement amount allotted be based on each State's share of the number of meals served under the grant during the 1-year period ending the preceding June 30.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

14. APPLICATION FOR SCHOOL-BASED NUTRITION GRANTS

Present law

Nutrition requirements for school-provided meals are established by the Secretary of Agriculture on the basis of tested nutritional research, are not to be construed to prohibit substitution of foods to accommodate medical or other special dietary needs, must, at a minimum, be based on the weekly average nutrient content of school lunches, and may, with certain limits on how schools may be required to implement them, be based on the Federal "Dietary Guidelines for Americans." [Sec. 9(a) and Sec. 12(k) of the National School Lunch Act, and Sec. 4(e) of the Child Nutrition Act]

The use/disclosure of information obtained from applications for free/reduced-price meals is limited to those administering and/or enforcing child nutrition programs, administrators of other health or education programs (with restrictions), and the General Accounting Office and law enforcement officials. [Sec. 9(b) of the National School Lunch Act]

House bill

Provides that the Secretary make a school-based nutrition grant to a State if it submits an application containing only the following:

(1) an agreement that the State will use the grant in accordance with the School-Based Block Grant program requirements (see item 15);

(2) an agreement that the State will set minimum nutrition requirements for meals provided under the grant based on the most recent tested nutrition research available (but the requirements could not be construed to prohibit the substitution of foods to accommodate medical or other special dietary needs and would have to be based, at a minimum, on the weekly average nutrient content of school lunches or other standards set by the State);

(3) an agreement that, with respect to provision of meals to students, the State will implement minimum nutrition requirements based on the most recent tested nutrition research available or the model nutrition standards development by the National Academy of Sciences (see item 20);

(4) an agreement that the State will take reasonable steps it deems necessary to restrict the use and disclosure of information about those receiving assistance under the grant;

(5) an agreement that the State will not use more than 2% of its grant for administrative costs incurred to provide assistance; and

(6) an agreement that the State will submit an annual report to the Secretary (see item 16).

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item #11).

15. USE OF AMOUNTS PROVIDED UNDER THE SCHOOL-BASED NUTRITION BLOCK GRANT

A. Activities Supported

Present law

The School Lunch and Breakfast programs provide Federal support to schools for nonprofit meal services to schoolchildren. In addition, to a more limited degree, schools offer (and receive Federal subsidies for) after-school food assistance, milk service, and summer food service programs.

House bill

Provides that the Secretary of Agriculture make school-based nutrition grants to States if they agree to use their grant to provide assistance to schools for nutritious food service programs that provide affordable meals and supplements to students, including nonprofit:

(1) school breakfast programs;

(2) school lunch programs;

(3) before and after school supplement programs;

(4) low-cost milk services; and

(5) summer meal programs.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item #11).

B. Additional Requirements

Present law

Under the School Lunch and Breakfast programs, and after-school assistance, milk service, and summer food service programs, schools are provided with specific Federal reimbursements for free and reduced-price meals, supplements, and milk for lower-income children (with family income below 185% of poverty) that are higher than those granted for "paid" meals, supplements, and milk provided those with higher income.

House bill

Requires that each State ensure that not less than 80% of its school-based grant is used to provide free or low-cost meals to economically disadvantaged children (see item 21 for definitions).

Requires that each State ensure that nutritious food service programs are established and carried out in private nonprofit and Defense Department domestic dependents' schools on an equitable basis with programs in public schools in the State—to the extent consistent with the number of children in these schools and after consultation with representatives of the schools (see item 18).

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item #11).

C. Authority to Use School-Based Nutrition Block Grant Amounts for Other Purposes

Present law

No provision.

(2) Sufficient funding

No provision.

(3) Amounts used for other purposes

No provision.

House Bill

Allows States to use not more than 20% of amounts received from a school-based nutrition grant for any fiscal year to carry out State programs under other block grants authorized by:

(1) part A of title IV of the Social Security Act (relating to welfare for families with children);

(2) part B of title IV of the Social Security Act (relating to provision of child welfare services);

(3) title XX of the Social Security Act (relating to provision of social services);

(4) the Child Nutrition Act of 1966 (relating to family nutrition block grants); and

(5) the Child Care and Development Block Grant.

Provides that States may not transfer funds to other block grants unless the appropriate State agency makes determination that sufficient funds will remain available for the fiscal year to carry out activities under the School-Based Block Nutrition Block Grant Program.

Provides that school-based nutrition block grant amounts States transfer to other block grants (noted above) will not be subject to the requirements of the School-Based Nutrition Block Grant program under the revised National School Lunch Act, but will be subject to the requirements that apply to Federal funds provided directly to the block grant to which they are transferred.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item #11).

D. Limitation on Provision of Commodities

Present law

Certain schools receive cash or commodity letters of credit in lieu of entitlement commodities (so-called "Cash/CLOC" schools). [Sec. 18(b) of the National School Lunch Act]

House Bill

Provides that States may to require current Cash/CLOC schools to accept commodities in lieu of cash or commodity letters of credit.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item #11).

E. Segregation/Identification of Children Eligible for Free or Low-Cost Meals or Supplements

Present law

Schools may not physically segregate, overtly identify, or otherwise discriminate against any child eligible for free or reduced-price lunches. [Sec. 9(b)(4) of the National School Lunch Act]

House Bill

Requires States to ensure that schools receiving school-based nutrition grant assistance do not physically segregate, overtly identify, or otherwise discriminate against children eligible for free or low-cost meals or supplements.

Senate amendment

No Comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item #11).

16. REPORTS

Present law

No comparable provision.

House bill

Requires that States, as a condition of receiving a school-based nutrition grant, agree to submit an annual report to the Secretary of Agriculture describing:

(1) the number of individuals receiving assistance under the grant for the reporting (fiscal) year;

(2) the different types of assistance provided;

(3) the total number of meals served to students under the grant, including the percentage served to economically disadvantaged students;

(4) the extent to which the assistance provided was effective in achieving the goals of the School-Based Nutrition Block Grant program (see item 12D);

(5) the standards and methods the State is using to ensure the nutritional quality of assistance under the grant; and

(6) any other information that can be reasonably required by the Secretary.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item #11).

17. PENALTIES

A. Penalty for Violations

Present law

[Note: See item 7.]

House bill

Requires the Secretary of Agriculture to reduce the school-based nutrition grant amount otherwise payable to a State by any amount paid under the grant that an audit made under the "Single Audit Act" (chapter 75 of title 31 of the United States Code) finds has been used in violation of the revised National School Lunch Act. However, the Secretary is barred from reducing any quarterly payment to the State by more than 25%.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item #11).

B. Penalty for Failure to Submit a Required Report

Present law

No specific provision.

House bill

Requires the Secretary to reduce by 3% the school-based nutrition grant amount otherwise payable to a State for any fiscal year if the Secretary determines that the State has not submitted the required annual report (see item 16) for the immediately preceding fiscal year within 6 months after the end of that fiscal year.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item #11).

18. FEDERAL ASSISTANCE FOR CHILDREN IN PRIVATE NONPROFIT SCHOOLS AND DEFENSE DEPARTMENT DOMESTIC DEPENDENTS' SCHOOLS

Present law

Where States are by law precluded from providing child nutrition assistance to certain types of schools (e.g. private nonprofit schools), the Secretary is authorized to provide assistance directly.

House bill

If a State is precluded by law from providing assistance under the school-based nutrition grant to nonprofit private schools or Defense Department domestic dependents' schools, or the Secretary has determined that the State has substantially failed or is unwilling to provide assistance to the schools, requires the Secretary to arrange for provision of school-based nutrition assistance to the schools, after consultation with appropriate school representatives. In the case that the Secretary provides assistance to private nonprofit schools or Defense Department domestic dependents' schools, the State's school-based nutrition grant would be reduced to reflect the assistance provided.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

19. FOOD SERVICE PROGRAMS FOR DEFENSE DEPARTMENT OVERSEAS DEPENDENTS' SCHOOLS

A. Assistance

Present law

[Note: See item 12C(2)]

House bill

Requires the Secretary to make available to the Secretary of Defense funds and commodities (as determined by the Secretary in consultation with the Secretary of Defense, and reserved from the total school-based grant) for establishing and carrying out nutritious food service programs providing affordable meals and supplements to students in Defense Department overseas dependents' schools.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

B. Requirements

Present law

Federally subsidized school meal programs in Defense Department overseas dependents' schools must meet the same requirements as programs in domestic schools.

House bill

In carrying out food service programs in Defense Department overseas dependents' schools, requires the Secretary of Defense to (1) ensure that not less than 80% of the assistance is used to provide free or low-cost meals and supplements to economically disadvantaged children (see item 21B for definition) and (2) the schools will implement minimum nutrition requirements in the same way domestic schools receiving assistance under the school-based nutrition grant are required to (including optional use of model nutrition standards).

Senate amendment

No comparable provision.

99-059 O—97 Vol. 141 (Pt. 26) 31

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

20. MODEL NUTRITION STANDARDS FOR STUDENT MEALS

A. Requirement

Present law

No comparable provisions. [Note: The Secretary establishes nutrition standards for school meals.]

House bill

Not later than April 1, 1996, requires the National Academy of Sciences to develop model nutrition standards for meals provided to students under the School-Based Block Grant Program. The standards are to be developed by the Food and Nutrition Board of the Academy's Institute of Medicine, in cooperation with nutritionists and directors of school meal programs.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

B. Report to Congress

Present law

No provision.

House bill

Not later than one year after the model nutrition standards (noted above) are developed, requires the National Academy of Sciences to report to Congress regarding the efforts of States to implement them.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

21. DEFINITIONS

A. Schools and Secretary

Present law

In general, "schools" are defined as public or private nonprofit elementary, intermediate, or secondary schools. The "Secretary" is defined as the Secretary of Agriculture.

House bill

"Schools" and "Secretary" would be defined as having the same meaning as in existing law. In addition, parallel definitions are added for Defense Department domestic and overseas dependents' schools.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item 11).

B. Economically Disadvantaged

Present law

No directly comparable provision. [Note: Subsidies are provided for free and reduced-price meals served to children with family income under 185% of the Federal poverty guidelines. However, Federal school food service subsidies are not limited to these lower-income children.]

House bill

The term "economically disadvantaged" is defined to apply to individuals or families with annual income below 185% of the Federal poverty guidelines. [Note: Assistance under the School-Based Nutrition grant could be given to children with family income above 185% of poverty.]

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item 11).

C. State

Present law

In general, for school food programs, "State" is defined as the 50 States, the District of Columbia, Puerto Rico, the Northern Marianas, American Samoa, and the Virgin Islands.

House bill

"State," under the School-Based Nutrition grant, would have the same meaning as in present law, except that Indian tribal organizations (as defined under section 4(l) of the Indian Self-Determination and Education Assistance Act) would be included as States and could apply for grants.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see Item 11).

22. REPEALERS

Present law

Not applicable.

House bill

Makes conforming technical amendments repealing the Commodity Distribution Reform Act and WIC Amendments of 1987 and the Child Nutrition and WIC Reauthorization Act of 1989.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

23. EFFECTIVE DATE

Present law

Not applicable.

House bill

Makes amendments replacing Child Nutrition and National School Lunch Act provisions with Family Nutrition and School-Based Nutrition Block Grants effective October 1, 1995.

Senate amendment

No comparable provision.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

24. APPLICATION OF AMENDMENTS AND REPEALERS

Present law

Not applicable.

House bill

Provides that amendments and repealers associated with replacing Child Nutrition and National School Lunch Act provisions with Family Nutrition and School-Based Nutrition Block Grants not apply with respect

to (1) financial assistance provided under prior law and (2) administrative actions or proceedings commenced or authorized to be commenced before the effective date.

Senate amendment

No comparable provisions.

Conference agreement

Senate recedes with an amendment creating an optional block grant demonstration program and making changes to National School Lunch Act (see item 11).

25. TERMINATION OF ADDITIONAL PAYMENTS FOR LUNCHES SERVED IN HIGH FREE AND REDUCED PRICE PARTICIPATION SCHOOLS

Present law

Lunches served by school food authorities where 60 percent or more of the lunches are served free or at a reduced price (to children with family income below 185 percent of the Federal poverty income guidelines) are reimbursed at a rate 2 cents a meal higher than regular subsidy rates. [Sec. 4(b) of the National School Lunch Act]

House bill

No comparable provision.

Senate amendment

Effective July 1, 1996 (the 1996–1997 school year), ends the extra 2-cent-a-lunch reimbursement to schools with high rates of free and reduced-price participation.

Conference agreement

Senate recedes.

26. VALUE OF FOOD ASSISTANCE

Present law

Schools and certain other child nutrition sponsors are "entitled" to commodities valued at a legislatively set, inflation-indexed amount per meal served. The per-meal reimbursement rate is indexed annually to reflect the annual percentage change in a 3-month average value of the Price Index for Food Used in Schools and Institutions, and rounded to the nearest ¼ cent. [Sec. 6(e) of the National School Lunch Act]

House bill

No directly comparable provision. [Note: See item 12B.]

Senate amendment

Freezes (for one year) the guaranteed per-meal reimbursement rate for entitlement commodity assistance and revises (by changing rounding rules) the method of calculating this reimbursement rate.

On January 1, 1996, the entitlement commodity reimbursement rate set under current law for the 1995–1996 school year (as rounded to the nearest ¼ cent) would be rounded down to the nearest lower cent. For the 1996–1997 school year, the rate would be frozen at the rate for the 1995–1996 school year (as rounded down to the nearest lower cent). For the 1997–1998 school year, the rate would be the unrounded rate for the 1995–1996 school year, adjusted for inflation over the most recent 12-month period and rounded down to the nearest lower cent. For following school years, the rate would be the unrounded rate for the preceding year, adjusted for inflation over the most recent 12-month period and rounded down to the nearest lower cent. (p. 348)

[Note: Current-law rules as to the inflation-adjustment factor to be used (i.e., the Price Index for Food Used in Schools and Institutions) are not changed.]

Conference agreement

Senate recedes.

27. LUNCHES, BREAKFASTS, AND SUPPLEMENTS

Present law

"Paid" lunches, breakfasts, and supplements are served to those with family income above 185 percent of the Federal poverty guidelines. Guaranteed Federal reimbursement rates for each paid lunch, breakfast, and supplement are indexed annually to reflect changes in the food away from home series of the Consumer Price Index. When indexed, all reimbursement rates (i.e., for paid, free, and reduced-price meals and supplements) are rounded to the nearest ¼ cent. [Sec. 11(a) of the National School Lunch Act]

House bill

No comparable provisions.

Senate amendment

Freezes (for two years) reimbursement rates for paid lunches, breakfasts, and supplements. Revises (by changing rounding rules) the method for calculating reimbursement rate for paid, free, and reduced-price lunches, breakfasts, and supplements. [Note: Reimbursement rates for meals and supplements served in family day care homes and the Summer Food Service program are and would be governed by separate provisions of law (see below).]

On January 1, 1996, reimbursement rates for paid, free, and reduced-price lunches, breakfasts, and supplements set under current law for the 1995–1996 school year (as rounded to the nearest ¼ cent) would be rounded down to the nearest lower cent. For the 1996–1997 and 1997–1998 school years, the reimbursement rates for paid lunches, breakfasts, and supplements would be frozen at the rates for the 1995–1996 school year (as rounded down to the nearest lower cent). For the 1998–1999 school year, the reimbursement rates for paid lunches, breakfasts, and supplements would be the unrounded rates for the 1995–1996 school year adjusted for inflation over the most recent 12-month period for which data are available, and rounded down to the nearest lower cent. For following school years, the reimbursement rates for paid lunches, breakfasts, and supplements would be the unrounded rates for the preceding year adjusted for inflation over the most recent 12-month period, and rounded down to the nearest lower cent.

Reimbursement rates for free and reduced-price lunches, breakfasts, and supplements would continue to be indexed annually for inflation each school year (i.e., no two-year freeze), but would be rounded down to the nearest lower cent. [Note: Current-law rules as to the inflation-adjustment factor to be used (i.e., the food away from home series of the Consumer Price Index) are not changed.]

Conference agreement

Senate recedes.

28. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

Present law

Under the Summer Food Service program, all meals and supplements served are federally subsidized at legislatively set, inflation-indexed rates that, for the 1995 summer (set in January 1995), were $2.12 for each lunch/supper, $1.18 for each breakfast, and 55.5 cents for each supplement. In addition, sponsors receive payments for administrative costs based on the number of meals/supplements served. Basic Federal payments for lunches, breakfasts, and supplements are indexed for inflation annually based on the food away from home series of the Consumer Price Index, and rounded to the nearest ¼ cent. [Sec. 13(b) of the National School Lunch Act]

House bill

No comparable provisions.

Senate amendment

Establishes new, lower reimbursement rates for meals and supplements served in the Summer Food Service program as follows: $2 for lunches/suppers, $1.20 for breakfasts, and 50 cents for supplements. The new rates would become effective January 1, 1996 (for the 1996 summer program), and be adjusted each January thereafter to reflect changes in the food away from home series of the Consumer Price Index (as under current law). However, while each adjustment would be based on the unrounded rates for the prior 12-month period, it would be rounded down to the nearest cent. [Note: Additional administrative-cost payment rates to sponsors are not affected.]

Conference agreement

House recedes with an amendment establishing new, lower rates for meals and supplements served in the Summer Food service program as follows: $1.82 for lunches served; $1.13 each breakfast served and $.46 for each meal supplement served. [Sec. 906(b)]

29. SPECIAL MILK PROGRAM

Present law

Under the Special Milk program, the minimum per-half-pint reimbursement rate is indexed annually to reflect changes in the Producer Price Index for Fresh Processed Milk, and rounded to the nearest ¼ cent. [Sec. 3(a) of the Child Nutrition Act]

House bill

No comparable provisions.

Senate amendment

Freezes (for one year) the minimum per-half-pint reimbursement rate and revises (by changing rounding rules) the method of calculating the reimbursement rate.

On Jan. 1, 1996, the minimum reimbursement rate set under current law for the 1995–1996 school year (as rounded to the nearest ¼ cent) would be rounded down to the nearest cent. For the 1996–1997 school year, the minimum reimbursement rate would be frozen at the rate for the 1995–1996 school year (as rounded down to the nearest cent). For the 1997–1998 school year, the minimum reimbursement rate would be the unrounded rate for the 1995–1996 school year adjusted for inflation over the most recent 12-month period for which data are available, and rounded down to the nearest lower cent. For following school years, the minimum reimbursement rate would be the unrounded rate for the preceding year adjusted annually for inflation, and rounded down to the nearest lower cent. [Note: Current-law rules as to the inflation adjustment factor to be used (i.e., the Producer Price Index for Fresh Processed Milk) are not changed.]

Conference agreement

Senate recedes.

30. FREE AND REDUCED PRICE BREAKFASTS

Present law

Reimbursement rates for free and reduced-price breakfasts are indexed annually for inflation and rounded to the nearest ¼ cent. [Sec. 4(b) of the Child Nutrition Act]

House bill

No comparable provision.

Senate amendment

Requires that annual adjustments to reimbursement rates for free and reduced-price breakfasts be based on the previous year's unrounded rates and, after adjustment for inflation, rounded down to the nearest lower cent.

Conference agreement

Senate recedes.

31. CONFORMING REIMBURSEMENT FOR PAID BREAKFASTS AND LUNCHES

Present law

The per-meal reimbursement for paid breakfasts (paid meals are those served to

children with family income above 185 percent of the Federal poverty income guidelines) is higher than the reimbursement rate for paid lunches—by about 2 cents a meal for the 1995–1996 school year. [Sec. 4(b) of the Child Nutrition Act]

[Note: The paid breakfast reimbursement rate is roughly the same as the current-law paid lunch rate for schools with free and reduced-price participation of 60 percent or more. This special lunch rate would be eliminated under Sec. 401 of the Senate amendment (see item 25).]

House bill

No comparable provision.

Senate amendment

Requires that the reimbursement rate for paid breakfasts be the same as the rate for paid lunches.

Conference agreement

Senate recedes.

32. SCHOOL BREAKFAST STARTUP GRANTS

Present law

The Secretary is required to make competitive grants to help defray costs associated with starting or expanding school breakfast and summer food service programs. Funding of $5 million a year is provided through fiscal year 1997; $6 million is provided for fiscal year 1998; and $7 million a year is provided for fiscal year 1999 and each subsequent year. [Sec. 4(g) of the Child Nutrition Act]

House bill

No comparable provision.

Senate amendment

Repeals the startup/expansion competitive grant program.

Conference agreement

House recedes. [Sec. 923]

33. NUTRITION EDUCATION AND TRAINING PROGRAMS

Present law

The Secretary is required to make funding available to States for child nutrition program nutrition education and training activities. Funding of $10 million a year is provided. [See. 19(i) of the Child Nutrition Act]

House bill

No comparable provision.

Senate amendment

Reduces the amount that must be provided for nutrition education and training to $7 million a year.

Conference agreement

House recedes with an amendment eliminating mandatory status. Authorizes appropriations of $10 million per year. [Sec. 931]

34. EFFECTIVE DATE

Present law

Not applicable.

House bill

No comparable provision.

Senate amendment

Establishes Oct. 1, 1996 as the effective date for repeal of the startup/expansion competitive grant program and reduction of funding for nutrition education and training.

Conference agreement

Makes October 1, 1996 the effective date for reduction in funding authority for nutrition education and training. [Sec. 931(g)]

35. FREE AND REDUCED PRICE POLICY STATEMENT

Present law

[Note: See note under Senate amendment.]

House bill

No comparable provision.

Senate amendment

Provides that, after initial submission, schools may not be required to submit free and reduced-price policy statements for the School Lunch and School Breakfast programs to State education agencies—unless there is a substantive change in the school's policy. Implementation of routine changes (such as the annual adjustment in the income eligibility guidelines) would not be sufficient cause to require submission of a policy statement. [Note: Under current regulations, annual submission of policy statements is required.]

Conference agreement

House recedes. [Sec. 922]

36. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

A. Permitting Offer versus Serve

Present law

No provision. [Note: The "offer versus serve" option is permitted in school meal programs.]

House bill

No comparable provision.

Senate amendment

Allows schools operating summer food service programs to permit children attending a site on school premises to refuse one item of a meal without affecting the Federal reimbursement for the meal.

Conference agreement

House recedes. [Sec. 906(g)]

B. Removing Mandatory Notice to Institutions

Present law

Under the Summer Food Service program, States must submit to the Secretary, by February 15 of each year, a plan and schedule for informing service institutions of the availability of the program. [Sec. 13(n) of the National School Lunch Act]

House bill

No comparable provision.

Senate amendment

Prohibits the Secretary from requiring States to submit their plans and schedules for informing institutions of the availability of the Summer Food Service program.

Conference agreement

House recedes. [Sec. 906(k)]

37. CHILD AND ADULT CARE FOOD PROGRAM

A. Payments to Sponsor Employees

Present law

No provision.

House bill

No comparable provision.

Senate amendment

Bars Child and Adult Care Food program sponsoring organizations with more than one employee from basing payments to employees on the number of family/group day care homes recruited.

Conference agreement

House recedes. [Sec. 908(b)]

B. Improved Targeting of Day Care Home Reimbursements

Present law

Federal reimbursement rates for meals and supplements served in family/group day care homes are standard for all homes, established separately from those for day care centers, not differentiated by the participating children's family income (as is the case for day car centers), and set approximately half-way between reimbursements for free and reduced-price meals/supplements in day care centers. They are indexed for inflation each July 1 (see item 36B(2)), and for the period July 1995–June 1996, they are: $1.5375 for all lunches/suppers, 84.5 cents for all breakfasts, and 45.75 cents for all supplements. Family/group day care home sponsors also receive separate administrative cost reimbursements based on the number of homes sponsored. [Sec. 17(f) of the National School Lunch Act]

Meal and supplement reimbursements for family/group day care homes are indexed annually to reflect changes in the Consumer Price Index for food away from home and rounded to the nearest ¼ cent. [Sec. 17(f) of the National School Lunch Act]

House bill

No comparable provisions.

Senate amendment

Restructures reimbursements for meals and supplements served in family/group day care homes. In general, homes would be divided into two "tiers," one of which would receive current-law reimbursements (with indexing adjustments, see item 37B(2) for changes in inflation indexing rules) and the other which would receive lower reimbursements as set out under the Senate amendment. [Note: Separate payments to sponsors based on the number of homes sponsored are not changed, and current rules barring certain documents requirements and reimbursements for meals/supplements served to providers' children are retained.]

Tier I homes would be paid the meal/supplement reimbursements for family/group homes in effect on the date of enactment, adjusted on August 1, 1996, and each July 1 thereafter, to reflect inflation for the most recent 12-month period for which data are available.

Tier I homes would be those (1) located in areas, as defined by the Secretary based on Census data, in which at least half of the children are members of households with income below 185 percent of the Federal poverty income guidelines, (2) located in an area served by a school enrolling elementary students in which at least 50 percent of those enrolled are certified eligible for free or reduced-price school meals (i.e., have family income below 185 percent of the Federal poverty guidelines), or (3) operated by a provider whose family income is verified by its sponsoring organization to be below 185 percent of the poverty guidelines.

In general, tier II homes would be paid reimbursements of $1 for each lunch/supper, 30 cents for each breakfast, and 15 cents for each supplement (all substantially below tier I rates), adjusted on July 1, 1997, and each July 1 thereafter, to reflect inflation for the most recent 12-month period for which data are available.

Tier II homes would be homes that do not meet the tier I low-income area/provider standards.

Tier II homes could, at their option, claim higher tier I reimbursement rates under certain conditions: Tier II homes could elect to receive tier I reimbursements for meals/supplements served to children in households with income below 185 percent of the poverty guidelines, if the sponsoring organization collects the necessary income information and makes the appropriate eligibility determinations (in accordance with the Secretary's rules). Tier II homes also could receive tier I reimbursements for children in

or subsidized under (or children of parents in or subsidized under) federally or State supported child care or other benefit programs with an income limit that does not exceed 185 percent of the poverty guidelines, and could restrict their claim for tier I reimbursements to these children if they opt not to have income statements collected from parents/caretakers.

The Secretary would be required to prescribe "simplified" meal counting/reporting procedures for use by tier II homes (and their sponsors) that elect to claim tier I reimbursements for children meeting the income or program participation requirements noted above. These procedures could include: (1) setting an annual percentage of meals/supplements to be reimbursed at tier I rates based on the family income of children enrolled during a specific month or other period, (2) placing a home in a reimbursement category based on the percentage of children with household income below 185 percent of poverty, or (3) other procedures determined by the Secretary.

The Secretary also would be permitted to establish minimum requirements for verifying income and program participation for children in tier II homes opting to claim tier I reimbursement rates.

Requires that reimbursements for family/group day care homes be indexed annually to reflect changes in the Consumer Price Index for food at home, based on the unrounded rates for the preceding 12-month period, and then rounded down to the nearest lower cent.

Requires the Secretary to reserve, from amounts available for the Child and Adult Care Food program in fiscal year 1996, $5 million—to provide grants for (1) training, materials, computer and other assistance to sponsoring organization staff and (2) training and other aid to family/group day care homes in implementing the new reimbursement-rate structure directed by the Senate amendment. The funds would be allocated among the States based on their proportion of participating homes, with a minimum of $30,000 as a State's base funding share, and State would not be allowed to retain more than 30 percent of their grant at the State level (passing the remainder to sponsors and providers).

Requires (1) the Secretary to provide State agencies with Census data necessary for determining homes' tier I status and (2) State agencies to provide the data to day care home sponsoring organizations.

Requires State agencies administering school meal programs to provide approved day care home sponsoring organizations a list of schools serving elementary school children in which at least half those enrolled are certified to receive free or reduced-price meals (one test for an area eligible for tier I reimbursements). The data for the list must be collected annually and provided on a timely basis to any requesting approved sponsoring organization.

Provides that, in determining homes' tier I status, State agencies and sponsoring organizations must use the most current data available.

Provides that a determination that a home is located in an area that qualifies it as a tier I home be in effect for three years, unless the State agency determined the area no longer qualifies the home. In the case of a determination made in on the basis of Census data, the determination is to be in effect until more recent data are available.

Makes conforming technical amendments recognizing the new structure of family/group day care home reimbursement rates.

Conference agreement

House recedes with an amendment accepting Senate provisions and establishing new lower reimbursement rates for tier II homes for meals and supplements as follows: $.90 for each lunch and supper; $.25 for each breakfast; and $.10 for supplements. [Sec. 908(e)]

C. Disallowing Meal Claims

Present law

No specific provision.

House bill

No comparable provision.

Senate amendment

Makes clear that States and sponsoring organizations may recoup reimbursements to day care home providers for improperly claimed meals/supplements.

Conference agreement

Senate recedes with an amendment that deletes advance payments to sponsors. [Sec. 908(f)]

D. Elimination of State Paperwork and Outreach Burden

Present law

Provisions of the National School Lunch Act require (1) States to take affirmative action to expand availability of the Child and Adult Care Food program's benefits (including annual notification of all nonparticipating family/group day care home providers), (2) the Secretary to conduct demonstration projects to test approaches to removing or reducing barriers to participation by homes that operate in low-income areas or primarily serve low-income children, (3) the Secretary and States to provide training and technical assistance to sponsoring organizations in reaching low-income children, and (4) the Secretary to instruct States to provide information/training about child health and development through sponsoring organizations. [Sec 17(k) of the National School Lunch Act]

House bill

No comparable provision.

Senate amendment

Repeals existing "outreach" requirements noted under present law and requires that (1) States provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the Child and Adult Care Food Program and (2) the Secretary assist States in carrying out this obligation.

Conference agreement

House recedes. [Sec. 908(h)]

E. Study of Impact of Amendments on Program Participation and Family Day Care Licensing.

Present law

No provision.

House bill

No comparable provision.

Senate amendment

Not later than two years after the date of enactment, requires the Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, to study the impact of the revisions to the Child and Adult Care Food program under the Senate amendment on:

(1) the number of participating family day care homes, day care home sponsoring organizations, and day care homes that are licensed, certified, registered, or approved by each State;

(2) the rate of growth in the number of participating homes, sponsors, and licensed, certified, registered, or approved homes;

(3) the nutritional adequacy/quality of meals served in family day care homes that no longer receive reimbursements or no longer receive "full" reimbursements: and

(4) the proportion of low-income children participating in the program. (p. 377)

Requires each State agency to submit data on (1) the number of participating family day care homes on July 31, 1996, and July 31, 1997, (2) the number of licensed, certified, registered, or approved family day care homes on July 31, 1996, and July 31, 1997, and (3) other matters needed to carry out the study as required by the Secretary.

Conference agreement

House recedes. [Sec. 908(n)]

F. Effective Date and Regulations

Present law

Not applicable.

House bill

No comparable provisions.

Senate amendment

Establishes the effective date for changes in the family/group day care home reimbursement structure—August 1, 1996. Other changes affecting the Child and Adult Care Food program would be effective on enactment (e.g., grants to assist in implementation of the changes, limits on payments to sponsors' employees).

Requires that, by February 1, 1996, the Secretary issue interim regulations to implement (1) the changes in the family/group day care home reimbursement structure and (2) existing provisions of law for the use of sponsoring organizations' administrative expense payments for startup/expansion and outreach and recruitment activities. Final regulations would be required by August 1, 1996.

Conference agreement

House recedes. [Sec. 908(m)]

38. REDUCING REQUIRED REPORTS TO STATE AGENCIES AND SCHOOLS

Present law

Not applicable.

House bill

No comparable provisions.

Senate amendment

Directs the Secretary to review all existing reporting requirements placed on local providers (e.g., schools) under the National School Lunch and Child Nutrition Acts and notify the appropriate committees of Congress of those requirements that are mandated by law, with recommendations as to whether any should be eliminated because their contribution to program effectiveness is not sufficient to warrant the paperwork burden imposed. The Secretary also would be required to provide justification for those reporting requirements established solely by regulation. The review and report would be due no later than one year after enactment.

Conference agreement

House recedes.

39. CATEGORICAL ELIGIBILITY

Present law

In general, children are categorically income eligible for child nutrition programs, and women, infants, and children for the WIC program, if they are recipients of AFDC benefits. [Sec. 9(b) of the National School Lunch Act and Sec. 17(d) of the Child Nutrition Act]

House bill

No comparable provisions.

Senate amendment

Amends the National School Lunch and Child Nutrition Acts to (1) technically conform citations to the new family assistance

block grant (rather than the AFDC program) and (2) make categorically eligible for child nutrition and WIC programs only those recipients in family assistance block grant programs that comply with standards established by the Secretary of Agriculture to ensure that a State's family assistance block grant program standards are comparable to or more restrictive than those in effect for the AFDC program on June 1, 1995.

Conference agreement

House recedes. [Sec. 109]

TITLE X. FOOD STAMPS AND COMMODITY DISTRIBUTION

Food Stamp Reform

1. DECLARATION OF POLICY

Present law

The Food Stamp Act's declared policy is to safeguard the health and well-being of the Nation's population by raising levels of nutrition among low-income households. To alleviate hunger and malnutrition among low-income households with limited food purchasing power, the Act authorizes the food stamp program to permit low-income households to obtain a more nutritious diet through normal channels of trade by increasing the food purchasing power of all eligible households who apply. [Sec. 2]

House bill

No comparable provision.

Senate amendment

Adds to the existing Food Stamp Act declaration of policy a statement that Congress intends that the food stamp program support the employment focus and family strengthening mission of public welfare and welfare replacement programs by facilitating transition to economic self-sufficiency through work, promoting employment as the primary means of income support and reducing barriers to employment, and maintaining and strengthening healthy family functioning and family life.

Conference agreement

The Conference agreement follows the House bill.

2. SHORT TITLE

Present law

No provision.

House bill

Cites this subtitle as "The Food Stamp Simplification and Reform Act of 1995."

Senate amendment

No comparable provision.

Conference agreement

The Conference agreement follows the House bill.

3. ESTABLISHMENT OF SIMPLIFIED FOOD STAMP PROGRAM

Present law

The Secretary is directed to establish uniform national standards of eligibility for food stamps (with certain variations allowed for Alaska, Hawaii, Guam, the Virgin Islands, and certain administrative rules). States may not impose any other standards of eligibility as a condition for participation in the program. [Sec. 5(b)]

House bill

Permits States to operate a "simplified food stamp program," either statewide or in any political subdivision. Under this program, households receiving regular cash benefits under the Temporary Assistance for Needy Families (TANF) block grant established by title I of the Personal Responsibility Act (replacing the current Aid to Families with Dependent Children (AFDC) program) could be provided food stamp benefits using the rules and procedures established by the State for its TANF block grant program, as an alternative to using regular food stamp rules.

Senate amendment

Explicitly permits non-uniform standards of eligibility. [Note: Also see item 38]

Conference agreement

The Conference agreement follows the Senate amendment.

4. SIMPLIFIED FOOD STAMP PROGRAM

A. Basic State Option

Present law

Households composed entirely of AFDC recipients are automatically eligible for food stamps, with few exceptions (e.g., aliens who do not meet the Food Stamp program's more stringent rules barring illegal aliens). [Sec. 5(a)]

As with other households, food stamp benefits for AFDC households are determined under Food Stamp program rules governing counting of income, expense deductions, and procedural requirements.

House bill

[Note: Sec. 542(a) of the House bill adds a new section 24 to the Food Stamp Act containing rules for the Simplified Food Stamp Program.]

If a State elects to exercise its option to use its TANF block grant rules and procedures for food stamp benefits, requires that (1) households in which all members receive regular cash benefits under a TANF block grant program be automatically eligible for food stamps and (2) food stamp benefits for them be determined under rules and procedures established by the State or locality under the State's TANF block grant program or the regular food stamp program.

Senate amendment

[Note: Sec. 342(a) of the Senate amendment adds a new section 24 to the Food Stamp Act containing rules for the Simplified Food Stamp Program]

Permits a State to exercise an option to use rules and procedures established for its family assistance block grant (under title I of the Senate amendment) to determine food stamp benefits for households in which all members receive family assistance block grant aid: (1) households in which all members receive aid under a family assistance block grant program would be automatically eligible for food stamps; and (2) their food stamp benefits could be determined by using rules and procedures established by the State for its family assistance block grant program, regular food stamp program rules and procedures, or a combination of the two. States also would be allowed to apply a single "shelter standard" to households that receive a housing subsidy and another to households that do not.

Conference agreement

The Conference agreement follows the Senate amendment with an amendment deleting the specific reference to use of a single shelter standard.

B. Federal Cost Control

Present law

No comparable provisions.

House bill

Requires that, when approving a State's plan to exercise its option for a simplified food stamp program, the Secretary certify that the average per-household food stamp benefit received by participating TANF households is not expected to exceed the average food stamp benefit level for AFDC or TANF recipients in the preceding fiscal year—adjusted for any changes in the "Thrifty Food Plan" (the basis for food stamp benefit levels). The Secretary also is required to compute the "permissible" average per-household benefit for each State or locality exercising the simplified program option.

Requires that, if average food stamp benefits under the simplified program exceed the permissible level (the Thrifty-Food-Plan-adjusted prior year amount), the State must pay the Federal Government the benefit cost of the excess within 90 days of notification.

Senate amendment

Provides that a State may not operate a simplified food stamp program unless it has an approved plan and requires the Secretary to approve any State plan if the Secretary determines it complies with the provisions of law governing the simplified food stamp program option and would not increase Federal costs under the Food Stamp Act. Federal costs for this purpose are defined to exclude research, demonstration, and evaluation costs.

Requires the Secretary to determine whether a State's simplified food stamp program is increasing Federal costs under the Food Stamp Act. In making the determination, the Secretary (1) could not require States to collect or report any information on households not included in the simplified food stamp program and (2) could approve State requests to use alternative accounting periods. If the Secretary determines that a simplified food stamp program has increased Federal costs, the State must be notified by January 1 of the succeeding fiscal year.

If the Secretary determines that a simplified program has increased Federal costs for a two-year period, the State must pay the Federal Government the amount of any increased costs within 90 days of the determination (or have amounts due it for administrative costs reduced).

Conference agreement

The Conference agreement follows the Senate amendment with an amendment. The Secretary must, for each fiscal year, determine whether a simplified program is increasing Federal costs above those incurred under the food stamp program in the fiscal year prior to implementation of the simplified program, adjusted for changes in participation, the non-public-assistance income of participants, and the cost of the Thrifty Food Plan. The Secretary must notify the State of a determination of increased Federal costs, and the State must submit for approval a corrective action plan designed to prevent increased Federal costs. If a State fails to submit a plan or carry out an approved plan, the Secretary must terminate approval of the State's simplified program, and the State is ineligible for future participation under simplified program rules.

C. Disqualification

Present law

Households penalized for an intentional failure to comply with a Federal, State, or local welfare program may not, for the duration of the penalty, receive an increased food stamp allotment because their welfare income has been reduced. [Sec. 8(d)]

[Note: This has been interpreted by regulation to apply only to reductions in welfare income due to repayment of overpayments resulting from a welfare violation, although a revision of the regulation is scheduled.]

House bill

Provides that (1) households receiving food stamps under the simplified program option who are sanctioned (disqualified or have their benefits reduced) under a State's TANF program may have the same penalty applied for food stamp purposes and (2) food stamp benefits to households participating under the simplified program option may not be increased as the result of a reduction in their TANF benefits caused by a sanction. Any household disqualified from food stamps as the result of a TANF program sanctions would be eligible to apply for food stamps (as a new applicant) after the disqualification period has expired.

Senate amendment

[Note: See items 10 and 43.]

Conference agreement

The Conference agreement follows the Senate amendment.

D. Extending Rules to "Mixed" Households

Present law

No comparable provisions.

House bill

Allows States the further option of applying their TANF rules and procedures to food stamp households in which some, but not all, members receive TANF benefits. These households would not be automatically eligible for food stamps (they would have to meet normal food stamp eligibility rules), but their benefits could be determined under the State's TANF rules and procedures, so long as the Secretary ensures that the State's plan provides for an "equitable" distribution of benefits among all household members.

Senate amendment

No comparable provisions.

Conference agreement

The Conference agreement follows the Senate amendment. The conferees encourage the Secretary to work with States to test methods for applying a single set of rules and procedures to households in which some, but not all, members receive cash welfare benefits under State rules.

E. Cash Assistance

Present law

No comparable provisions.

House bill

Allows States exercising the simplified program option to pay food stamp benefits in cash to some participating households. Cash benefits could be paid to households with 3 or more consecutive months' earned income of at least $350 a month from a private sector employer.

Provides that: (1) cash assistance in lieu of food stamps be considered the food stamp benefit of the earner's household, (2) the value of food stamp benefits provided in cash be treated as food stamp coupons for taxation and other purposes (i.e., disregarded), and (3) the State opting for cash payments increase the payments (at State expense) to offset the effect of any food sales taxes, unless the Secretary determines it unnecessary because of the limited nature of items taxed (sales taxes on food purchases with food stamp benefits are barred by existing law).

Requires States electing the cash benefit option to submit a written evaluation the effect of cash assistance after 2 years' operation.

Senate amendment

[Note: See item 55.]

Conference agreement

The Conference agreement follows the Senate amendment.

F. Federal Food Stamp Rules

Present law

The Federal Government shares 50% of any State food stamp administrative costs (except that certain States with very low rates of erroneous benefit and eligibility determinations can receive up to 60%). States also may retain certain proportions of any overissued benefits they recoup. Special Federal cost-sharing rules apply in the case of employment and training programs for food stamp recipients. States are subject to a quality control system under which the extent of erroneous benefit and eligibility decisions is measures. Those with high rates of erroneous benefit and eligibility decisions are subject to fiscal sanctions. [Sec. 16]

House bill

Requires States exercising the simplified program option to, at a minimum, comply with certain rules mandated under the Food Stamp Act:

(1) requirements governing issuance procedures for food stamp benefits;

(2) the requirement that benefits be calculated by subtracting 30% of a household's income (as determined by state-established, not Federal, rules under the simplified program option) from the maximum food stamp benefit;

(3) the bar against counting food stamp benefits as income or resources in other programs;

(4) the requirements that State agencies assume responsibility for eligibility certification and issuance of benefits and keep records for inspection and audit;

(5) the bar against discrimination by reason of race, sex, religious creed, national origin, or political beliefs;

(6) requirements related to submission and approval of plans of operation and administration of the food stamp program on Indian reservations;

(7) limits on the use and disclosure of information about food stamp households;

(8) requirements for notice to and fair hearings for aggrieved households (or comparable requirements established by the State under its TANF program;)

(9) requirements for submission of reports and other information required by the Secretary;

(10) the requirement to report illegal aliens to the Immigration and Naturalization Service;

(11) requirements for use of certain Federal and State data sources in verifying recipients' eligibility;

(12) requirements to take measures to ensure that households are not receiving duplicate benefits; and

(13) requirements for the provision of social security numbers as a condition of eligibility and for their use by State agencies.

States electing the simplified program option would be subject to normal food stamp program cost-sharing rules.

States electing the simplified option would be subject to the food stamp quality control system (including fiscal sanctions).

Senate amendment

Permits States exercising the option for a simplified food stamp program to apply rules and procedures under their family assistance block grant, the rules/procedures of the regular food stamp program, or the rules/procedures of one program to certain matters and those of the other in remaining matters. Permits States to standardize food stamp expense "deductions," but, in doing so, States would be required to give consideration to the work expenses, dependent car costs, and shelter costs of participating households.

Otherwise, the Senate amendment is the same as the House bill, except that it also would (1) require that States follow the revised rule in the Senate amendment (see item 43) as to not increasing food stamp benefits when other public assistance benefits are decreased (see item 4C in the House bill), (2) require that eligible households be certified and receive benefits not later than 30 days after application (as now required under the regular food stamp program), and (3) require that States issue "expedited" benefits to very low-income households (as required under the regular food stamp program).

Conference agreement

The Conference agreement follows the House bill with an amendment (1) allowing States to standardize deductions and (2) requiring States to follow the revised rule in the Senate amendment as to not increasing food stamp benefits when other public assistance benefits are decreased.

G. State Plans

Present law

No comparable provision.

House bill

Requires that State plans for those States electing to exercise the simplified program option include the rules and procedures to be followed in determining benefits under the option, whether the program will include households in which not all members receive TANF grant benefits, and the method by which the State or political subdivision participating in the simplified program will carry out its quality control obligations.

Senate amendment

Requires that State plans for those States electing to exercise the simplified program option include the rules and procedures to be followed in determining benefits under the option, how the States will address the needs of households with high shelter costs, and a description of the method by which the State will carry out its quality control obligations.

Conference agreement

The Conference agreement follows the Senate amendment.

5. CONFORMING AMENDMENTS: SIMPLIFIED FOOD STAMP PROGRAM

Present law

Allows the Secretary to operate pilot projects similar to the simplified food stamp program State option proposed in the House bill. [Sec. 8(e) and Sec. 17(i)]

House bill

Deletes provisions for pilot projects similar to the simplified food stamp program State option.

Senate amendment

Same as the House bill.

Conference agreement

The Conference agreement follows the House bill with an amendment to add necessary conforming amendments.

6. THRIFTY FOOD PLAN

Present law

Maximum monthly food stamp benefits are defined as 103% of the cost of the Agriculture Department's "Thrifty Food Plan," adjusted for food-price inflation each October according to the plan's cost in the immediately preceding June and rounded down to the nearest dollar by household size. [Sec. 3(o)]

House bill

Provides that current maximum monthly food stamp benefits (103% of the cost of the Thrifty Food Plan in June 1994) be increased

by 2% a year, beginning with the October 1995 adjustment, and rounded down to the nearest dollar by household size.

Senate amendment

Sets maximum monthly food stamp benefits at 100% of the cost of the Thrifty Food Plan, effective October 1, 1995, adjusted annually, as under existing law and rounded down to the nearest dollar by household size. Requires that the October 1, 1995, adjustment not reduce maximum benefit levels.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment making it effective October 1, 1996.

7. INCOME DEDUCTIONS AND ENERGY ASSISTANCE

A. Energy Assistance

Present law

Payments or allowances for energy assistance provided by State or local law are, under rules set by the Secretary, disregarded ("excluded") as income. [Sec. 5(d)(11) and 5(k)]

Payments or allowances for weatherization assistance are disregarded as energy assistance. [Sec. 5(d)(11) and 5(k)] [Note: Weatherization payments could otherwise be disregarded as lump-sum payments, vendor payments, or reimbursements.]

Federal Low-Income House Energy Assistance Program (LIHEAP) benefits are disregarded as income. [Sec. 5(d)(11) and 5(k) of the Food Stamp Act and sec. 2605(f) of the Low-Income Home Energy Assistance Act]

Certain utility allowances under Department of Housing and Urban Development (HUD) programs are disregarded. [Sec. 5(d)(11) and 5(k)]

Shelter expense deductions may be claimed for utility costs covered by LIHEAP benefits, but not in the case of other disregarded energy assistance unless the household has additional out-of-pocket expenses. [Sec. 5(e) of the Food Stamp Act and Sec. 2605(f) of the Low-Income Home Energy Assistance Act]

House bill

Requires that State/local energy assistance be counted as income.

Continues to disregard as income payments or allowances for weatherization assistance under a Federal energy assistance program. Other weatherization assistance could be disregarded as lump-sum payments, vendor payments, or reimbursements.

Bars claiming shelter expense deductions for utility costs covered either directly or indirectly by the LIHEAP and other disregarded energy assistance.

Senate amendment

Requires that State/local energy assistance be counted as income.

Requires an income disregard for one-time payments/allowances under a Federal or State law for the costs of weatherization or emergency repair/replacement of unsafe/inoperative furnaces or other heating/cooling devices.

Counts Federal LIHEAP benefits as income.

Counts HUD utility allowances as income.

Allows claiming shelter expense deductions for utility costs covered directly or indirectly by the LIHEAP and other counted energy assistance.

Conference agreement

The Conference agreement follows the Senate amendment.

B. Standard Deductions

Present law

For purposes of determining food stamp benefits and eligibility, applicant/recipient households may claim standard deductions from their otherwise countable income. Standard deductions are indexed annually (each October 1) for inflation based on the Consumer Price Index for items other than food and rounded down to the nearest dollar. For FY1995, standard deductions are set at: $134 a month for the 48 States and the District of Columbia, $229 for Alaska, $189 for Hawaii, $269 for Guam, and $118 for the Virgin Islands. For FY1996, they were "scheduled" to rise to: $138, $236, $195, $277, and $122, respectively, but this was barred by the FY1996 agriculture appropriations act. (Sec. 5(e)]

House bill

Sets standard deductions at their FY1995 levels, effective October 1, 1995

Senate amendment

Reduces standard deductions:

(1) for FY1996, they would be $132, $225, $186, $265, and $116; and

(2) for FY1997–2002, they would be $124, $211, $174, $248, and $109.

Inflation indexing of standard deductions would resume October 1, 2002 (using existing indexing rules).

Conference agreement

The Conference agreement follows the House bill and continues to set standard deductions at their FY1995 levels.

C. Earned Income Deduction

Present law

Households may claim a deduction for 20% of any earned income. This deduction is not allowed with respect to any income that a household willfully or fraudulently fails to report in a timely manner (as proven in a fraud hearing proceeding)—i.e., it is not allowed when determining the amount of a benefit overissuance. [Sec. 5(e)]

House bill

Denies an earned income deduction for the food stamp benefit portion of income earned under a work supplementation/support program. [Note: See item 15.]

Senate amendment

Disallows an earned income deduction for any income not reported in a timely manner—i.e., the deduction would not be allowed in determining the amount of any overissued benefits.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment denying an earned income deduction for the public assistance portion of income earned under a work supplementation/support program.

D. Excess Shelter Expense Deduction

Present law

For purposes of determining food stamp benefits and eligibility, applicant/recipient households may claim excess shelter expense deductions from their otherwise countable income—in the amount of any shelter expenses (including utility costs) above 50% of their countable income after all other deductions have been applied. For households with elderly or disabled members, these deductions are unlimited. For other households, they are limited by law through December 1996; limits are lifted as of January 1, 1997. For FY1995, excess shelter expense deductions were capped at: $231 a month for the 48 States and the District of Columbia, $402 for Alaska, $330 for Hawaii, $280 for Guam, and $171 for the Virgin Islands. For October 1995 through December 1996, the caps rose to $247, $248, $353, $300, and $182, respectively. [Sec. 5(e)]

States may use "standard utility allowances" (as approved by the Secretary) in calculating households' shelter expenses. However, households may claim actual expenses instead of the allowance and may switch between an actual expense claim and the standard allowance at the end of any certification period and one additional time during any 12-month period. [Sec. 5(e)]

House bill

Sets the limits on excess shelter expense deductions at FY1995 levels.

Senate amendment

Permits States to make the use of standard utility allowances mandatory for all households if (1) the State has developed separate standards that include the cost of heating and cooling and do not include these costs and (2) the Secretary finds that the standards will not result in increased Federal costs.

Removes the option for households to switch between a standard utility allowance and actual costs once during every 12-month period.

Conference agreement

The Conference agreement follows the Senate amendment with an amendment that establishes excess shelter expense deduction limits at the October 1995/December 1996 levels.

E. Homeless Shelter Deduction

Present law

For homeless households not receiving free shelter throughout the month, States may develop a homeless shelter expenses estimate (a standard amount) to be used in calculating an excess shelter expense deduction. States must use this amount unless the household verifies higher expenses. The Secretary may prohibit the use of the deduction for households with extremely low shelter costs. The amounts is inflation indexed, and, for FY 1995, it is limited to $139 a month; effective October 1, 1995, it is scheduled to rise to $143. [Sec. 11(e)(3)]

House bill

Sets the homeless shelter deduction at the FY 1995 $139 a month amount and requires that it be used in establishig homeless households' excess shelter expense deductions when they do not receive free shelter throughout the month.

Senate amendment

Same as the House bill, except that States may prohibit the use of the deduction for households with extremely low shelter costs.

Conference agreement

The Conference agreement follows the Senate amendment.

8. VEHICLE ALLOWANCE

A. Threshold for Counting a Vehicle's Value

Present law

In determining a household's liquid assets for food stamp eligibility purposes, a vehicle's fair market value in excess of $4,550 is counted. This threshold rose to $4,600 in October 1995 and is scheduled to be annually indexed for inflation beginning in fiscal year 1997. [Sec. 5(g)(2)] [Note: Eligible households may have liquid assets of no more than $2,000 ($3,000 for households with elderly members).]

House bill

Sets the threshold above which the fair market value of a vehicle is counted as an assets at $4,550.

Senate amendment

Eliminates the October 1, 1995, increase in the increase in the threshold to $4,600 and

reqires that the $4,550 threshold begin to be inflation adjusted on October 1, 1996.

Conference agreement

The Conference agreement follows the House bill, with an amendment setting the threshold at $4,600.

B. Vehicles Carrying Fuel or Water

Present law

In determining a household's liquid assets for food stamp eligibility purposes, the value of a vehicle that the household depends on to carry fuel for heating or water for home use is excluded. [Sec. 5(g)(2)

House bill

Deletes the asset exclusion for vehicles used to carry fuel or water.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment.

9. WORK REQUIREMENTS

Non-exempt recipients between 16 and 60 are ineligible for food stamps if they refuse to register for employment, refuse to participate in an employment/training program when required to do so by the State, or refuse a job offer meeting minimum standards. [Sec. 6(d)]

Exempt individuals are: (1) those who are not physically or mentally fit, (2) those subject to and complying with a work/training requirement under the AFDC program or the unemployment compensation system (although failure to comply with an AFDC/unemployment system requirement is treated as a failure to comply with food stamp rules, if the requirement is "comparable"), (3) parents and other household members with the responsibility for care of a dependent child under age 6 or an incapacitated person, (4) postsecondary students enrolled at least half-time (separate rules bar eligibility for most postsecondary students who are not working or do not have dependents), (5) regular participants in drug addiction or alcoholic treatment programs, (6) persons employed at least 30 hours a week or receiving the minimum wage equivalent, and (7) persons between 16 and 18 who are not head of household and are in school at least half time. [Sec. 6(d) (1) and (2)]

In addition, if a non-exempt head of household fails to comply with one of the above-noted requirements or voluntarily quits a job without good cause, or if any non-exempt household member is on strike, the entire household is ineligible for food stamps. [Sec. 6(d) (1) & (3)]

A. Job Search

Present law

As noted above, non-exempt individuals refusing to participate in an employment/training program when required to do so by the State are ineligible for food stamps (if they are head of household, the entire household is ineligible). State-designed employment and training programs may include a requirement to perform job search activities. [Sec. 6(d) (1) & (2)]

House bill

Makes ineligible non-exempt individuals (and their households if they are head of household) who refuse to participate in a State-established job search program. [Note: Able-bodied non-elderly adults without dependents would be subject to new work requirements, see below.]

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

B. Comparable Work Requirements

Present law

As noted above, individuals are exempt from food stamp employment/training requirements if they are subject to and complying with an AFDC or unemployment compensation work/training requirement, and failure to comply with such an AFDC or unemployment compensation requirement is treated as failure to comply with food stamp employment/training requirements, if the requirement is "comparable." [Sec. 6(d)(2)]

House bill

Requires that failure to comply with an TANF or unemployment compensation system work/training requirement be treated as failure to comply with a food stamp employment/training requirement, whether or not the requirement is "comparable."

Senate amendment

Same as the House bill.

Conference agreement

The Conference agreement follows the House bill.

C. New Work Requirement

Present law

As noted above, non-exempt individuals are ineligible for food stamps if they refuse to participate in an employment/training program when required to do so by the State. [Sec. 6(d)(1)]

House bill

Deletes provisions of law barring eligibility to those refusing to participate in State-established employment/training programs.

In their place, adds a new work requirement: non-exempt recipients (see below) would be disqualified if they are not employed a minimum of 20 hours a week or are not participating in the work program newly established under the House bill (see below) within 90 days of certification of eligibility.

Allows individuals who have been disqualified under the new work requirement to reestablish food stamp eligibility if they become exempt (under the rules noted immediately below), become employed at least 20 hours a week during any consecutive 30-day period, or participate in a work program (see below).

Exempt from the new requirement would be: (1) those under 18 or over 50, (2) those medically certified as physically or mentally unfit for employment, (3) parents or other household members responsible for the care of a dependent child, and (4) those who are otherwise exempt from work registration and job search rules (see present law description above).

Upon a State's request, allows the Secretary to waive application of the new work requirement for some or all individuals in all or part of a State if the Secretary determines that the area (1) has an unemployment rate over 10% or (2) does not have sufficient jobs to provide employment for those subject to the new requirement. The Secretary would be required to report to the Agriculture Committees the basis for any waiver based on lack of sufficient jobs.

Senate amendment

Adds a new work requirement: non-exempt persons (see below) would be ineligible if, during the preceding 12-month period, they received food stamps for 6 months or more while not working 20 hours or more a week (averaged monthly) or participating in and complying with a work/training program (see *note* regarding exemptions below) for at least 20 hours a week.

Exempt from the new requirement would be: (1) those under 18 or over 50, (2) those certified by a physician as physically or mentally unfit for employment, (3) parents or other household members responsible for the care of a dependent, (4) those participating a minimum of 20 hours a week in (and complying with the requirements of) a Job Training partnership Act (JTPA) program, a Trade Adjustment Assistance Act training program, or a State or local government employment or training program meeting Governor-approved standards, and (5) those otherwise exempt from work registration and job search rules (see present law description above.) [Note: The new work requirement could be met by those participating in and complying with (for 20 hours a week or more) a JTPA program, a Trade Adjustment Assistance training program, or a State/local employment or training program meeting Governor-approved standards (including a food stamp program employment/training activity other than job search or job search training).]

As in the House bill, waivers are allowed, except that the unemployment rate threshold is 8% and the Secretary must report the basis for *any* waiver.

Provides for a transition to the new work requirement. Prior to October 1, 1996, administrators would not "look back" a full 12 months in determining whether a recipient had been receiving food stamps and not meeting the new requirement; they would look back only to October 1, 1995.

Conference agreement

The Conference agreement follows the House bill, with an amendment. Non-exempt persons (see below) are ineligible if, during the preceding 12-month period, they received food stamps for 4 months or more while not working 20 hours or more a week (averaged monthly), participating in and complying with a work program (see below) for at least 20 hours a week, or participating in a workfare program.

Exempt from the new requirement are: (1) those under 18 or over 50, (2) those medically certified as physically or mentally unfit for employment, (3) parents or other household members responsible for the care of a dependent child, (4) those otherwise exempt from work registration or job search rules (e.g., those caring for incapacitated persons), and (5) pregnant women.

Work programs allowing an exemption are programs under the JTPA or the Trade Adjustment Assistance Act, or employment/training programs operated or supervised by a State or locality meeting standards approved by the Governor (including a food stamp employment/training program)—except for job search or job search training programs.

Waiver reports are required for any waiver based on unemployment rates (over 10%) or lack of sufficient jobs.

The disqualification imposed by the new work requirement ceases to apply if, during a 30-day period, an individual works 80 hours or more, participates in and complies with a work program for at least 80 hours, or participates in a workfare program. In the subsequent 12-month period, an individual is eligible for food stamps for up to 4 months while not working for at least 20 hours a week, participating in a work program for at least 20 hours a week, or participating in a workfare program.

As in the Senate amendment, a transition to the new work requirement is provided.

D. Disqualification

Present law

[Note: See present law description above. In addition, disqualification periods for failure to fulfill work requirements are (1) 2 months or until compliance (whichever is first) for most failures and (2) 90 days in case of a voluntary quit.]

House bill

No comparable provisions. [Note: The House bill creates new disqualification penalties for those covered by its new work requirement.]

Senate amendment

Rewrites and adds to rules governing disqualification for violation of work and employment/training requirements (other than those for the new work requirement noted above).

In addition to existing provisions for disqualification (e.g., job refusal, failure to participate in an employment/training program), makes ineligible (1) individuals who refuse without good cause to provide sufficient information to allow a determination of their employment status or job availability, (2) all individuals (in addition to heads of household) who voluntarily and without good cause quit a job, and (3) individuals who voluntarily and without good cause reduce their work effort (and, after the reduction, are working less than 30 hours a week).

Establishes a new household ineligibility rule: if any individual who is head of household is disqualified under a work rule, the entire household would, at State option, be ineligible for the lesser of the duration of the individual's ineligibility or 180 days—as determined by the State.

Establishes new mandatory minimum work-rule disqualification periods for individuals. For the first violation, individuals would be ineligible until the later of the date they fulfill work rules, for 1 month, or a period (determined by the State) not to exceed 3 months. For the second violation, individuals would be ineligible until the later of the date they fulfill work rules, for 3 months, or a period (determined by the State) not to exceed 6 months. For a third or subsequent violation, individuals would be ineligible until the later of the date they fulfill work rules, 6 months, a date determined by the State, or (at State option) permanently. These disqualification period also would apply to those failing to meet workfare requirements

In establishing good cause, voluntary quits, and reduction of work effort, the Secretary would determine the meaning of the terms. States would determine the meaning of other terms and the procedures for making compliance decisions, but could not make a determination that would be less restrictive than a comparable one under the State's family assistance block grant program.

States would be required to include the standards and procedures they use in making work-rule disqualification/compliance decisions in their State plan.

Conference agreement

The Conference agreement follows the Senate amendment

E. Caretaker Exemption

Present law

Parents or other household members with responsibility for the care of a dependent child under age 6 or of an incapacitated person are exempt from food stamp work rules [Sec. 6(d)(2)]

House bill

No provision.

Senate amendment

Permits States to lower the age at which a child "exempts" a parent/caretaker from 6 to not under the age of 1.

Conference agreement

The Conference agreement follows the Senate amendment.

F. Work and Employment/Training Programs

Present law

States must operate employment and training programs for non-exempt food stamp recipients and place at least 15% of those covered in a program component. Exempt are those listed above and those States opt to exempt under Federal rules. Program components can range from job search or education activities to work experience/training and "workfare" assignments. [Sec. 6(d)(4)]

Work experience/training program components must limit assignments to projects serving a useful public purpose, use the prior training/experience of assignees, not provide work that has the effect of replacing others, and provide the same benefits and working conditions provided to other comparable employees. [Sec. 6(d)(4)(B)]

States and political subdivisions also may operate workfare programs under which non-exempt recipients may be required to perform work in return for the minimum wage equivalent of their household's monthly food stamp allotment. In general, those exempt are those listed above (p. 16). [Sec. 20]

Workfare assignments may not have the effect of replacing or preventing the employment of others and must provide the same benefits and working conditions provided to other comparable employees. [Sec. 20(d)]

The total hours of work required of a household under an employment/training program (including workfare) cannot in any month exceed the minimum wage equivalent of the household's monthly food stamp benefit. The total hours of participation in an employment and training program required of any household member cannot in any month exceed 120 hours (when added to other work). And, workfare hours (when added to other work) cannot exceed 30 hours a week for a household member. [Sec. 6(d)(4)(F) and Sec. 20(c)]

Under employment and training programs for food stamp recipients, States must provide or pay for transportation and other costs directly related to participation (up to $25 a month for each participant) and necessary dependent care expenses (in general, up to $175 or $200 a month for each dependent, depending on the dependent's age). Under workfare programs, States must reimburse participants for transportation and other costs directly related to participation (up to $25 a month for each participant). [Sec. 6(d)(4)(I) and Sec. 20 (d)(3)]

House bill

Deletes the requirement for States to operate employment and training programs and current provisions for work experience/training and workfare programs.

Instead, requires the Secretary to permit any State that applies and submits a plan in compliance with the Secretary's guidelines to operate a work program for food stamp recipients subject to the new work requirement (see above) in the State or any political subdivision. A State's work program would require those accepting an offer of a work position in order to maintain food stamp eligibility to perform work on the State or local jurisdiction's behalf, or on behalf of a private nonprofit entity. The Secretary's guidelines would be required to allow States and localities to operate a work program that is consistent and compatible with similar programs they might operate.

Requires that, in order to be approved, a State's work program provide that participants work no more than the minimum wage equivalent of their household's monthly food stamp benefit (i.e., the number of hours equivalent to their household's monthly benefit divided by the minimum wage).

Limits the degree to which a State or locality can assign participants to replace other workers. No State/locality could replace an employed worker with a work program participant, but participants could be placed in (1) new positions, (2) positions that became available during the normal course of business, (3) positions that involve performing work that would otherwise be performed on an overtime basis, or (4) positions that became available by shifting current employees to an alternate position. [Note: States would receive Federal costsharing for work program participant expenses (see below).]

Senate amendment

Revises the existing requirements for State-operated employment/training programs for food stamp recipients:

(1) makes clear the work experience is a purpose of employment/training programs;

(2) requires that each component of an employment/training program be delivered through a "statewide workforce development system," unless the component is not available locally;

(3) expands the existing State option to apply work rules to applicants at application to all work requirements, not only job search;

(4) removes specific rules governing job search components (i.e., tied to those for the AFDC program);

(5) removes provisions for employment/training components related to work experience requiring that they be in public service work and use (to the extent possible) recipients' prior training and experience;

(6) removes specific Federal rules as to States' authority to exempt categories and individuals from employment/training requirements;

(7) removes the requirement to serve volunteers in employment/training programs;

(8) removes the requirement for "conciliation procedures" for resolution of disputes involving participation in an employment or training program;

(9) limits employment/training funding provided by the food stamp program for services to AFDC or family assistance block grant funding recipients to the amount used by the State for AFDC recipients in FY1995; and

(10) removes Federal performance standards on States for employment/training programs for food stamp recipients.

Conference agreement

The Conference agreement follows the Senate amendment.

G. Funding Work and Employment/Training Programs

Present law

To support employment and training programs for food stamp recipients, States receive a formula share of $75 million a year (based partially on their share of food stamp recipients not exempt from work registration and employment/training requirements

and partially on their share of those placed in employment/training program components). Minimum State annual allocations are $50,000.

In addition to its portion of the $75 million annual grant, each State is entitled to (1) 50% of any additional costs incurred, (2) 50% of any transportation or other participant costs paid or incurred up to half of $25 a month for each participant, and (3) 50% of any dependent care costs paid or incurred up to half of certain limits (generally, $175/$200 a month for each dependent, depending on the dependent's age). [Sec. 16(h)]

House bill

To support work programs for food stamp recipients, requires the Secretary to allocate among States and localities operating them $75 million a year, based on their share of recipients subject to the new work requirement (see above). Minimum State allocations would be $50,000.

Requires States to notify the Secretary as to their intention to operate a work program, and requires the Secretary to reallocate unclaimed portions of the $75 million annual grant to other States, as the Secretary deems appropriate and equitable.

Requires that, in addition to its portion of the $75 million annual grant, the Secretary pay each State (1) 50% of any additional costs incurred and (2) 50% of any transportation or other participant costs paid or incurred up to half of $25 a month for each participant.

Allows the Secretary to suspend or cancel some or all payments made to States for the work program, or withdraw approval, on a finding of noncompliance.

Senate amendment

To support employment/training programs for food stamp recipients, requires the Secretary to "reserve for allocation" to States: $77 million for FY1996, $80 million for FY1997, $83 million for FY1998, $86 million for FY1999, $89 million for FY2000, $92 million for FY2001, and $95 million for FY2002. Allocations would be based on a "reasonable formula" (determined by the Secretary) that gives consideration to States' shares of the population affected by the new work requirement (see above). Minimum State allocations would be $50,000.

Requires reallocations as in the House bill.

Continues existing provisions for payments for additional costs, but adds explicit permission for a 50% Federal share of State case management costs.

Conference agreement

The Conference agreement follows the Senate amendment with an amendment. The amounts "reserved for allocation" to states are: $77 million for FY 1996; $79 million for FY 1997; $81 million for FY 1998; $84 million for FY 1999; $86 million for FY 2000; $88 million for FY 2001; and $90 million for FY 2002.

H. Conforming Amendment

Present law

There is authorized a demonstration project similar to the new work requirement in the House bill; it has not been implemented. [Sec. 17(d)]

House bill

Deletes authorization for a demonstration project similar to the new work requirement in the House bill.

Senate amendment

Makes several technical and conforming amendments to employment and training provisions.

Conference agreement

The Conference agreement follows the House bill and makes technical and conforming amendments.

10. COMPARABLE TREATMENT OF DISQUALIFIED INDIVIDUALS

Present law

[Note: See item 4C.]

House bill

Requires that individuals who have been disqualified for noncompliance with requirements under a TANF program not be eligible to participate for food stamps during the disqualification period.

Senate amendment

If an individual is disqualified for failure to perform an action required under a Federal, State, or local welfare/public assistance program, permits States to impose the same disqualification for food stamps.

If a disqualification is imposed under the family assistance block grant, permits States to use the family assistance block grant's rules and procedures to impose the same disqualification for food stamps.

Permits individuals disqualified from food stamps because of failure to perform a required action under another welfare/public assistance program to apply for food stamps as new applicants after the disqualification period has expired—except that a prior disqualification under food stamp work requirements must be considered in determining eligibility.

Requires States to include the guidelines they use in carrying out food stamp disqualification for failure to perform a required action in another welfare/public assistance program in their State plans.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment changing references to welfare or public assistance programs to references to needs-tested public assistance programs.

11. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS

A. Regulation E

Present law

The Federal Reserve Board has ruled that, as of March 1997 and with some minor modifications, its "Regulation E" will apply to electronic benefit transfer systems. Regulation E provides certain protections for consumers using cards to access their accounts. It limits the liability of cardholders for unauthorized withdrawals (to $50, if notification is made) and requires periodic account statements and certain error resolution procedures. [Federal Register of Mar. 7, 1994]

House bill

[Note: See item 56 for optional block grants for States fully implementing electronic benefit transfer systems.]

Provides that Regulation E not apply to any electronic benefit transfer program (distributing needs-tested benefits) established or administered by States or localities.

Senate amendment

Provides that Regulation E not apply to food stamp benefits delivered through any electronic benefit transfer system.

Conference agreement

The Conference agreement follows the House bill.

B. Charging for Electronic Benefit Transfer Card Replacement

Present law

No specific provision.

House bill

No provision.

Senate amendment

Provides that States may charge recipients for the cost of replacing a lost or stolen electronic benefit transfer card and may collect the charge by reducing the recipient's food stamp benefit.

Conference agreement

The Conference agreement follows Senate amendment.

C. Photographic Identification

Present law

No provision.

House bill

Requires that each electronic benefit transfer card bear a photograph of the members of the household to which the card is issued.

Senate amendment

Permits States to require that electronic benefit transfer cards contain a photograph of 1 or more household members and requires that, if a State requires a photograph, it shall establish procedures to ensure that other appropriate members of the household and authorized representatives may use the card.

Conference agreement

The Conference agreement follows the Senate amendment.

D. Rules for Electronic Benefit Transfer Systems

Present law

State agencies, with the Secretary's approval, may implement on-line electronic benefit transfer systems for delivering food stamp benefits, in lieu of coupons. No State may implement or expand an electronic benefit transfer system without prior approval from the Secretary. States are responsible for 50% of any electronic benefit transfer system costs (as with any benefit issuance system), including equipment and electronic benefit transfer cards. [Sec. 7(i)]

The Secretary's regulations for approval must (1) include standards that require that, in any one year, the operational cost of an electronic benefit transfer system does not exceed costs of prior issuance systems and (2) include system security standards. [Sec. 7(i)]

House bill

Deletes requirements for the Secretary's prior approval, "encourages" State agencies to implement on-line electronic benefit transfer systems for delivering food stamp benefits, and authorizes States to procure and implement these systems (under terms, conditions and designs that the State deems appropriate).

Allows the Secretary to waive, on a State's request, any provision of the Food Stamp Act that prohibits effective implementation of an electronic benefit transfer system for food stamp benefits.

Requires re-issuance and revision of regulations governing food stamp electronic benefit transfer systems (current regulations for approval of these systems were issued in April 1992).

Deletes the requirement that the Secretary's regulations for electronic benefit transfer systems require that costs of the electronic benefit transfer system in any one year not exceed costs of prior issuance systems.

Adds requirements that the Secretary's standards for electronic benefit transfer systems include (1) measures to maximize system security using the most recent technology the State considers appropriate (including personal identification numbers,

photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse) and (2) effective not later than 2 years after enactment, measures that permit electronic benefit transfer systems to differentiate food items that may be acquired with food stamp benefits from those that may not.

Senate amendment

Permits States to implement EBT systems under rules separate from those in existing law as amended, if a State notifies the Secretary of its intent to convert to a statewide system within 3 years of enactment. The Secretary may not provide coupons to a State beginning 3 years after the chief executive gives notification of intent to convert under the EBT option—but the State may extend this deadline by 2 years and the Secretary may grant a waiver of up to 6 months for good cause. [Note: The Secretary is authorized to provide coupons for disaster relief.]

Places requirements on the Secretary under the EBT option. The Secretary must:

(1) assist States in converting to an EBT system and (in consultation with the Inspector General and the Secret Service) inform States about proper security features, management techniques, and counterfeit deterrence;

(2) reimburse States for purchasing and issuing EBT cards [Note: The Secretary may charge recipients (through allotment reduction or otherwise) for the cost of replacing lost or stolen cards, unless stolen by force or threat of force];

(3) assign additional employees to investigate and monitor compliance with EBT and retailer participation rules;

(4) establish a Transition Conversion Account (TCA) to be funded with transaction fees of no more than 2 cents a transaction (maximum of 16 cents a month) taken from each EBT household's benefits [Note: Fees would be imposed during the 10-year period beginning with the first full fiscal year after enactment. They would be imposed to the extent necessary to not increase the Secretary's costs under the EBT option and could not be greater not be greater than needed for the purposes of the TCA (see below). Fees could be reduced for households receiving maximum benefits.]

(5) from the TCA and, to the extent necessary, from food stamp appropriations, provide funds to States choosing the EBT option for (1) reasonable purchase and installation costs (including reimbursements to retailers) of single-function point-of-sale equipment to be used only for Federal/State assistance programs, (2) reasonable start-up purchase and installation costs for telephone equipment and connections to the point-of-sale equipment, and (3) modification of existing EBT systems to the extent necessary to operate Statewide or interstate;

(6) from the TCA, provide funds to implement the EBT option and for (1) start-up training, (2) reasonable one-time costs of converting to a system capable of interstate and law enforcement functions, (3) liabilities assumed by the Secretary under the EBT option (e.g., for replaced replaced benefits), and (4) implementing and expanding a nationwide program for compliance with EBT and retailer rules; and

(7) consult with government, food industry, financial services, and food advocacy representatives in the conversion to EBT as to (1) integrating EBT systems into commercial networks, (2) EBT system security, (3) use of laser scanner technology to ensure that only eligible items are purchased, (4) use of EBT system data to identify fraud (5) means of ensuring confidentiality, (6) using existing terminals and systems top reduce costs (7) using EBT systems for multiple benefits.

Places requirements and conditions on States under the EBT option. States:

(1) must take into account generally accepted operating rules based on commercial technology and the need to permit interstate operations and law enforcement monitoring and investigations;

(2) may use paper-based and other benefit transfer approaches for special-need retailers (located in very rural areas, without access to dependable electricity or regular telephone service, farmers' markets, and house-to-house trade routes);

(3) must purchase and install (or reimburse for) single-function point-of-sale (and related telephone) equipment, usuable only for Federal/State assistance, for retailers that do not have point-of-sale EBT equipment and do not intend to obtain it in the near future [Note: Equipment must be capable of interstate operations (based on commericial operating principles) that permit law enforcement monitoring and be capable of giving recipients access to multiple benefits.];

(4) must purchase (or reimburse for) point-of-sale paper-based or alternative benefit transfer equipment for special-need retailers without this equipment who do not intend to obtain it in the near future (equipment would be usuable only for Federal/State assistance);

(5) must be competitive bidding systems in purchasing EBT equipment and cards [Note: States may not have purchase agreements conditioned on buying additional services or equipment, the Secretary must monitor prices paid, and the Inspector General must investigate possible wrongdoing.];

(6) must advise recipients how to promptly report lost, stolen, damaged, improperly manufactured, dysfunctional, or destroyed EBT cards;

(7) must not (following the Secretary's regulations) replace benefits lost due to unauthorized use an EBT card, but recipients would receive replacement benefits for losses caused by (1) force or threat of force, (2) unauthorized use after the State gets notice by (1) force or threat of force, (2) unauthorized use of the State and gets notice a card was lost/stolen, or (3) problems with the EBT system [Note: Except for losses caused by force or threat of force, States must reimburse the Secretary for benefit replacements, and States may obtain reimbursement from service providers for losses caused by system problems.];

(8) may require an explanation from recipients on occasions where they report lost or stolen cards or cards are used for an unauthorized transaction;

(9) must, in appropriate circumstances, investigate and act on (through administrative disqualification or court referral) cases of lost or stolen cards or unauthorized use;

(10) must (1) take into account the needs of law enforcement personnel and the need to permit and encourage technological/scientific advances, (2) ensure security is protected, (3) provide for recipient privacy, ease of EBT card use, and access to and service by retailers, (4) provide for financial accountability and system capability for interstate operations and law enforcement monitoring, (5) prohibit retailer participation unless appropriate equipment is operational and reasonably available to recipients, and (6) provide for monitoring and investigation by law enforcement agencies;

(11) must, on a recipient's request, provide, once a month, a statement of benefit transfers and balances for the preceding month; and

(12) must design systems to timely resolve disputes over errors. [Note: Recipients able to obtain error corrections under the system would not be entitled to a fair hearing.]

Provides that retailers may return equipment provided by the State and obtain equipment with their own funds and that the cost of documents or systems under the EBT option may not be imposed on retailers.

Provides that EBT retailer fraud and related activities be governed by the Food Stamp Act and 18 U.S.C. 1029.

Makes technical and conforming amendments and defines electronic benefit transfer system, retail food store, special-need retail food store, and electronic benefit transfer card.

Conference agreement

The Conference agreement follows the House bill, with an amendment. States are required to implement an electronic benefit transfer system ("on-line" or "off-line") before October 1, 2002, unless the Secretary waives the requirement because a State agency faces unusual barriers to implementation, and State are encouraged to implement an electronic benefit transfer system as soon as practicable. Subject to Federal standards, states are allowed to procure and implement an electronic benefit transfer system under terms, conditions, and design that they consider appropriate, and a new requirement for Federal procurement standards is added. A requirement is added for electronic benefit transfer standards following generally accepted standard operating rules based on commercial technology, the need to permit interstate operation and law enforcement, and the need to permit monitoring and investigations by authorized law enforcement officials. A requirement that regulations regarding replacement of benefits under an electronic benefit transfer system be similar to those in effect for a paper food stamp issuance system is added. The Conferees intend that regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an EBT system will not require greater replacement of benefits or impose greater liability than those regulations in effect for a paper-based food stamp issuance system. Provisions in the House bill that are retained are: a provision deleting the requirement that electronic benefit transfer systems be cost-neutral in any one year, requirements as to measures to maximize security, and a provision requiring measures to permit electronic benefit systems to differentiate among food items (to the extent practicable). The House bill provision allowing the Secretary to waive Food Stamp Act provisions that prohibit effective implementation of electronic benefit transfer systems is deleted.

12. VALUE OF MINIMUM ALLOTMENT

Present law

The minimum monthly allotment for 1- and 2-person households is set at $10. It is scheduled to rise to $15 in FY 1997 or 1998 (depending on food-price inflation). [Sec. 8(a)]

House bill

Sets the minimum monthly allotment for 1- and 2-person households at $10.

Senate amendment

Same as the House bill.

Conference agreement

The Conference agreement follows the House bill.

13. INITIAL MONTH BENEFIT DETERMINATION

Present law

Recipient households not fulfilling eligibility recertification requirements in the last month of their certification period are allowed a 1-month "grace period" in which to fulfill the requirements before their benefits are pro-rated (reduced) to reflect the delay in meeting recertification requirements. [Sec. 8(c)(2)(B)]

House bill

For those who do not complete all eligibility recertification requirements in the last month of their certification period, but are then determined eligible after their certification period has expired, requires that they receive reduced benefits in the first month of their new certification period (i.e., their benefits would be pro-rated to the date they met the requirements and were judged eligible).

Senate amendment

Same as the House bill.

Conference agreement

The Conference agreement follows the Senate amendment.

14. IMPROVING FOOD STAMP MANAGEMENT

A. Quality Control Fiscal Sanctions

Present law

States are assessed fiscal sanctions if their "quality control" combined (overpayment and underpayment) error rate for a given fiscal year is higher than the national average for that year. The amount of each State's sanction is determined by using a "sliding scale" so that its penalty assessment reflects the degree to which its combined error rate exceeds the national average tolerance level. In effect, the current system requires that States be sanctioned for a portion of every benefit dollar that exceeds the tolerance level. For example, if the tolerance level were 10% and the State's combined error rate were 12%, or 2 percentage points (20%) above the tolerance level, the State would be assessed a penalty of .2% of benefits issued in the State that year (i.e., 20% of the excess above the threshold). [Sec. 16(c)]

House bill

Requires the assessment of fiscal sanctions if a State's combined error rate is above a tolerance level set at the lowest national average combined error rate ever achieved, plus 1 percentage point. States would be assessed a dollar penalty for each dollar in error above the tolerance level. For example, if a State's combined error rate were 2 percentage points above the lowest ever national average tolerance level, plus 1 percentage point, it would be assessed a penalty of 2% of benefits issued in the State that year.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

B. Quality Control Administrative Rules

Present law

Errors resulting from the application of new regulations are not included in a State's error rate for assessing sanctions during the first 120 days from required implementation of the regulations. [Sec. 16(c)(3)(A)]

Specific time frames are set out for completion of quality control reviews, determining final error rates, and various steps of the appeals process. Administrative law judges are required to consider all grounds for denying a sanction claim against a State, including contentions that a claim should be waived for good cause. [Sec. 16(c)(8)]

For judging to what degree a State should be sanctioned, "good cause" is defined as including: (1) a natural disaster or civil disorder that adversely affects food stamp operations, (2) a strike by State employees who are necessary for food stamp operations, (3) a significant growth in food stamp caseload, (4) a change in the Food Stamp program (or other Federal or State program) that has a substantial adverse impact on the management of the Food Stamp program, and (5) a significant circumstance beyond the control of a State agency. [Sec. 16(c)(9)]

If a State appeals a quality control sanction claim, interest on any unpaid portion of the claim accrues from the date of the decision on the administrative appeal or from a date that is 1 year after the date a bill for the sanction is received, whichever is earlier. [Sec. 13(a)(1)]

House bill

Bars inclusion of errors resulting from the application of new regulations for 60 days (or 90 days at the Secretary's discretion).

Deletes specific time frames for reviews, error rates, and the appeals process. Deletes the directive that administrative law judges consider all grounds for denying a sanction claim against a State.

Deletes the Act's definition of good cause for the quality control system.

Requires that interest on sanction claims begin to accrue from the date of the administrative appeal decision or 2 years after the sanction bill is received, whichever is earlier.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

15. WORK SUPPLEMENTATION OR SUPPORT PROGRAM

Present law

No provisions.

House bill

Permits States having a work supplementation or support program (under which public assistance benefits are provided to employers who hire public assistance recipients and then used to pay part of their wages) to include the cash value of a recipient's household food stamp benefits in the amount paid the employer to subsidize wages paid. Work supplementation/support programs would be required to meet standards set by the Secretary in order to avail themselves of the option to include food stamp benefits. The food stamp benefit value of the supplement could not be considered income for other purposes, and the household of the participating member would not receive regular food stamp allotments while the member was in a work supplementation/support program. States would be required to include any plans for including food stamp recipients in work supplementation or support programs in their State plans.

Senate amendment

Same as the House bill, except (1) a qualified work supplementation/support program may not allow participation of any individual for longer than one year (unless the Secretary approves a longer period), and (2) a qualified work supplementation/support program must be used for hiring and employing new employees.

Conference agreement

The Conference agreement follows the House bill, with an amendment to provide that (1) States must provide a description of how recipients in the program will, within a specific period of time, be moved to employment that is not supplemented or supported and (2) programs not displace employment of those who are not supplemented or supported.

16. OBLIGATIONS AND ALLOTMENTS

Present law

The Food Stamp Act authorizes to be appropriated such sums as are necessary for each FY 1991–1995. [Sec. 18(a)]

House bill

Provides that the amount obligated under the Act will not be in excess of the cost estimate of the Congressional Budget Office for fiscal year 1996, with adjustments for additional fiscal year—in both cases reflecting amendments made by the Personal Responsibility Act.

Requires the Secretary to file reports (each February, April, and July) stating whether there is a need for additional obligational authority and authorizes the Secretary to provide recommendations as to how to equitably achieve spending reductions if allotments must be limited in any fiscal year.

Senate amendment

Authorizes such sums as are necessary through FY 2002.

Conference agreement

The Conference agreement follows the House bill with the following amendments. Appropriations (such sums as are necessary) are authorized through FY 2002. Annual obligations are limited to $25,443,000,000 in FY 1996; $24,636,000,000 in FY 1997; $25,319,000,000 in FY 1998; $26,307,000,000 in FY 1999; $27,568,000,000 in FY 2000; $28,602,000,000 in FY 2001; and $29,804,000,000 in FY 2002. On May 15 of each year, the Secretary must adjust that year's obligation limit based on the increase or decrease in participation during the first 6 months of the year. On October 1 each year (the beginning of the fiscal year), the Secretary also must adjust the upcoming year's obligation limit based on the degree to which the cost of the Thrifty Food Plan in the immediately preceding June (the basis for each October's food stamp benefit adjustment) is higher or lower than projected by the Congressional Budget Office in its estimates made prior to enactment. If the Secretary finds that program funding requirements for a year will exceed allowed obligations, the Secretary must direct States to reduce allotments to the extent necessary to stay within the obligation limits for the year. The Secretary is required to report to the House and Senate Agriculture Committees.

17. REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM

Present law

The Food Stamp Act requires the Secretary to pay specific sums for Puerto Rico's nutrition assistance block grant for FY1991–1995. The FY1995 amount is $1.143 billion. [Sec. 19(a)]

House bill

No provision.

Senate amendment

Requires the following payments for Puerto Rico's nutrition assistance block grant: $1.143 billion for each of FY1995 and FY1996, $1.182 billion for FY1997, $1.223 billion for FY1998, $1.266 billion for FY1999, $1.310 billion for FY2000, $1.343 billion for FY2001, and $1.376 billion for FY2002.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment to require the following payments for Puerto

Rico's block grant: $1.143 billion for FY1996, $1.174 billion for FY1997, $1.204 billion for FY1998, $1.236 billion for FY1999, $1.268 billion for FY2000, $1.301 billion for FY2001, and $.1335 billion for FY2002.

18. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS

Present law

No provision.

House bill

Requires the Secretary to establish specific time periods during which retail food stores' and wholesale food concerns' authorization to accept and redeem food stamps coupons (or redeem food stamp benefits through an electronic benefit transfer system) will be valid.

Senate amendment

Permits the Secretary to issue regulations establishing specific time periods during which authorization to accept and redeem food stamp coupons will be valid.

Conference agreement

The Conference agreement follows the House bill.

19. CONDITION PRECEDENT FOR APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

Present law

No provision.

House bill

Provides that no retail food stores or wholesale food concerns be approved for participation in the Food Stamp program unless an Agriculture Department employee (or, whenever possible, a State or local government official designated by the Department) has visited it.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the House bill, with an amendment limiting stores and food concerns that must be visited to those of a type, determined by the Secretary, based on factors that include size, location, and type of items sold.

20. WAITING PERIOD FOR RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS THAT ARE DENIED APPROVAL TO ACCEPT COUPONS

Present law

No provision.

House bill

Provides that retail food stores and wholesale food concerns that have failed to be approved for participation in the Food Stamp program may not submit a new application for approval for 6 months from the date they receive a notice of denial. Current law provisions granting denied retailers and wholesalers a hearing on a refusal are retained.

Senate amendment

Same as the House bill, except that stores and concerns may not submit a new application for 6 months from the date of the denial.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment providing that stores and concerns denied approval because they do not meet the Secretary's approval criteria may not, for at least 6 months, submit a new application. The Secretary is allowed to establish longer waiting periods, including permanent disqualification, that reflect the severity of the basis for denial.

21. DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

Present law

No provision.

House bill

Requires that a retail food store or wholesale food concern that is disqualified from participation in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) also be disqualified from participating in the Food Stamp program for the period of time it is disqualified from the WIC program.

Senate amendment

Requires the Secretary to issue regulations providing criteria for disqualifying from food stamps retail food stores and wholesale food concerns disqualified from the WIC program. Disqualification must be for the same period as under the WIC program, may begin at a later date, and would not be subject to food stamp administrative/judicial review procedures.

Conference agreement

The Conference agreement follows the Senate amendment with a technical amendment.

22. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW

Present law

No provision.

House bill

Requires that, where a retail food store or wholesale food concern has been permanently disqualified (for its third offense or for certain instances of trafficking), the disqualification period will be effective from the date it receives notice of disqualification, pending administrative and judicial review.

Senate amendment

Permits regulations establishing criteria under which authorization of a retail food store or wholesale food concern may be suspended at the time the store/concern is initially found to have committed a violation that would result in permanent disqualification; the suspension may coincide with the period of administrative/judicial review. The Secretary would not be liable for the value of any lost sales during any suspension/disqualification period.

Requires notice in suspension cases. Stipulates that a suspension period remains in effect pending administrative/judicial review and that the suspension period be part of any disqualification imposed.

Removes provisions for courts temporarily staying administrative actions against stores, concerns, and States pending judicial appeal.

Conference agreement

The Conference agreement follows the Senate amendment with an amendment providing that any permanent disqualification of a store or concern be effective from the date the notice of disqualification is received. If the disqualification is reverse through administrative or judicial review, the Secretary is not liable for the value of lost sales during the disqualification period.

23. CRIMINAL FORFEITURE

Present law

"Administrative forfeiture" rules allow the Secretary to subject property involved in a program violation to forfeiture to the United States. [Sec. 15(g)]

House bill

Establishes "criminal forfeiture" rules. Requires courts, in imposing sentence on those convicted of trafficking in food stamp benefits, to order that the person forfeit property to the United States (in addition to any other sentence imposed). Property subject to forfeiture would include all property (real and personal) used in a transaction (or attempted transaction) to commit (or facilitate the commission of) a trafficking violation (other than a misdemeanor); proceeds traceable to the violation also would be subject to forfeiture. An owner's property interest would not be subject to forfeiture if the owner establishes that the violation was committed without the owner's knowledge or consent. (p. 246).

Requires that the proceeds from any sale of forfeited properties, and any money forfeited, be used (1) to reimburse the Justice Department for costs incurred in initiating and completing forfeiture proceedings, (2) to reimburse the Agriculture Department's Office of Inspector General for costs incurred in the law enforcement effort that led to the forfeiture, (3) to reimburse Federal or State law enforcement agencies for costs incurred in the law enforcement effort that led to the forfeiture, and (4) by the Secretary to carry out store approval, reauthorization, and compliance activities.

Senate amendment

Removes provisions for administrative forfeiture for property "intended to be furnished" in trafficking cases.

Establishes "criminal forfeiture" rules similar to those in the House bill, but applied only in trafficking cases involving benefits of $5,000 or more. Property subject to forfeiture would include: (1) food stamp benefits, and any property constituting, derived from, or traceable to any proceeds obtained directly or indirectly as the result of the violation and (2) food stamp benefits, and any property used or intended to be used to commit or facilitate the violation.

Food stamp benefits and property subject to criminal forfeiture, any seizure or disposition of the benefits/property, and any administrative/judicial proceeding relating to the benefits/property would be subject to forfeiture provisions of the Drug Abuse Prevention and Control Act of 1970 (where consistent with Food Stamp Act provisions). [Note: No specific Food Stamp Act provisions for use of the proceeds from forfeited property are included]

Conference agreement

The Conference agreement follows the House bill.

24. EXPANDED DEFINITION OF "COUPON"

Present law

The Act defines "coupon" to mean any coupon, stamp, or type of certificate issued under the provisions of the Food Stamp Act. [Sec. 3(d)]

House bill

In order to expand the types of items to which trafficking penalties apply, revises the current definition of "coupon" to include authorization cards, cash or checks issued in lieu of coupons, and "access devices" for electronic benefit transfer systems (including electronic benefit transfer cards and personal identification numbers).

Senate amendment

Same as the House bill.

Conference agreement

The Conference agreement follows the Senate amendment.

25. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP REQUIREMENTS

Present law

The disqualification penalty for the first intentional violation of program requirements is 6 months. The penalty for a second

intentional violation (and the first violation involving trading of a controlled substance) is 1 year. [Sec. 6(b)(1)]

House bill

Inreases the disqualification penalty for a first intentional violation to 1 year. Increases the disqualification penalty for a second intentional violation (and the first violation involving a controlled substance) to 2 years.

Senate amendment

Same as the House bill.

Conference agreement

The Conference agreement follows the Senate amendment.

26. DISQUALIFICATION OF CONVICTED INDIVIDUALS

Present law

Permanent disqualification is required for the third intentional violation of program requirements, the second violation involving trading of a controlled substance, and the first violation involving trading of firearms, ammunition, or explosives. [Sec. 6(b)(1)]

House bill

Adds a requirement for permanent disqualification of persons convicted of trafficking in food stamp benefits where the benefits trafficked have a value of $500 or more.

Senate amendment

No comparable provision.

Conference agreement

The Conference agreement follows the House bill, with a technical amendment.

27. CLAIMS COLLECTION

A. Federal Income Tax Refunds

Present law

Otherwise uncollected overissued benefits may, except for claims arising out of State agency error, may be recovered from Federal pay or pensions. [See 13(d) and Sec. 11(e)(8)]

House bill

Requires collection of otherwise uncollected overissued benefits, other than those arising out of State agency error, from Federal pay or pensions and from Federal income tax refunds.

Senate amendment

Permits collection of all otherwise uncollected overissued benefits from Federal pay or pensions and from Federal income tax refunds.

Conference agreement

The Conference agreement follows the Senate amendment.

B. Authority to Collect Overissuances

Present law

State collection of overissued benefits is limited in certain circumstances. In the case of overissuances due to an intentional program violation, households must agree to repayment by either a reduction in future benefits or cash repayment; States also are required to collect overissuances to these households through other means, such as tax refund or unemployment compensation collections (if a cash repayment or reduction is not forthcoming), unless they demonstrate that the other means are not cost effective. In cases of overissuance because of inadvertent household "error," States must collect the overissuance through a reduction in future benefits—except that households must be given 10 days' notice to elect another means, and collections are limited to 10% of the monthly allotment or $10 a month (whichever would result in faster collection)—and may use other means of collection. In cases of overissuances because of State agency error, States may request repayment or use other means of collection (not including reduction in future benefits). [Sec. 13(b)] States may retain 25% of "nonfraud" collections not caused by State error and 50% of "fraud" collections (increased from 10% and 25% on October 1, 1995). [Sec. 16(a)]

House bill

No provisions

Senate amendment

Replaces existing overissuance collection rules with provisions requiring States to collect any overissuance of benefits by reducing future benefits, withholding unemployment compensation, recovering from Federal pay or income tax refunds, or any other means—unless the State demonstrates that all of the means are not cost effective. Bars the use of future benefit reductions as a claims collection mechanism if it would cause a hardship on the household (as determined by the State) and limits benefit reductions (absent intentional program violations) to the greater of 10% of the monthly benefit or $10 a month. Provides that States must collect overissued benefits in accordance with State-established requirements for notice, electing a means of payment, and setting a schedule for payment.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment (1) deleting the specific bar against collections in hardship cases and (2) setting the percentage of collections (other than in cases of State agency error) that a State may retain at a uniform 25%.

28. DENIAL OF FOOD STAMP BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES

Present law

Disqualification periods ranging from 6 months to permanent disqualification are prescribed for intentional violations of Food Stamp program requirements. [Sec. 6(b)]

House bill

Disqualifies from food stamps for 10 years an individual found to have fraudulently misrepresented the individual's place of residence in order to receive food stamp, Medicaid, TANF, or Supplemental Security Income (SSI) benefits in two or more States.

Senate amendment

Disqualifies from food stamps permanently an individual found to have fraudulently misrepresented the individual's place of residence in order to receive food stamps in two or more States.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment disqualifying from food stamps for 10 years an individual found by a State agency or court to have made a fraudulent misrepresentation of identity or residence in order to receive multiple benefits. The conferees note that State agency hearing processes have sufficient recipient protections to warrant a decision to impose a 10-year disqualification in these cases.

29. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS

Present law

No provision.

House bill

Disqualifies individuals during any period the individual has an unpaid liability that is under a court child support order, unless the court is allowing delayed payments.

Senate amendment

Same as the House bill, except that States are permitted to apply a child support arrears disqualification and compliance with a child support agency payment plan also exempts individuals from disqualification.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment that requires disqualification.

30. ELIMINATION OF FOOD STAMP BENEFITS WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS

A. Disqualification of Fleeing Felons

Present law

No provision.

House bill

Disqualifies individuals while they are (1) fleeing to avoid prosecution or custody after conviction for a crime (or crime attempt) which is a felony or (2) violating a condition of parole under Federal or State law.

Senate amendment

Same as the House bill.

Conference agreement

The Conference agreement follows the Senate amendment with a technical amendment.

B. Exchange of Information

Present law

Requires State agencies to immediately report to the Immigration and Naturalization Service a determination that a food stamp household member is ineligible for food stamps because the individual is present in the United States in violation of the Immigration and Nationality Act. [Sec. 11(e)(17)]

House bill

Requires State food stamp agencies to make available to law enforcement officers the address of a food stamp recipient if the officer furnishes the recipient's name and notifies the agency that (1) the individual is fleeing to avoid prosecution or custody for a felony crime (or attempt) or the individual has information necessary for the officer to conduct official duties, (2) the location or apprehension of the individual is within the officer's official duties, and (3) the request is made in the proper exercise of official duties.

Senate amendment

Similar to the House bill, requires State food stamp agencies to make available to law enforcement officers the address, social security number, and (when available) photograph of a food stamp recipient if the officer furnishes the recipient's name and notifies the agency as stipulated in the House bill.

Requires State agencies to furnish the Immigration and Naturalization Service with the name of, address of, and identifying information on any individual the agency knows is unlawfully in the United States.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment (1) deleting the requirement for Immigration and Naturalization Service notification and (2) making clear that the requested information must be related to apprehension of a felon or parolee.

31. EFFECTIVE DATES

Present law

No provision.

House bill

Except for amendments dealing with the Food Stamp program's quality control system (effective October 1, 1994), the food

stamp and commodity distribution program amendments made by the Personal Responsibility Act would be effective October 1, 1995.

Senate amendment

Provides that Food Stamp Act amendments would be effective October 1, 1995.

Conference agreement

The Conference agreement provides that (1) provisions affecting deduction levels are effective October 1, 1996. and (2) all other provisions are effective on enactment.

32. SENSE OF CONGRESS

Present law

No provision.

House bill

Provides that it is the sense of Congress the States operating electronic benefit transfer systems to provide food stamp benefits should operate systems that are compatible with each other.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the House bill.

33. DEFICIT REDUCTION

Present law

No provision.

House bill

Provides that it is the sense of the House Committee on Agriculture that reductions in outlays resulting from Food Stamp Act (and commodity distribution program) provisions of the Personal Responsibility Act not be taken into account for purposes of Section 252 of the Balanced Budget and Emergency Deficit Control Act (relating to enforcement of "pay-as-you-go" provisions of the Budget Act).

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

34. CERTIFICATION PERIOD

Present law

For households subject to periodic (monthly) reporting of their circumstances, eligibility certification periods must be 6–12 months, except that the Secretary may waive this rule to improve program administration. For households receiving federally aided public assistance or general assistance, certification periods must coincide with the certification periods for the other public assistance. For other households, certification periods generally must be not less than 3 months—but they can be (1) up to 12 months for those consisting entirely of unemployable, elderly, or primarily self-employed persons or (2) as short as circumstances require for those with a substantial likehood of frequent changes in income or other household circumstances and for any household on initial eligibility determination (as judged by the Secretary). The Secretary may waive the maximum 12-month limit to improve program administration. [See 3(c)]

House bill

No provision.

Senate amendment

Replaces existing provisions as to certification periods with a requirement that certification periods not exceed 12 months—but can be up to 24 months if all adult household members are elderly, disabled, or primarily self-employed.

Requires State agencies to have at least 1 personal contact with each certified household every 12 months.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment allowing certification periods of up to 24 months for households whose adult members are all elderly or disabled and deleting the reference to a "personal" contact.

35. TREATMENT OF CHILDREN LIVING AT HOME

Present law

Parents and their children 21 years of age or younger who live together must apply for food stamps as a single household (thereby reducing aggregate household benefits)—except for children who are themselves parents living with their children and children who are married and living with their spouses. [Sec. 3(i)]

House bill

No provision.

Senate amendment

Removes the existing exception for children who are themselves parents living with their children and children who are married and living with their spouses.

Conference agreement

The Conference agreement follows the Senate amendment.

36. OPTIONAL ADDITIONAL CRITERIA FOR SEPARATE HOUSEHOLD DETERMINATIONS

Present law

Certain persons who live together may apply for food stamps as separate households (thereby increasing aggregate household benefits) if they (1) are unrelated and purchase food and prepare meals separately or (2) are related but are not spouses or children living with their parents (See item 35). In addition, elderly persons who live with others and cannot purchase food and prepare meals separately because of a substantial disability may apply a separate households as long as their co-residents' income is below prescribed limits (165% of the Federal poverty income guidelines). [Sec. 3(i)]

House bill

No provision.

Senate amendment

Permits States to establish criteria that prescribe when individuals living together, and would otherwise be allowed to apply as separate households, must apply as a single household (without regard to common purchase of food and preparation of meals).

Conference agreement

The Conference agreement follows the Senate amendment.

37. DEFINITION OF HOMELESS INDIVIDUAL

Present law

For food stamp eligibility and benefit determination purposes, a "homeless individual" is a person lacking a fixed/regular nighttime residence or one whose primary nighttime residence is a shelter, a residence intended for those to be institutionalize, a temporary accommodation in the resident of another, or a public or private place not designed to be a regular sleeping accommodation for humans. [Sec. 3(s)]

House bill

No provision.

Senate amendment

Provides that persons whose primary nighttime residence is a temporary accommodation in the home of another may only be considered homeless if the accommodation is for no more than 90 days.

Conference agreement

The Conference agreement follows the Senate amendment.

38. STATE OPTIONS IN REGULATIONS

Present law

The Secretary is directed to establish uniform national standards of eligibility for food stamps (with certain variations allowed for Alaska, Hawaii, Guam, and the Virgin Islands) and in other cases (e.g., imposition of monthly reporting requirements). States may not impose any other standards of eligibility as a condition of participation in the program. [Sec. 5(b)]

House bill

No directly comparable provision. [Note: See item 3.]

Senate amendment

Explicitly permits non-uniform standards of eligibility.

Conference agreement

The Conference agreement follows the Senate amendment.

39. EARNINGS OF STUDENTS

Present law

The earnings of an elementary/secondary student are disregarded as income until the student's 22nd birthday. [Sec. 5(d)(7)]

House bill

No provision.

Senate amendment

Requires that earnings of an elementary/secondary student be counted as income once the student turns age 20.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment requiring that earnings be counted for students who are 20 or older.

40. BENEFITS FOR ALIENS

A. Deeming Sponsors' Income and Resources

Present law

A portion of the income and resources of the sponsor of a lawfully admitted alien must be deemed as available to the sponsored alien for 3 years after the alien's entry. Income is deemed to the extent it exceeds the appropriate food stamp income eligibility limit (130% of the Federal income poverty guidelines); liquid resources are deemed to the extent they exceed $1,500. [Sec. 5(i)]

House bill

No directly comparable provision.

Senate amendment

Extends the deeming period for sponsored legal aliens to 5 years from lawful admittance or the period of time agreed to in the sponsor's affidavit, whichever is longer. [Note: See conference comparison for title IV in the House bill and title V in the Senate amendment.]

Conference agreement

The Conference agreement follows the House bill.

B. Counting Aliens' Income and Resources

Present law

The income (less a pro rata share) and all resources of aliens who are ineligible for food stamps under provisions of the Food Stamp Act are counted as income/resources to the rest of the household living with the alien. [Sec. 6(f)]

House bill

No provision.

Senate amendment

Permits States to count all of the income and resources of aliens ineligible for food

stamps under the provisions of the Food Stamp Act as income/resources to the rest of the household.

Conference agreement

The Conference agreement follows the Senate amendment.

41. COOPERATION WITH CHILD SUPPORT AGENCIES

A. Custodial Parents

Present law

No provisions.

House bill

No provisions.

Senate amendment

Permits States to disqualify custodial parents of children under the age of 18 who have an absent parent unless the custodial parent cooperates with the State child support agency in establishing the child's paternity and obtaining support for the child and the custodial parent. Cooperation would not be required if the State finds there is good cause (in accordance with Federal standards taking into account the child's best interest). Fees or other costs for services could not be charged.

Conference agreement

The Conference agreement follows the Senate amendment.

B. Non-custodial Parents

Present law

No provisions.

House bill

No provisions.

Senate amendment

Permits States to disqualify putative or identified non-custodial parents of children under 18 if they refuse to cooperate with the State child support agency in establishing the child's paternity and providing support for the child. The Secretary and the Secretary of Health and Human Services would develop guidelines for what constitutes a refusal to cooperate, and States would develop procedures (using these guidelines) for determining whether there has been a refusal to cooperate. Fees or other costs for services could not be charged. States would be required to provide safeguards to restrict the use of information collected by the child support agency to the purposes for which it was collected.

Conference agreement

The Conference agreement follows the Senate amendment.

42. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS

Present law

For households applying after the 15th day of the month, States may provide an allotment that is the aggregate of the initial (pro-rated) allotment and the first regular allotment—but combined allotments must be provided to households applying after the 15th of the month who are entitled to expedited service. [Sec. 8(c)(3)]

House bill

No provision.

Senate amendment

Makes provision of combined allotments a State option both for regular and expedited service applicants.

Conference agreement

The Conference agreement follows the Senate amendment.

43. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS

Present law

Households penalized for an intentional failure to comply with a Federal, State, or local welfare program may not, for the duration of the penalty, receive an increased food stamp allotment because their welfare income has been reduced. [Sec. 8(d)]

[Note: This has been interpreted by regulation to apply only to reductions in welfare income due to repayment of overpayments resulting from a welfare violation, although a revision of the regulation is scheduled.]

House bill

[Note: See item 4C.]

Senate amendment

Bars increased food stamp allotments because the benefits of a household are reduced under a Federal, State, or local welfare or public assistance program for failure to perform a required action. In carrying out this requirement, States may, in determining food stamp allotments for the duration of the public assistance reduction, use the household's pre-reduction welfare benefits.

Permits States also to reduce the household's food stamp allotment by up to 25%. If the allotment is reduced for failure to perform an action required under a family assistance block grant program, the State may use the rules and procedures of that program to reduce the food stamp allotment.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment changing references to welfare or public assistance programs to references to mean-tested public assistance programs.

44. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN INSTITUTIONS

Present law

Homeless shelters and residential drug or alcoholic treatment centers may be designated as recipients' authorized representatives. [Note: In the case of residential treatment centers, benefits generally are provided to the center.]

House bill

No provision.

Senate amendment

Permits States to divide a month's food stamp benefits between the shelter/center and an individual who leaves the shelter/center.

Permits States to require residents of shelters/centers to designate the shelter/center as authorized representatives.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment deleting homeless shelters from those institutions covered by the amendment.

45. OPERATION OF FOOD STAMP OFFICES

A. State Plan Requirements

Present law

States must:

(1) allow households contacting the food stamp office in person during office hours to make an oral/written request for aid and receive and file an application on the same day;

(2) use a simplified, uniform federally designed application, unless a waiver is approved;

(3) include certain, specific information in applications;

(4) waive in-person interviews under certain circumstances (they may use telephone interviews or home visits instead);

(5) provide for telephone contact and mail application by household with transportation or similar difficulties;

(6) require an adult representative of the household to certify as to household members' citizenship/alien status;

(7) assist households in obtaining verification and completing applications;

(8) not require additional verification of currently verified information (unless there is reason to believe that the information is inaccurate, incomplete, or inconsistent);

(9) not deny an application solely because a non-household member fails to cooperate;

(10) process applications if the household meets cooperation requirements;

(11) provide households (at certification and recertification) with a statement of reporting responsibilities;

(12) provide a toll-free or local telephone number at which households may reach State personnel;

(13) display and make available nutrition information; and

(14) use mail issuance in rural areas where low-income households face substantial difficulties in obtaining transportation (with exceptions for high mail losses). [Sec. 11(e)(2), (3), (14), & (25)]

House bill

No provisions.

Senate amendment

Replaces noted existing State plan requirements with requirements that the State:

(1) establish procedures governing the operation of food stamp offices that it determines best serve households in the State, including those with special needs (such as households with elderly or disabled members, those in rural areas, the homeless, households residing on reservations, and households speaking a language other than English);

(2) provide timely, accurate, and fair service to applicants and participants;

(3) permit applicants to apply and participate on the same day they first contact the food stamp office during office hours; and

(4) consider an application field on the date the applicant submits an application that contains the applicant's name, address, and signature.

Permits States to establish operating procedures that vary for local food stamp offices to reflect regional and local differences.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment that also (1) requires applicants to certify in writing as the truth of information on application (including citizenship status), (2) stipulates that the signature of a single adult will be sufficient to comply with any provision of Federal law requiring applicant's signatures, (3) requires that States have methods for certifying homeless households, (4) makes clear that nothing in the Food Stamp Act prohibits electronic storage of application and other information, and (5) makes technical amendments.

B. Application and Denial Procedures

Present law

A single interview for determining AFDC and food stamp benefits if required. Food stamp applications generally are required to be contained in public assistance applications, and applications and information on how to apply for food stamps must be provided local assistance applicants. Applicants (including those who have recently lost or been public assistance) must be certified eligible for food stamps based on the information in their public assistance casefile (to the extent it is reasonably verified).

No household may be terminated from or denied food stamps solely on the basis that it has terminated from or denied other public assistance and without a separate food stamp eligibility determination.

House bill

No provisions.

Senate amendment

Deletes noted existing requirements for single interviews, applications, and food stamp determinations based on public assistance information.

Permits disqualification for food stamps based on another public assistance program's disqualification for failure to comply with its rules or regulations.

Conference agreement

The Conference agreement follows the Senate amendment.

46. STATE EMPLOYEE AND TRAINING STANDARDS

Present law

States must employ agency personnel doing food stamp certifications in accordance with current Federal "merit system" standards. States must provide continuing, comprehensive training for all certification personnel. States may undertake intensive training of certification personnel to ensure they are qualified for certifying farming households. States may provide or contract for the provision of training/assistance to persons working with volunteer or nonprofit organizations that provide outreach and eligibility screening activities. [Sec. 11(e)(6)]

House bill

No provision.

Senate amendment

Deletes noted existing provisions for merit system standards and training.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment retaining existing provisions for merit system standards.

47. EXPEDITED COUPON SERVICE

Present law

States must provide expedited benefits to applicant households that (1) have gross income under $150 a month (or are "destitute" migrant or seasonal farmworker households) and have liquid resources of no more then $100, (2) homeless households, and (3) households that have combined gross income and liquid resources less than the household's monthly shelter expenses.

Expedited service means providing an allotment no later than 5 days after application. [Sec. 11(e)(9)]

House bill

No provision.

Senate amendment

Deletes noted existing requirements to provide expedited service to the homeless and households with shelter expenses in excess of their income/resources.

Lengthens the period in which expedited benefits must be provided to 7 business days.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment providing that expedited benefits must be provided in 7 calendar days.

48. FAIR HEARINGS

Present law

No provision.

House bill

No provision.

Senate amendment

Permits households to withdraw fair hearing requests orally or in writing. If it is an oral request, the State must provide a written notice to the household confirming the request and providing the household with another chance to request a hearing.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment providing that permission for households to withdraw fair hearing requests orally or in writing is a State option.

49. INCOME AND ELIGIBILITY VERIFICATION SYSTEM

Present law

States must use the "income and eligibility verification systems" established under Sec. 1137 of the Social Security Act to assist in verifying household circumstances; this includes a system for verifying financial circumstances (IEVS) and a system for verifying alien status (SAVE). [Sec. 11(e)(19) of the Food Stamp Act and Sec. 1137 of the Social Security Act.]

House bill

No provision.

Senate amendment

Makes use of IEVS and SAVE optional with the States.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment making clear that the option applies to both IEVS and SAVE.

50. TERMINATION OF FEDERAL MARCH FOR OPTIONAL INFORMATION ACTIVITIES

Present law

If a State opts to conduct informational ("outreach") activities for the food stamp program, the Federal Government shares half the cost. [Sec. 11(e)(1) & Sec. 16(a)]

House bill

No provision.

Senate amendment

Terminates the Federal share of optional State outreach activities. [Note: Sec. 333(b) makes a technical amendment to Sec. 16(g) of the Food Stamp Act.]

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment that does not terminate the Federal share of optional State outreach activities but bar a Federal share for "recruitment activities."

51. STANDARDS FOR ADMINISTRATION

Present law

The Secretary is required to (1) establish standards for efficient and effective administration of the program, including standards for review of food stamp office hours to ensure that employed individuals are adequately served, and (2) instruct States to submit reports on administrative actions taken to meet the standards. [Sec. 16(b)]

House bill

No provision.

Senate amendment

Deletes the noted existing requirements relating to Federal standards for efficient and effective administration.

Conference agreement

The Conference agreement follows the Senate amendment.

52. WAIVER AUTHORITY

Present law

The Secretary may waive Food Stamp Act requirements to the degree necessary to conduct pilot/demonstration projects, but no project may be implemented that would lower or further restrict food stamp income/resource eligibility standards or benefit levels (other than certain projects involving the payment of the average value of allotments in cash and certain work program demonstrations). [Sec. 17(b)(1)]

House bill

No provision.

Senate amendment

Replaces existing waiver authority with authority for the Secretary to waive Food Stamp Act requirements to the extent necessary to conduct pilot/experimental projects, including those designed to test innovative welfare reform, promote work, and allow conformity with other assistance programs.

Requires that any project involving the payment of benefits in the form of cash maintain the average value of allotments for affected households.

Conference agreement

The Conference agreement follows the Senate amendment. The Secretary is permitted to conduct pilot or experimental projects and waive Food Stamp Act requirements as long as the project is consistent with the goal of the food stamp program, to provide food to increase the level of nutrition among needy families. The Secretary is permitted to conduct projects that will improve the administration of the program, increase self-sufficiency of food stamp participants, test innovative welfare reform strategies, or allow greater conformity among public assistance programs than is otherwise allowed in the Food Stamp Act. The Secretary is not permitted to conduct projects that involve issuing food stamp benefits in the form of cash (beyond those approved at enactment), substantially transfer program benefits to other public assistance programs, or are not limited to specific time periods.

53. AUTHORIZATION OF PILOT PROJECTS

Present law

Existing pilot projects for the payment of food stamp benefits in the form of cash to households composed of elderly persons or SSI recipients are authorized to continue through October 1, 1995, if a State requests. [Sec. 17(b)(1)]

House bill

No provision.

Senate amendment

Extends the authorization for elderly/SSI cash-out projects through October 1, 2002.

Conference agreement

The Conference agreement follows the Senate amendment.

54. RESPONSE TO WAIVERS

Present law

No provisions.

Present law

No provisions.

House bill

No provision.

Senate amendment

Requires that, not later than 60 days after receiving a demonstration project waiver request, the Secretary (1) approve the request, (2) deny the request and explain any modifications needed for approval, (3) deny the request and explain the grounds for denial, or (4) ask for clarification of the request. If a response is not forthcoming in 60 days, the waiver would be considered approved. If a waiver request is denied, the Secretary must provide a copy of the waiver request and the grounds for denial to the House and Senate Agriculture Committees.

Conference agreement

The Conference agreement follows the Senate amendment.

55. PRIVATE SECTOR EMPLOYMENT INITIATIVES

Present law

No provision.

House bill

[Note: See item 4E.]

Senate amendment

Allows certain States to operate 'private sector employment initiatives" under which food stamp benefits could be paid in cash to some participants households. States would be eligible to operate private sector employment initiatives if not less than 50% of the households that received food stamp benefits in the summer of 1993 also received AFDC benefits. Households would be eligible to receive cash payments if an adult member so elects and (1) has worked in unsubsidized private sector employment for not less than the 90 preceding days, (2) has earned not less than $350 a month from that employment, (3) is eligible to receive family assistance block grant benefits (or was eligible when cash payments were first received and is no longer eligible because of earned income), and (4) is continuing to earn not less than $350 a month from private sector employment. States operating a private sector employment initiative for 2 years must provide a written evaluation of the impact of cash assistance (the content of the evaluation would be determined by the State).

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment requiring States that select this option to increase benefits to compensate for State or local sales taxes on food purchases.

56. OPTIONAL BLOCK GRANTS

Present law

No provisions.

House bill

[Note: Sec. 556(b) of the House bill adds a new section 25 to the Food Stamp Act containing provisions for an optional block grant.]

Allows States that have fully implemented an electronic benefit transfer system to elect an annual block grant to operate a low-income nutrition assistance program in lieu of the food stamp program.

Grants funds to States electing a block grant.—States would receive (1) the greater of: the total fiscal year 1994 amount they received as food stamp benefits; or the fiscal years 1992–1994 average they received as food stamp benefits and (2) the greater of: the fiscal year 1994 Federal share of administrative costs; or the fiscal years 1992–1994 average they received as the Federal share of administrative costs. Grant payments would be made at times and in a manner determined by the Secretary.

Requires annual submission of a State plan specifying the manner in which the block grant nutrition assistance program will be conducted. The plan must:

(1) certify that the State has implemented a State-wide electronic benefit transfer system under Food Stamp Act conditions;

(2) designate a single State agency responsible for administration;

(3) assess the food and nutrition needs of needy persons in the State;

(4) limit assistance to the purchase of food;

(5) describe the persons to whom aid will be provided;

(6) assure that assistance will be provided to the most needy;

(7) assure that applicants for assistance have adequate notice and fair hearing rights comparable to those under the regular food stamp program;

(8) provide that there be no discrimination on the basis of race, sex, religion, national origin, or political beliefs; and

(9) include other information as required by the Secretary.

In general, permits block grant payments to be expended only in the fiscal year in which they are distributed to a State. States may reserve up to 5% of a fiscal year's grant to provide assistance in subsequent years, but reserved funds may not total more than 20% of the total grant received for a fiscal year.

Requires States to keep records concerning block grant program operations and make them available to the Secretary and the Comptroller General.

If the Secretary finds there is substantial failure by a State to comply, requires the Secretary to (1) suspend all or part of a grant payment until the State is determined in substantial compliance, (2) withhold all/part of a grant payment until the Secretary determines that there is no longer a failure to comply, or (3) terminate the State's authority to operate a nutrition assistance block grant program.

Requires States to provide for biennial audits of block grant expenditures, provide the Secretary with the audit, and make it available for public inspection.

Requires an annual "activities report" comparing actual spending for nutrition assistance in each fiscal year with the spending predicted in the State plan; the report must be made available for public inspection.

Requires that whoever knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery any funds or property provided or financed under a nutrition assistance block grant be fined not more than $10,000, imprisoned for not more than 5 years, or both.

Requires that the State plan provide that there will be no discrimination on the basis of race, sex, religion, national origin, or political beliefs.

Requires that all assistance provided under the block grant be limited to the purchase of food. [Note: Because the State would have fully implemented an electronic benefit transfer system, benefits would be provided through these systems.]

Senate amendment

[Note: Sec. 343(a) of the Senate amendment adds a new section 25 to the Food Stamp Act containing provisions for an optional block grant.]

Requires the Secretary to establish a program to make grants to States, in lieu of the food stamp program, to provide food assistance to needy individuals and families, wage subsidies and payments in return for work for needy individuals, funds to operate an employment and training program for needy individuals, and funds for administrative costs incurred in providing assistance.

Grants funds to States electing a block grant—States would receive (1) the greater of: the total fiscal year 1994 amount they received as food stamp benefits; or the fiscal years 1992–1994 average they received as food stamp benefits and (2) the greater of: the fiscal year 1994 Federal share of administrative costs and employment/training program costs; or the fiscal years 1992–1994 average they received as the Federal share of administrative costs and employment/training program costs. If total allotments for a fiscal year would exceed the amount of funds made available to provide them, the Secretary is required to reduce allotments on a pro rata basis to the extent necessary. Grant payments would be made by issuing 1 or more letters of credit, with necessary adjustments for overpayments and underpayments.

Requires annual submission of a State plan containing information as required by the Secretary. The plan:

(1) must have an assurance that the State will comply with block grant requirements;

(2) must identify a "lead agency" responsible for administration, development of the plan, and coordination with other programs;

(3) must provide that the State will use grant funds as follows:

(a) to give food assistance to needy persons (other than certain residents of institutions);

(b) at State option, to provide wage subsidies and workfare for needy persons;

(c) to administer an employment and training program for needy persons (and provide reimbursement for support services); and

(d) to pay administrative costs incurred in providing assistance;

(4) must describe how the program will serve specific groups of persons (and how that treatment will differ from the regular food stamp program) including the elderly, migrants or seasonal farmworkers, the homeless, those under the supervision of institutions, those with earnings, and Indians;

(5) must provide that benefits be available statewide;

(6) must provide that applicants and recipients are provided with notice and fair hearing rights;

(7) may coordinate block grant assistance with aid under the family assistance block grant;

(8) may reduce food assistance or otherwise penalize persons or families penalized for violating family assistance block grant rules;

(9) must assess the food and nutrition needs of needy persons in the State;

(10) must describe the income and resource eligibility limits established under the block grant;

(11) must establish a system to ensure that no persons receive block grant benefits in more than 1 jurisdiction;

(12) must provide for safeguarding and restricting the use and disclosure of information about recipients; and

(13) must contain other information as required by the Secretary.

Same as the House bill, except that States may reserve up to 10% a year and reserve funds may not total more than 30% of the total grant received.

Requires the Secretary to review and monitor State compliance with block grant rules and State plans. If the Secretary (after notice and opportunity for a hearing) finds that there has been a failure to substantially comply with the State's plan or the provisions of the block grant, the Secretary must notify the State and no further payments would be made until the Secretary is satisfied that there is no longer a failure to comply or that noncompliance will be promptly corrected.

Allows the Secretary (in cases of noncompliance) to impose other appropriate sanctions on States in addition to, or in lieu of, withholding block grant payments; these sanctions may include recoupment of money improperly spent and disqualification from receipt of a block grant. The Secretary also is required to establish procedures for (1) receiving, processing, and determining the validity of complaints about States' failure to

comply with block grant obligations and (2) imposing sanctions. In addition, the Secretary is permitted to withhold not more than 5% of a State's annual allotment if the State does not use an "income and eligibility verification system"' established under Sec. 1137 of the Social Security Act.

Requires States to arrange for annual independent audits of block grant expenditures. Each annual audit must include an audit of payment accuracy based on a statistically valid sample and be submitted to the State legislature and the Secretary. States must repay any amounts the audit determines have not been expended in accordance with the State plan, or the Secretary can offset amounts against any other amount paid the State under the block grant.

Provides that a State that elects a food assistance block grant option may subsequently reverse that choice only once.

Finds that the Senate has adopted a resolution that Congress should not enact/adopt any legislation that will increase the number of hungry children, that it is not its intent to cause more children to be hungry, that the food stamp program serves to prevent child hunger, and that a State's election for a food assistance block grant should not serve to increase the number of hungry children in the State.

Provides that a State's election for a food assistance block grant be permanently revoked 180 days after the Secretary of Health and Human Services has made 2 successive findings (over a 6-year period) that the "hunger rate" among children is significantly higher in a food assistance block grant State than it would have been if the State had not made the choice.

Specifies procedures for a finding that a State's child hunger rate has risen significantly. Every 3 years, the Secretary must develop data and report with respect to any significant increase in child hunger in States that have elected a food assistance block grant. The Secretary must provide the report to states that have elected a block grant and must provide States with a higher child hunger rate with an opportunity to respond. If the State's response does not result in a reversal of the Secretary's determination that the child hunger rate is significantly higher than it would have been without the State's block grant election, the Secretary must publish a determination that the State's block grant choice is revoked.

Requires States to designate a lead administrative agency. The agency must administer (either directly or through other agencies) the food assistance block grant aid, develop the State plan, hold at least 1 hearing for public comment on the plan, and coordinate food assistance block grant aid with other government assistance. In developing the State plan, the lead agency must consult with local governments and private sector organizations so that services are provided in a manner appropriate to local populations.

Provides that nothing in the new food assistance block grant section of the Food Stamp Act entitles anyone to assistance or limits the right of States to impose additional limits or conditions.

Requires that no funds under the food assistance block grant be spent for the purchase or improvement of land, or for the purchase, construction, or permanent improvement of any building/facility.

Requires that no alien otherwise ineligible to participate in the regular food stamp program be eligible to participate in a food assistance block grant program, and that the income of the sponsor of an alien be counted as in the regular food stamp program.

Requires that (1) no person be eligible to receive food assistance block grant benefits if they do not meet regular food stamp program work requirements and (2) that each State operating a food assistance block grant implement an employment and training program under regular food stamp program rules.

Bars the Secretary from providing assistance for any program, project, or activity under a food assistance block grant if any person with operational responsibilities discriminates because of race, religion, color, national origin, sex, or disability. Also provides for enforcement through title VI of the Civil Rights Act.

Requires that, in each fiscal year, at least 80% of Federal funds expended under a State's block grant be for food assistance and not more than 6% be for administrative expenses. A State could provide food assistance to meet the 80% requirement in any manner it determines appropriate (such as electronic benefit transfers, coupons, or direct provision of commodities), but "food assistance" would be limited to assistance that may only be used to obtain food (as defined in the Food Stamp Act).

Provides that the Secretary may conduct research on the effects and costs of a State food assistance block grant program.

Conference agreement

The Conference agreement follows the House bill with and amendment. States that meet one of three conditions may elect to receive an annual block grant to operate a food assistance program for needy persons in lieu of the food stamp program. Eligible States may opt for a block grant at any time, but, if the State chooses to withdraw from the block grant or is disqualified, it may not again opt for a block grant. Eligible States include: (1) those that have fully implemented a statewide electronic benefit transfer system, (2) those for which the dollar value of erroneous benefit and eligibility determinations (overpayments, payments to ineligibles, and underpayments) in the food stamp program or their food assistance block grant program is 6% of benefits issued or less (a "payment error rate" of 6% or less), and (3) those with a payment error rate higher than 6% that agree to contribute, from non-Federal sources, a dollar amount equal to the difference between their payment error rate and a 6% rate to pay for benefits and administration of their food assistance block grant program. A State's payment error rate for block grant purposes is the most recent rate available, as determined by the Secretary.

States electing a block grant would be provided an annual grant equal to: (1) the greater of the FY 1994 amount they received as food stamp benefits, or the 1992–1994 average they received as food stamp benefits and (2) the greater of the FY 1994 Federal share of administrative costs, or the 1992–1994 average they received as the Federal share of administrative costs. However, grants to States with payment error rates above 6% would be reduced by the amount they are required to contribute (i.e., the dollar amount equal to the difference between their payment error rate and a 6% rate). In general, block grant payments must be expended in the fiscal year for which they were distributed; but States may reserve up to 10% a year, up to a total of 30% of the block grant. If total allotments for a fiscal year would exceed the amount of funds made available to provide them, the Secretary is required to reduce allotments on a pro rata basis to the extent necessary. Grant payments would be made by issuing letters of credit.

Block grant funding may only be used for food assistance and administrative costs related to its provision, and, in each fiscal year, not more than 6% of total funds expended (including State funds required to be spent) may be used for administrative costs.

Each participating block grant State is required to maintain a food stamp quality control program to measure erroneous benefit and eligibility determinations, and block grant States would continue to be subject to the food stamp program's quality control system (including eligibility for incentive payments and imposition of fiscal sanction for very high payment error rates). Each participating State is required to implement an employment and training program under Food Stamp Act terms and conditions and is eligible to receive Federal funding for employment and training activities (in addition to the food stamp block grant amount).

In order to receive a block grant, a State must annually submit a State plan for approval by the Secretary. The State plan must: (1) identify a lead administering agency, (2) describe how and to what extent the State's program serves specific groups (e.g., the elderly, migrant and seasonal farmworkers, the homeless, those with earnings, Indian) and how the treatment differs from their treatment under the food stamp program, (3) provide that benefits are available statewide, (4) provide for notice and an opportunity for a hearing to those adversely affected, (5) assess the food and nutrition needs of needy persons in the State, (6) describe the State's eligibility standards for assistance under the block grant program, (7) establish a system for exchanging information with other States to verify recipients' identity and the possible receipt of benefits in another State, (8) provide for safeguarding and restricting the use and disclosure of information about recipients, and (9) other information required by the Secretary.

Eligibility for assistance under the block grant is determined by the State, and there is not individual entitlement to assistance. However, certain Federal rules apply: (1) aliens who would not be eligible under the food stamp program are not eligible for block grant aid; (2) persons and households who would be ineligible under the food stamp program's work rules are not eligible for block grant aid; (3) disqualification of fleeing felons; and (4) disqualification for child support arrears.

If the Secretary finds that there has been a failure to comply with provisions of the block grant or the State's approved plan or finds that, in the operation of any program or activity for which assistance is provided, there is a State failure to comply substantially with block grant provisions—the Secretary must withhold funding, as appropriate, until satisfied there is no longer a failure to comply or that the noncompliance will be promptly corrected. In addition, the Secretary may impose other appropriate penalties, including recoupment of improperly spent money and disqualification from the block grant. States must be provided notice and an opportunity for a hearing in this process.

The Secretary is authorized to conduct research on the effects and costs of a State food assistance block grant.

57. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY

Present law

No provision.

House bill

No provision.

Senate amendment

Authorizes the Secretary to issue regulations establishing specific time periods during which retailers/wholesalers that have been denied approval or had approval withdrawn on the basis of "business integrity and reputation" may not submit a new application for approval. The periods established would be required to reflect the severity of the business integrity infractions on which the denial/withdrawal was based.

Conference agreement

See item 20 above.

58. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION

Present law

No provision.

House bill

No provision.

Senate amendment

Permits the Secretary to require that retailers and wholesalers seeking approval submit relevant income and sales tax filing documents. Permits regulations requiring retailers and wholesalers to provide written authorization for the Secretary to verify all relevant tax filings and to obtain corroborating documentation from other sources in order to verify the accuracy of information provided by retailers and wholesalers.

Conference agreement

The Conference agreement follows the Senate amendment.

59. BASES FOR SUSPENSIONS AND DISQUALIFICATIONS

Present law

No provision.

House bill

No provision.

Senate amendment

Requires criteria for finding violations by retailers and wholesalers (and their suspension or disqualification) on the basis of evidence including on-site investigations, inconsistent redemption data, or electronic benefit transfer system transaction reports.

Conference agreement

The Conference agreement follows the House bill. The Conferees note that the Secretary currently has the authority contained in the Senate amendment.

60. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS

Present law

No provision.

House bill

No provision.

Senate amendment

Requires regulations permanently disqualifying retailers and wholesalers that knowingly submit an application for approval that contains false information about a substantive matter. A permanent disqualification or a knowingly false application would be subject to administrative and judicial review, but the disqualification would remain in effect pending the review.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment permitting the Secretary to disqualify a store or concern, including permanently, upon knowing submission of false information on an application.

61. CATEGORICAL ELIGIBILITY

Present law

Households in which all members are recipients of AFDC are categorically eligible for food stamps. [Sec. 5(a)]

Child support payments received by a household and excluded under the AFDC program may be disregarded for food stamps, at State option and expense. [Sec. 5(d)(13)]

Household members who are AFDC recipients are considered to have met food stamp resource (asset) eligibility standards. [Sec. 5(j)]

Persons who are AFDC recipients are exempt from food stamp rules barring eligibility to most postsecondary students. [Sec. 6(e)]

In general, food stamp eligibility is barred to those with total (gross) household income above 130% of the Federal income poverty guidelines. [Sec. 5(c)]

Political subdivisions electing to operate workfare programs for food stamp recipients may comply with food stamp requirements by operating a workfare program under title IV of the Social Security Act. [Sec. 20(a)]

Households exempt from food stamp work rules because of participation in an AFDC community work experience program are subject to a limit on the number of hours of work—their cash assistance plus food stamps, divided by the minimum wage (but no person can be required to work more than 120 hours a month). [Sec. 20(a)]

House bill

No provision. [Note: TANF households would presumably be categorically eligible for food stamps under existing provisions of law.]

No provision. [Note: TANF recipients would presumably be considered to have met food stamp resource standards under existing provisions of law.]

No provision. [Note: TANF recipients would presumably not be exempt from food stamp postsecondary student rules under existing provisions of law.]

Senate amendment

Provides that households in which all members are recipients of benefits under a State's family assistance block grant program be categorically eligible for food stamps, if the Secretary determines that the program complies with Secretarial standards that ensure that State program standards are comparable to or more restrictive than those in effect June 1, 1995.

Deletes the existing provision for a State-option child support disregard. [Note: A separate provision (Sec. 5(m) of the Food Stamp Act) providing for State funding of the disregard is not deleted.]

Provides that persons receiving benefits under a State's family assistance block grant program will be considered to have met food stamp resource eligibility standards, if the Secretary determines that the program complies with Secretarial standards that ensure that State program standards are comparable to or more restrictive than those in effect June 1, 1995.

Provides that persons receiving benefits under a State's family assistance block grant program are exempt from food stamp rules barring eligibility to most postsecondary students, if the Secretary determines that the program complies with Secretarial standards that ensure that State program standards are comparable to or more restrictive than those in effect June 1, 1995.

Provides that households may not receive food stamp benefits as the result of eligibility under a State's family assistance block grant program unless the Secretary determines that households with income above 130% of the poverty guidelines are not eligible for the State's program—notwithstanding any other provision of the Food Stamp Act.

Deletes the existing provision allowing compliance with food stamp workfare rules by operating a workfare program under title IV of the Social Security Act.

Deletes the existing rule placing limits on hours worked for food stamp recipients in community work experience programs.

Makes various technical amendments to the Food Stamp Act conforming its existing references to the AFDC program to cite the new family assistance block grant program.

Conference agreement

The Conference agreement follows the Senate amendment.

62. PROTECTION OF BATTERED INDIVIDUALS

Present law

No provision. [Note: Certain work rules contain a "good cause" exemption.]

House bill

No provision.

Senate amendment

In the case of individuals who were battered or subjected to extreme cruelty, permits states to exempt them from the following provisions of food stamp law (or modify their application) if their physical, mental, or emotional well-being would be endangered:

(1) the requirement that the income and resources of a sponsor of an alien be deemed to the sponsored alien;

(2) the requirement that custodial parents cooperate with child support agencies (as added by the Senate amendment); and

(3) all work requirements (including the new work requirement added by the Senate amendment).

Conference agreement

The Conference agreement follows the House bill. The Conferees note that the Food Stamp Act already provides protection to battered individuals in the application of child support enforcement and work rules.

63. RECONCILIATION PROVISIONS

A. Transitional Housing

Present law

Payments from regular welfare benefits made on behalf of households in transitional housing are disregarded as income. [(Sec. 5(k)]

House bill

No provision.

Senate amendment

Deletes disregard of transitional housing payments.

Conference agreement

The Conference agreement follows the Senate amendment.

B. American Samoa

Present law

No provision. [Note: A food assistance program for American Samoa is supported under provisions of law granting Secretarial discretion to extend Agriculture Department programs to American Samoa.]

House bill

No provision.

Senate amendment

Provides for funding of not more than $5.3 million a year through FY 2002 for a nutrition assistance program in America Samoa.

Conference agreement

The Conference agreement follows the Senate amendment.

C. Assistance for Community Food Projects

Present law

No provision.

House bill

No provision.

Senate amendment

Authorizes $2.5 million a year for community food project grants to meet the food needs of low-income people, increase the self-reliance of communities in providing for their own food needs, and promote comprehensive responses to local food, farm, and nutrition issues.

Conference agreement

The Conference agreement follows the Senate amendment, with an amendment making the funding for community food projects mandatory.

Commodity Distribution

1. SHORT TITLE

Present law

The Emergency Food Assistance Act (EFAA), the Hunger Prevention Act of 1988, the Commodity Distribution Reform Act and WIC Amendments, the Charitable Assistance and Food Bank Act of 1987, the Food Security Act of 1985, the Agriculture and Consumer Protection Act of 1973, and the Food, Agriculture, Conservation, and Trade Act of 1990.

House bill

Combines several existing commodity donation programs and authorities under one title, the Commodity Distribution Act of 1995.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the House bill with an amendment striking the House provision and replacing it with a provision combining the emergency food assistance program (TEFAP) with the soup kitchen/food bank program into one program to be known as the TEFAP. The revised TEFAP is reauthorized through 2002, and the Secretary is required to purchase $300 million of commodities each year through 2002 for distribution through the TEFAP. The requirement to purchase $300 million of commodities is included in the Food Stamp Act authorization for appropriations.

2. AVAILABILITY OF COMMODITIES

Present law

Requires the Secretary to purchase a variety of nutritious and useful commodities using the resources of the CCC or Section 32 to supplement commodities acquired from the excess inventories of CCC for distribution to emergency feeding organizations. [Sec. 214(c) of Emergency Food Assistance Act (EFAA)]

In addition to commodities donated from excess CCC holdings, authorizes the Secretary to donate Section 32 commodities to eligible recipient agencies participating in TEFAP. [Sec. 202(c)]

Requires the Secretary to make available to eligible recipient agencies CCC commodities in excess of those needed to meet domestic and international obligations and market development and food aid commitments and to carry out farm price and income stabilization features of the AAA of 1938, the AA of 1949, and the CCC Charter. [Sec. 202(a), EFAA]

House bill

For fiscal years 1996–2000, authorizes the Secretary of Agriculture to purchase a variety of nutritious and useful commodities to distribute to the States for purposes laid out in the subtitle.

Similar to current law, but also authorizes the use of Section 32 *funds* not otherwise used or needed, to purchase, process, and distribute commodities for purposes under the new program.

Leaves current general authority untouched; maintains EFAA requirement but adds language stipulating that donations are to be in addition to authorized Section 32 donations.

Senate amendment

Extends existing law purchasing authorities through FY 2002.

Conference agreement

See Item #1 above.

3. BASIS FOR COMMODITY PURCHASES

Present law

Requires that commodities made available under the EFAA include a variety of items most useful to eligible recipient agencies, including dairy products, wheat and wheat products, rice, honey, and cornmeal. [Sec. 202(d), EFAA]

House bill

Requires the Secretary to determine the types, varieties, and amounts of commodities purchased under this subtitle, and to make such purchases, to the maximum extent practicable and appropriate, on the basis of agricultural market conditions, State and distribution agency preferences and needs, and the preferences of recipients.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

4. STATE AND LOCAL SUPPLEMENTATION OF COMMODITIES

Present law

Requires the Secretary to establish procedures by which State and local agencies, charitable institutions, or other persons may supplement the commodities distributed under TEFAP for use by emergency feeding organizations with donations of nutritious and wholesome commodities. [Sec. 203D(a), EFAA]

Allows States and emergency feeding organizations to use TEFAP funds, equipment, structures, vehicles, and all other facilities and personnel involved in the storage, handling, and distribution of TEFAP commodities to store, handle, or distribute commodities donated to supplement TEFAP commodities. [Sec. 203D(b), EFAA]

Requires States and emergency feeding organizations to continue to use volunteer workers and commodities and foods donated by charitable and other organizations, to the maximum extent practical, in operating TEFAP.

House bill

Similar to current law except that supplementation applies to all programs eligible to receive commodities under the new program, not just TEFAP.

Similar to current law except it allows use of these sources to all programs eligible to participate in the new program (not just TEFAP), and explicitly identifies the funds that States and eligible agencies may use to help with supplemental commodities as those appropriated for administrative costs under the new Section 519(b).

Same as current law, except substitutes recipient agencies for emergency feeding organizations to reflect expansion of provisions to cover other commodity donation programs as well as TEFAP.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

5. STATE PLAN

Present law

Requires Secretary to expedite the distribution of commodities to agencies designated by the Governor, or directly distribute commodities to eligible recipient agencies engaged in national commodity processing; allows States to give priority to donations to existing food bank networks serving low-income households. Requires States to expeditiously distribute commodities to eligible recipient agencies, and to encourage distribution to rural areas. Also requires States to distribute commodities only to agencies that serve needy persons and to set their own need criteria, with the approval of the Secretary. [Sec. 203B (a) and (c) of EFAA]

House bill

Requires that States seeking commodities under this program submit a plan of operation and administration every four years for approval by the Secretary and allows amendment of the plan at any time.

Requires that, at a minimum, the State receiving commodities include in its plan:

designation of the State agency responsible for distributing commodities;

the plan of operation and administration to expeditiously distribute commodities in amounts requested by eligible recipient agencies;

the standards of eligibility for recipient agencies; and

the individual or household eligibility standards for commodity recipients, which shall require that they be needy, and residing in the geographic location served by the recipient agency.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the House bill.

6. ADVISORY BOARD

Present law

No provision.

House bill

Requires the Secretary to encourage States to establish advisory boards consisting of representatives of all interested entities, public and private, in the distribution of commodities.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the House bill.

7. COOPERATIVE AGREEMENTS/TRANSFERS

Present law

Permits States receiving TEFAP commodities to enter into cooperative agreements with agencies of other States to jointly provide commodities serving eligible recipients from each State in a single area, or to transfer commodities. [Sec. 203B(d)]

House bill

Similar to current law, except adds language specifying that the State may advise

the Secretary of such agreements and transfers. Note: Because the new commodity distribution program covers more than TEFAP agencies, this represents a new provision for other recipient agencies now receiving commodities (e.g., CSFP, charitable institutions).

Senate amendment

No provision.

Conference agreement

See Item #1 above.

8. ALLOCATION OF COMMODITIES TO STATES

Present law

Requires Secretary to allocate commodities purchased for TEFAP to States in the following proportions:

60% of the value of commodities available based on each State's proportion of the national total of persons with incomes below the poverty line; and

40% based on each State's proportion of the national total of the average monthly number of unemployed persons.

House bill

Similar to current law as relates to allocation of TEFAP commodities. CSFP commodities are exempted from the allocation method, however, other recipient agencies currently receiving commodities under authority other than the EFAA (e.g. charitable institutions) are covered by the allocation formula.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

9. NOTIFICATION

Present law

Requires the Secretary to notify each State of the amount of commodities it is allotted to receive. Requires each State to notify the Secretary promptly if it will not accept commodities available to it, and requires the Secretary to reallocate and distribute such commodities as he deems appropriate and equitable. Further requires the Secretary to establish procedures to permit State to decline portions of commodity allocations during each fiscal year and to reallocate and distribute such commodities, as deemed appropriate and equitable. [Sec. 214(g), EFAA]

House bill

Same as current law, except applies to all eligible agencies receiving commodities, not just TEFAP agencies.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

10. DISASTERS

Present law

Permits the Secretary to request that States consider assisting other States where substantial number of persons have been affected by drought, flood, hurricane or other natural disasters by allowing the Secretary to reallocate commodities to those States affected by such disasters. [Sec. 214(g), EFAA]

House bill

Same as current law.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

11. NATIONAL COMMODITY PROCESSING

Present law

Requires through FY1995 that the Secretary encourage agreements with private companies for reprocessing into end-use products those commodities donated at no charge to nutrition programs. [Sec. 1114(a)(2)(A) of Agriculture of Food Act of 1981]

House bill

No provision.

Senate amendment

Extends national commodity processing provision through FY2002.

Conference agreement

The Conference agreement follows the Senate amendment.

12. PURCHASES AND TIMING

Present law

Requires that in each fiscal year, the Secretary purchase commodities at times and under conditions determined appropriate; deliver such commodities at reasonable intervals to States (but no later than the end of the fiscal year), based on the allocation formula, and entitles each State to the additional commodities purchased for TEFAP in amounts based on the allocation formula. [Sec. 214(h), EFAA]

House bill

Similar to current law except for reference to CSFP, deletion of language relating to "additional" commodities, and requirement that commodities be delivered by December 31 of the following fiscal year.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

13. PRIORITY SYSTEM FOR STATE DISTRIBUTION OF COMMODITIES

A. Emergency Feeding Organizations

Present law

Requires States to give priority for commodities to emergency feeding organizations if sufficient commodities are not available to meet requests of all eligible agencies, and encourages States to distribute commodities to rural areas. [Sec. 203B(b), EFAA]

House bill

Requires that in distributing commodities allocated under this section for other than CSFP, the State agency offer its full allocation of commodities to emergency feeding organizations.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

B. Charitable Institutions

Present law

No provision.

House bill

Permits State agencies to distribute commodities that are not able to be used by emergency feeding organizations to charitable institutions (excluding penal institutions) that do not receive commodities as emergency feeding organizations.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

C. Other Eligible Agencies

Present law

No provision.

House bill

Permits the State agency to distribute commodities that are not able to be used by emergency feeding organizations or other charitable institutions to other eligible recipient agencies not receiving commodities under the previous distributions.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

14. INITIAL PROCESSING COSTS

Present law

Permits the Secretary to use CCC funds to pay the cost of initial processing and packaging of commodities distributed under this Act into forms and quantities the Secretary determines are suitable for use by individual households or institutional use. Permits payment in the form of commodities equal in value to the cost, and requires the Secretary to ensure that such payments in kind do not displace commercial sales. [Sec. 203A, EFAA]

House bill

Similar to present law, except substitutes term "eligible recipient agencies" for "institutional use."

Senate amendment

No provision.

Conference agreement

See Item #1 above.

15. ASSURANCES; ANTICIPATED USE

Present law

Requires the Secretary to take precautions to assure that eligible recipient agencies and persons receiving commodities do not diminish their normal expenditures for food because of receipt of commodities, and to ensure that commodities made available under the Act do not displace commercial sales. Prohibits Secretary from donating commodities in a quantity or manner that will substitute for agricultural produce that otherwise would be purchased in the market. Requires Secretary to submit a report to the Congress each year on whether and to what extent displacement or substitution is occurring. [Sec. 203C(a)]

House bill

Similar to current law but does not refer to individual displacement or substitutions or prohibit donation in a quantity or manner that might interfere with market sales. Also sets December 1997, and at least every two years thereafter as the dates for displacement reports.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

16. WASTE

Present law

Requires that the Secretary purchase and distribute commodities in quantities that can be consumed without waste, and prohibits eligible recipient agencies receiving commodities under this Act from receiving commodities in excess of anticipated use (based on inventory records and controls), or in excess of their ability to accept and store. [Sec. 203C(b)]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

17. AUTHORIZATION OF APPROPRIATIONS

A. Commodity Purchases

Present law

Authorizes $175 million for FY 1991, $190 million for FY 1992, and $220 million for each of FY 1993–1995 to purchase, process and distribute additional commodities to TEFAP agencies. [Sec. 214(e)]

House bill

Authorizes $260 million annually for each of fiscal years 1996 through 2000 to purchase, process, and distribute commodities to States for distribution to eligible recipient agencies, which include charitable institutions and CSFP agencies, as well as TEFAP agencies.

Senate amendment

Extends funding authority for commodity purchases at $220 million annually through FY 2002.

Conference agreement

See Item #1 above.

B. Administrative Funding

Present law

Authorizes $50 million for FY 1991–95 for the Secretary to make available to States for State and local payments of costs associated with the distribution of commodities by eligible recipient agencies. Requires Secretary to allocate funds to States on advance basis in the same proportion as the proportion each State receives of allocated commodities, and requires the Secretary to reallocate funds not able to be used by a State to other States in an appropriate and equitable manner. Permits States to use funds for costs associated with the distribution of additional commodities purchased for the program and for soup kitchens and food banks. [See 204(a)(1)]

House bill

Authorizes $40 million annually for each of fiscal years 1996 through 2000 for payments to States and local agencies (except for the CSFP) for the costs associated with transporting storing, and handling commodities other than those distributed to CSFP agencies. Same as current law with respect to allocations and reallocations, and advanced funding. No specific reference to soup kitchens and food banks, which are included as eligible recipient agencies.

Senate amendment

Extends authority for administrative funding at $50 million annually through FY 2002.

Conference agreement

The Conference agreement follows the Senate amendment with an amendment providing that administrative funds may be used for processing, transporting, or distributing commodities other than TEFAP commodities.

18. LOCAL ADMINISTRATIVE PAYMENTS

Present law

Requires each State to make available not less than 40% of the funds it receives for administrative costs in each fiscal year to pay for, or provide advance payments to eligible recipient agencies, for allowable expenses incurred by such agencies in distributing commodities to needy persons. Defines "allowable expenses" to include the costs of transporting, storing, handling, repackaging and distributing commodities after receipt by the eligible recipient agency; costs associated with eligibility, verification, and documentation of eligibility; costs of providing information to commodity recipients on appropriate storage and preparation of commodities; and costs of recordkeeping, auditing, and other required administrative procedures. [Sec. 204(a)(2), EFAA]

House bill

Same as current law except also applies to non-TEFAP agencies.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

19. STATE COVERAGE OF LOCAL COSTS

Present law

Requires that amounts of funding that States use to cover the allowable expenses of eligible recipient agencies be counted toward the amount a State must make available from administrative funding provided under this Act for eligible recipient agencies. [Sec. 204(a)(2), EFAA]

House bill

Same as present law except that it references the CSFP, which is excluded from this rule.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

20. FINANCIAL REPORTS

Present law

Requires States receiving funds to submit financial reports on a regular basis to the Secretary on the use of such funds and prohibits any such funds from being used by States for costs other than those used to the distribution of commodities by eligible recipient agencies. [Sec. 204(a)(3), EFAA]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

21. NON-FEDERAL MATCHING FUNDS

Present law

Requires that each State receiving administrative funds under this subsection provide cash or in-kind contributions from non-Federal sources in an amount equal to the amount of Federal administrative funds it receives that are not distributed to eligible recipient agencies or used to cover the expenses of such agencies. Permits States to receive administrative funding prior to satisfying the matching requirement, based on their estimated contribution, and requires the Secretary to periodically reconcile estimated and actual contributions to correct for overpayments and underpayments. [Sec. 204(a)(4), EFAA]

House bill

Same as present law, except excludes administrative funds distributed for the CSFP from the non-Federal matching requirements and rules.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

22. FEDERAL CHARGES

Present law

Prohibits any charge against the appropriations authorized by this section for the value of commodities donated for the purposes of this Act, or for the funds used by the CCC for the costs of initial processing, packaging, and delivery of program commodities to the States. [Sec. 204(b), EFAA]

House bill

Similar to present law except it applies the prohibition to bonus donations of Section 32 and CCC commodities, as well as those bought for the program.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

23. STATE CHARGES

Present law

Prohibits States from charging for commodities made available to eligible recipient agencies and from passing along the cost of matching requirements. [Sec. 204(a)(5), EFAA]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

See Item #1 above.

24. MANDATORY FUNDING FOR NUTRITION PROGRAM COMMODITIES

Present law

For each of fiscal years 1994–1996, requires $230,000 of Treasury funds not otherwise appropriated to be provided to the Secretary to purchase, process and distribute commodities that are low in saturated fats, sodium, and sugar, and a good source of calcium, protein, and other nutrients to 2 States, selected by the Secretary, to carry out a three year project to improve the health of low-income participants of TEFAP. Requires that commodities be easy for low-income families to store, use, and handle, and include low-sodium peanut butter, low-fat and low sodium cheese and canned meats, fruits, and vegetables. Also requires that $5000 of the amount provided be given to each of the participating States to help with administrative costs. [Sec. 13962 of OBRA, 1993]

House bill

No provision.

Senate amendment

Extends this requirement through FY2002.

Conference agreement

The Conference agreement follows the House bill.

25. COMMODITY SUPPLEMENTAL FOOD PROGRAM (CSFP)—AUTHORIZATION

Present law

For each of fiscal years 1991–1995, authorizes the Secretary to purchase and distribute sufficient agricultural commodities with appropriated funds to maintain the traditional level of assistance for food programs including the supplemental food programs for women, infants, children, and the elderly. [Sec. 4(a), Agriculture and Consumer Protection Act of 1973]

House bill

Requires that $94.5 million of the amount appropriated for programs under this subtitle for the period FY 1996–2000 be used each fiscal year to purchase and distribute commodities to supplemental feeding programs for women, infants, and children, or elderly individuals participating in the commodity supplemental food program.

Senate amendment

Extends present law authority through FY2002.

Conference agreement

The Conference agreement follows the Senate amendment.

26. CSFP ADMINISTRATIVE FUNDING

Present law

Requires the Secretary to provide administrative funds to State and local agencies administering the CSFP for each of fiscal years 1991–1995. Authorizes appropriations in an amount equal to not more than 20% of the value of commodities purchased for the program. [Sec. 5(a) Agriculture and Consumer Protection Act of 1973]

Defines administrative costs to include expenses for information and referral, operation, monitoring, nutrition education, start-up costs, and general administration (including staff, warehouse, and transportation personnel, insurance and administration of the State or local office. [Sec. 5(c), Agriculture and Consumer Protection Act of 1973]

House bill

Requires that not more than 20% of the funds made available for commodity purchase and distribution for the CSFP be made available to States for the State and local payments of costs associated with the distribution of commodities by CSFP agencies.

Senate amendment

Extends present law authority through FY2002.

Conference agreement

The Conference agreement follows the Senate amendment.

27. CSFP—COMMODITY PURCHASES AND ADVANCE WARNING

Present law

Permits the Secretary to determine the types, varieties, and amounts of commodities purchased for the CSFP, but requires the Secretary to report to the House and Senate Agriculture Committees plans for significant changes from commodities available or planned at the beginning of the fiscal year before implementing such changes.

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

28. CHEESE AND NONFAT DRY MILK

Present law

In each of fiscal years 1991–1995, the CCC is required to provide at least 9 million pounds of cheese and 4 million pounds of nonfat dry milk (to the extent inventory levels permit), for the Secretary to use, before the end of each fiscal year, to carry out the CSFP. [Sec. 5(d)(2), Agriculture and Consumer Protection Act of 1973]

House bill

Implements this present law provision for fiscal years 1996–2000, otherwise it is exactly the same as present law.

Senate amendment

Extends present law provision through FY2002.

Conference agreement

The Conference agreement follows the Senate amendment.

29. ADDITIONAL CSFP SITES

Present law

Requires the Secretary to approve additional sites each fiscal year, including sites serving the elderly, in areas where the program does not operate to the full extent that applications can be approved within the funding available, and without reducing participation levels (including the elderly) in areas where the program is in effect. [Sec. 5(f), Agriculture and Consumer Protection Act of 1973]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

30. ADDITIONAL RECIPIENTS

Present law

Permits a local agency to serve low-income elderly persons, with the approval of the Secretary, if it determines that the amount of assistance it receives is more than is needed to provide assistance to women, infants and children. [Sec. 5(g), Agriculture and Consumer Protection Act of 1973]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

31. COMMODITY PRICE INCREASES

Present law

Requires the Secretary to determine the decline in the number of persons able to be served by the CSFP if the price of one or more commodities purchased for the program is significantly higher than expected; to promptly notify State agencies operating programs of the decline; and ensure that State agencies notify local agencies of the decline. [Sec. 5(j)(1) and (2), Agriculture and Consumer Protection Act of 1973]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

32. AFFECT OF CSFP COMMODITIES ON OTHER RECIPIENT AGENCIES

Present law

No provision.

House bill

Stipulates that commodities distributed to CSFP agencies under this section not be considered when determining commodity allocations to States for other eligible recipient agencies receiving commodities under this Act, or in following the priority for distribution of commodities to such agencies.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

33. COMMODITIES NOT INCOME

Present law

Specifies that commodities distributed under this Act not be considered income or resources for any purposes under Federal, State, or local law. [Sec. 206, EFAA]

House bill

Similar to present law, but narrower. Specifies that receipt of commodities cannot be considered in "determining eligibility for any Federal, State, or local "means-tested program," instead of the broader "any purposes" outlined in present law.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

34. PROHIBITION ON STATE CHARGES

Present law

Prohibits States from charging eligible recipient agencies any amount that exceeds the difference between the State's direct costs of storing and transporting commodities to recipient agencies and the amount of funds provided for this purpose by the Secretary. [Sec. 208, EFAA]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

35. DEFINITIONS

A. Average Monthly Number of Unemployed Persons

Present law

The average monthly number of unemployed persons within a State in the most recent fiscal year for which information is available, as determined by the Bureau of Labor Statistics of the Department of Labor. [Sec. 2143(b), EFAA]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the House bill with an amendment providing that all definitions included in the TEFAP and soup kitchen/food bank program will be included in the revised TEFAP.

B. Elderly Persons

Present law

No provision.

House bill

Defines "elderly persons" to mean persons 60 years or older.

Senate amendment

No provision.

Conference agreement

See Item 35A above.

C. Eligible Recipient Agencies; Emergency Feeding Organizations

Present law

Combines definition of "eligible recipient agencies" and "emergency feeding organizations, as follows: "Eligible recipient agency" means public or non-profit organizations that administer activities or projects providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons (including those in charitable institutions, food banks, hunger centers, soup kitchens, and similar non-profit recipient agencies (hereinafter referred to as "emergency feeding organizations"); and school lunch, summer camps, and child nutrition meal service, elderly feeding programs, CSFP, charitable institutions for the needy, and disaster relief. [Sec. 201A, EFAA]

House bill

Similar to present law, but separates into two separate definitions, as follows: Defines

"eligible recipient agency" to mean a public or non-profit organization that administers:

An institution operating a CSFP;

An emergency feeding organization (EFO);

A charitable institution (including a hospital and a retirement home, but excluding a penal institution) serving need persons;

A summer camp for children or a child nutrition food service program;

An elderly feeding program; or

A disaster relief program.

Defines "emergency feeding organization" to mean public or private organizations that administer activities and projects (including charitable institutions, food banks and pantries, hunger relief centers, soup kitchens, or similar non-profit eligible agencies) providing nutrition assistance to relieve situations of emergency and distress by providing food to needy persons, including low-income and unemployed persons.

Senate amendment

No provision.

Conference agreement

See Item 35A above.

D. Food Bank

Present law

The term "food bank" means a public and charitable institution that maintains an established operation providing food to food pantries, soup kitchens, hunger relief centers, or other feeding centers that provide meals or food to feed needy persons on a regular basis as an integral part of their normal activity. [Sec. 110, Hunger Prevention Act of 1988]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

See Item 35A above.

E. Food Pantry

Present law

Defines "food pantry" to mean a public or private nonprofit organization distributing food (including other than USDA food) to low-income and unemployed households to relieve situations of emergency and distress. [Sec. 110, Hunger Prevention Act of 1988]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

See Item 35A above.

F. Needy Persons

Present law

No provision.

House bill

Defines "needy persons" to mean individuals who have low incomes or are unemployed as determined by the State, as long as this is not higher than 185% of the poverty line; households certified as food stamp participants or individuals participating in other Federally-supported means-tested programs.

Senate amendment

No provision.

Conference agreement

See Item 35A above.

G. Poverty Line

Present law

The term "poverty line" is the same as the term used in Section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)). [Sec. 110, Hunger Prevention Act]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

See Item 35A above.

H. Soup Kitchen

Present law

The term "soup kitchen" means a public and charitable institution that, as an integral part of its normal activities, maintains an established feeding operation for needy homeless persons on a regular basis. [Sec. 110, Hunger Prevention Act]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

See Item 35A above.

36. REGULATIONS

Present law

Requires the Secretary to issue regulations within 30 days to implement this subtitle; to minimize to the extent practicable the regulatory, recordkeeping and paperwork requirements imposed on eligible recipient agencies, to publish in the Federal Register as early as feasible, but not later than the beginning of each fiscal year, an estimate of the types and quantitites of commodities anticipated to be available; and to include in regulations provisions that set standards relating to liability for commodity losses when there is no evidence of negligence or fraud, and establish conditions for payment to cover such losses, taking into account the special needs and circumstances of the recipient agencies. [Sec. 210, EFAA]

House bill

Similar to present law except provides 120 days for Secretary to issue regulations and includes reference to "non-binding" nature of Secretary's estimates of donations.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

37. FINALITY OF DETERMINATIONS

Present law

Specifies that determinations made by the Secretary concerning the types and quantities of commodities donated under this subtitle, when in conformance with applicable regulations, be final and conclusive and not reviewable by any other officer or agency of the Government. [Sec. 211, EFAA]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

38. PROHIBITION ON SALE OF COMMODITIES

Present law

Prohibits the sale or disposal of commodities in commercial channels in any form, except as permitted under Section 517 for in-kind payment of initial processing costs by the CCC. [Sec. 205(b), EFAA]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

39. SETTLEMENT OF CLAIMS

Present law

Gives the Secretary or designee authority to determine the amount of, settle and adjust any claim arising under this subtitle, and waive any claim when the Secretary determines it will serve the purposes of this Act. Specifies that nothing in this Act diminishes the authority of the Attorney General to conduct litigation on behalf of the United States. [Sec. 215, EFAA]

House bill

Same as present law.

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment.

40. REPEALERS AND AMENDMENTS

Present law

No provision.

House bill

Repeals the Emergency Food Assistance Act of 1983.

In the Hunger Prevention Act of 1988, strikes Section 110 (soup kitchens and food banks); Subtitle C of Title II (Food processing and distribution); and Section 502 (food bank demonstration project).

Stikes Section 4 of the Commodity Distribution Reform Act of 1987 (Food bank demonstration).

Strikes Section 3 of the Charitable Assistance and Food Bank Act of 1987.

Amends the Food Security Act of 1985 by striking Section 1571, and striking Section 4 of the Agriculture and Consumer Protection Act (CSFP) and inserting Section 110 of the Commodity Distribution Act of 1995.

In the Agriculture and Consumer Protection Act of 1973: In Section 4(a) strikes "institutions (including hospitals and facilities caring for needy infants and children), supplemental feeding programs serving women, infants, and children, and elderly, or both, wherever located, disaster areas, summer camps for children" and inserting "disaster areas;" In subsection 4(c) strikes "the Emergency Food Assistance Act of 1983" and inserts "The Commodity Distribution Act of 1995"; and strikes Section 5.

In the Food Agriculture, Conservation, and Trade Act of 1990, strikes Section 1773(f).

Senate amendment

No provision.

Conference agreement

The Conference agreement follows the Senate amendment with an amendment repealing section 110 (soup kitchens and food banks), subtitle C of title III (food processing and distribution), and section 502 (food bank demonstration project) of the Hunger Prevention Act of 1988, and section 3 (food bank demonstration) of the Charitable Institution and Food Bank Act of 1987.

TITLE XI. MISCELLANEOUS

1. EXPENDITURE OF FEDERAL FUNDS IN ACCORDANCE WITH LAWS AND PROCEDURES APPLICABLE TO EXPENDITURE OF STATES FUNDS (SUBTITLE A—SECTION 1101)

Present law

According to the National Conference of State Legislatures, there currently are six

States in which Federal funds go to the Governor rather than the State legislature. Those States are Arizona, Colorado, Connecticut, Delaware, New Mexico, and Oklahoma.

House bill

No provision.

Senate amendment

Stipulates that funds from certain Federal block grants to the States are to be expended in accordance with the laws and procedures applicable to the expenditure of the State's own resources, (i.e., appropriated through the State legislature in all States). This provision applies to the following block grants: temporary assistance to needy families block grant under title I, the optional State food assistance block grant under title III, and the child care block grant under title VI of the Senate amendment. Thus, in the States in which the Governor previously had control over Federal funds, the State legislatures now would share control according to State laws regarding State expenditures.

Conference agreement

The conference agreement follows the Senate amendment.

2. ELIMINATION OF HOUSING ASSISTANCE WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS (SUBTITLE A—SECTION 1102)

Present law

No provision.

House bill

No provision.

Senate amendment

Ends eligibility for public housing and Section 8 housing assistance of a person who is fleeing to avoid prosecution after conviction for a crime, or attempt to commit a crime, that is a felony where committed (or, in the case of New Jersey, is a high misdemeanor), or who is violating a condition of probation or parole. The amendment states that the person's flight shall be cause for immediate termination of their housing aid.

Requires specified public housing agencies to furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, social security number, and photograph (if applicable) of any SSI recipient, if the officer furnishes the public housing agency with the person's name and notifies the agency that the recipient is a fugitive felon (or in the case of New Jersey a person fleeing because of a high misdemeanor) or a probation or parole violator or that the person has information that is necessary for the officer to conduct his official duties, and the location or apprehension of the recipient is within the officer's official duties.

Conference agreement

The conference agreement follows the Senate amendment.

3. SENSE OF THE SENATE REGARDING ENTERPRISE ZONES (SUBTITLE A—SECTION 1103)

Present law

No specific provision. However, as stated, the provisions outlined in the Sense of the Senate language already can be done under present law.

House bill

No provision.

Senate amendment

Outlines findings related to urban centers and empowerment zones and includes sense of the Senate language that urges the 104th Congress to pass an enterprise zone bill that provides Federal tax incentives to increase the formation and expansion of small businesses and to promote commercial revitalization; allows localities to request waivers to accomplish the objectives of the enterprise zones; encourages resident management of public housing and home ownership of public housing; and authorizes pilot projects in designated enterprise zones to expand the educational opportunities for elementary and secondary school children.

Conference agreement

The conference agreement follows the senate amendment.

4. SENSE OF THE SENATE REGARDING THE INABILITY OF THE NON-CUSTODIAL PARENT TO PAY CHILD SUPPORT (SUBTITLE A—SECTION 1104)

Present law

No provision.

House bill

No provision.

Senate amendment

It is the sense of the Senate that States should pursue child support payments under all circumstances even if the noncustodial parent is unemployed or his or her whereabouts are unknown; and that States are encouraged to pursue pilot programs in which the parent of a minor non-custodial parent who refuses or is unable to pay child support contribute to the child support owed.

Conference agreement

The conference agreement follows the Senate amendment.

5. FOOD STAMP ELIGIBILITY (SUBTITLE A—SECTION 1105)

Present law

For purposes of determining eligibility and benefits under the Food Stamp program, the income—less a pro rata share—and financial resources of an ineligible alien are included in the income and resources of the household of which the alien is a member. [Sec. 6(f) of the Food Stamp Act]

House bill

No provision.

Senate amendment

Permits States to include all of an ineligible alien's income and resource in the income and resources of the household of which the alien is a member. (Note: This provision applies only to those aliens made ineligible under present food stamp law, not to those who might be made ineligible for food stamps under new provisions in Senate amendment.)

Conference agreement

The conference agreement follows the Senate amendment.

6. SENSE OF THE SENATE ON LEGISLATIVE ACCOUNTABILITY FOR UNFUNDED MANDATES IN WELFARE REFORM LEGISLATION

Present law

P.L. 104–4, the Unfunded Mandates Reform Act of 1995, enacted March 22, 1995, responds to the concern of many State and local officials regarding costs placed upon them by "unfunded mandates." The Act addresses this issue by requiring the Congressional Budget Office (CBO) to estimate the costs to State, local, and tribal governments and the private sector of unfunded intergovernmental mandates that exceed a specified amount and to make the information available to the Congress before a final vote on a given piece of legislation is taken.

House bill

No provision.

Senate amendment

Includes the "purposes" section of P.L. 104–4 as findings and states that it is the Sense of the Senate that before the Senate acts on the conference agreement on H.R. 4 (or any other welfare reform legislation), CBO include in its 7-year estimates the costs to States of meeting all work requirements (and other requirements) in the conference agreement, including those for single-parent families, two-parent families, and those who have received cash assistance for 2 years; the resources available to the State to meet these work requirements and what States are projected to spend under current welfare law; and the amount of additional revenue needed by the States to meet the work requirements. In addition, the Senate would like CBO to estimate how many States would pay a penalty rather than raise the additional revenue needed to comply with the specified work requirements.

Conference agreement

The conference agreement follows the House bill (no provision).

7. SENSE OF THE SENATE REGARDING COMPETITIVE BIDDING FOR INFANT FORMULA

Present law

Under the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), States must carry out cost containment measures in procuring infant formula (and, where practicable, other foods). Cost containment must be by competitive bidding or another method that yields equal or greater savings. Any cost savings may be used by the State for WIC program purposes. [Sec. 17(b) and (h) of the Child Nutrition Act]

House bill

With respect to assistance provided to women, infants, and young children under the Family Nutrition Block Grant, States are required to establish and carry out a cost containment system for procuring infant formula. States must use cost containment savings for any of the activities supported under the Family Nutrition Block Grant and must report on their system and the estimated cost savings compared to the previous year.

Senate amendment

Includes findings on the success of the WIC program in: improving the health status of women, infants, and children, saving Medicaid expenditures, and establishing the importance of infant formula manufacture rebates in helping to fund the WIC program. The amendment states that it is the sense of the Senate that any legislation enacted by Congress must not eliminate or in any way weaken present competitive bidding requirements for the purchase of infant formula supported with Federal funds.

Cjonference agreement

The conference agreement is to drop the provision on competitive bidding for infant formula.

8. ESTABLISHING NATIONAL GOALS TO PREVENT TEENAGE PREGNANCIES (SUBTITLE A—SECTION 1106)

A. Goals

Present law

No provision.

House bill

No provision.

Senate amendment

Requires the Secretary of HHS to establish and implement by January 1, 1997, a strategy for:

(1) preventing an additional 2 percent of out-of-wedlock teenage pregnancies a year; and

(2) assuring that at least 25 percent of U.S. communities have teenage pregnancy programs in place.

HHS is required to report to Congress by June 30, 1998, on progress made toward meeting these 2 goals.

Conference agreement

The conference agreement follows the Senate amendment, but eliminates the reference to "an additional 2 percent" in (1).

B. Prevention Programs

Present law

The Social Services block grant (SSBG) (sec. 2002 of SSA, 42 USC 1397a) entitles States to an allotment for services not limited to, but including: child day care; protective services for children and adults; services for children and adults in foster care; home management services; adult day care; transportation; family planning services; training and related services; employment services; information, referral and counseling; meal preparation and delivery; health support services; and, combinations of services to meet the special needs of children, the aged, the mentally retarded, the blind, the emotionally disturbed, the physically handicapped, alcoholics, and drug addicts. Also, Title XX of the Public Health Service Act establishes the Adolescent Family Life (AFL) program to encourage adolescents to delay sexual activity and to provide services to alleviate the problems surrounding adolescent parenthood. One-third of all funding for AFL program services go to projects that provide "prevention services." The purpose of the prevention component is to find effective means within the context of the family of reaching adolescents, both male and female, before they become sexually active to maximize the guidance and support of parents and other family members in promoting abstinence from adolescent premarital sexual relations. (The FY 1995 appropriation for AFL was $6.7 million.)

House bill

No provision.

Senate amendment

Amends the Social Services block grant (SSBG) (sec. 2002 of the Social Security Act) to require the Secretary to conduct a study of the relative effectiveness of different State programs to prevent out-of-wedlock and teenage pregnancies and to require States conducting programs under this provision to provide data required by the Secretary to evaluate these programs.

Conference agreement

The conference agreement follows the House bill (no provision).

9. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS (SUBTITLE A—SECTION 1107)

Present law

No provision.

House bill

No provision.

Senate amendment

Includes Sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

Conference agreement

The conference agreement follows the Senate amendment.

10. SANCTIONING FOR TESTING POSITIVE FOR CONTROLLED SUBSTANCES (SUBTITLE A—SECTION 1108)

Present law

Eligibility and benefit status for most of the Federal welfare programs are not affected by a recipient's use of illegal drugs. Even under the SSI program, as long as a recipient who is classified as a drug addict or alcoholic participates in an approved treatment plan when so directed and allows his or her treatment to be monitored, he or she is in compliance with the SSI rules, and in most cases the SSI benefit would continue without interruption.

House bill

No provision.

Senate amendment

Stipulates that States shall not be prohibited by the Federal Government from sanctioning welfare recipients who test positive for use of controlled substances.

Conference agreement

The conference agreement follows the Senate amendment.

11. ABSTINENCE EDUCATION (SUBTITLE A—SECTION 1109)

Present law

The Maternal and Child Health (MCH) block grants (title V of the SSA, 42 U.S.C. 701) provides grants to States and insular areas to fund a broad range of preventive health and primary care activities to improve the health status of mothers and children, with a special emphasis on those with low income or with limited availability of health services. Sec. 502 includes a set-aside program for projects of national or regional significance. (The FY 1995 appropriation for MCH was $684 million.) See also: Title XX of the Public Health Service Act establishes the Adolescent Family Life (AFL) program to encourage adolescents to delay sexual activity and to provide services to alleviate the problems surrounding adolescent parenthood. One-third of all funding for AFL program services goes to projects that provide "prevention services." The purpose of the prevention component is to find effective means within the context of the family of reaching adolescents, both male and female, before they become sexually active to maximize the guidance and support of parents and other family members in promoting abstinence from adolescent premarital sexual relations. (The FY 1995 appropriation for AFL was $6.7 million.)

House bill

No provision.

Senate amendment

Amends the Maternal and Child Health (MCH) block grants (title V of the SSA) to set aside $75 million to provide abstinence education—defined as an educational or motivational program that has abstaining from sexual activity as its exclusive purpose—and to provide at the option of the State mentoring, counseling and adult supervision to promote abstinence with a focus on those groups most likely to bear children out-of-wedlock. Also increases the authorization level of MCH to $761 million.

Conference agreement

The conference agreement follows the Senate amendment.

12. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS (SUBTITLE A—SECTION 1110)

Present law

In 1978, Congress passed the Electronic Fund Transfer Act to provide a basic framework establishing the rights, liabilities, and responsibilities of participants in electronic fund transfer systems and required the Federal Reserve Board to develop implementing regulations, which generally are referred to as Regulation E.

House bill

The House bill exempts from Regulation E requirements any electronic benefit transfer program (distributing needs-tested benefits) established under State or local law or administered by a State or local government.

Senate amendment

See Sec. 320 in Senate amendment, which exempts from Regulation E any food stamp electronic benefit transfers.

Conference agreement

The conference agreement follows the House bill.

13. SOCIAL SERVICES BLOCK GRANT (SUBTITLE A—SECTION 1111)

Present law

The Social Services Block Grant (Title XX) provides funds to States in order to provide a wide variety of social services, including:

(1) Child care;

(2) Family planning;

(3) Protective services for children and adults;

(4) Services for children and adults on foster care; and

(5) Employment services.

States have wide discretion over how they use Social Services Block Grant funds. States set their own eligibility requirements and are allowed to transfer up to 10 percent of their allotment to certain Federal health block grants, and for low-income home energy assistance (LIHEAP).

States can also use their block grant funds for staff training in the field of social services. This includes training at workshops, conferences, seminars, and educational institutions.

Funding for the Social Services Block Grant is capped at $2.8 billion a year. Funds are allocated among States according to the State's share of its total population. No State matching funds are required to receive Social services Block Grant money.

House bill

No provision.

Senate amendment

Beginning in FY 1997, the Social Services Block Grant will be reduced by 20 percent.

Conference agreement

The House recedes to the Senate amendment, with the modification that the Social Services Block Grant will be reduced by only 10 percent.

BILL ARCHER,
BILL GOODLING,
PAT ROBERTS,
E. CLAY SHAW, Jr.,
JAMES TALENT,
JIM NUSSLE,
TIM HUTCHINSON,
JIM MCCRERY,
LAMAR SMITH,
NANCY L. JOHNSON,
DAVE CAMP,
GARY A. FRANKS,

As an additional conferee:

BILL EMERSON,

As an additional conferee:

RANDY "DUKE" CUNNINGHAM,

Managers on the Part of the House.

WILLIAM V. ROTH, Jr.,
BOB DOLE,
JOHN H. CHAFEE,
CHARLES GRASSLEY,
ORRIN HATCH,

From the Committee on Labor and Human Resources:

NANCY LANDON KASSEBAUM,
JIM JEFFORDS,
DAN COATS,
JUDD GREGG,
From the Committee on Agriculture, Nutrition, and Forestry:
JESSE HELMS,
Managers on the Part of the Senate.

PROCEEDINGS OF DECEMBER 21, 1995

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. CHAMBLISS].

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
December 21, 1995.

I hereby designate the Honorable SAXBY CHAMBLISS 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:

Our prayers reach out this day for all those whose lives know the anguish of separation from those they love or who experience the emptiness that comes when the meaning and purpose of life is dimmed. O gracious God, as You have given us Your word of assurance and comfort that we ever belong to You and Your grace is sufficient for every need, so minister to all Your people with Your words of promise and peace and hope. This is our earnest prayer. 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. The gentleman from New York [Mr. FRISA] will lead the House in the Pledge of Allegiance.

Mr. FRISA led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H.R. 965. An act to designate the Federal building located at 600 Martin Luther King, Jr. Place in Louisville, Kentucky, as the "Romano L. Mazzoli Federal Building";

H.R. 1253. An act to rename the San Francisco Bay National Wildlife Refuge as the Don Edwards San Francisco Bay National Wildlife Refuge;

H.R. 2481. An act to designate the Federal Triangle Project under construction at 14th Street and Pennsylvania Avenue, Northwest, in the District of Columbia, as the "Ronald Reagan Building and International Trade Center";

H.R. 2527. An act to amend the Federal Election Campaign Act of 1971 to improve the electoral process by permitting electronic filing and preservation of Federal Election Commission reports and for other purposes;

H.R. 2547. An act to designate the United States courthouse located at 800 Market Street in Knoxville, Tennessee, as the "Howard H. Baker, Jr. United States Courthouse";

H.J. Res. 69. Joint Resolution providing for the reappointment of Homer Alfred Neal as a citizen regent of the Board of Regents of the Smithsonian Institution;

H.J. Res. 110. Joint Resolution providing for the appointment of Howard H. Baker, Jr. as a citizen regent of the Board of Regents of the Smithsonian Institution;

H.J. Res. 111. Joint Resolution providing for the appointment of Anne D'Harnoncourt as a citizen regent of the Board of Regents of the Smithsonian Institution; and

H.J. Res. 112. Joint Resolution providing for the appointment of Louis Gerstner as a citizen regent of the Board of Regents of the Smithsonian Institution.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1228. An act to deter investment in the development of Iran's petroleum resources;

S. 1340. An act to establish a Commission on Concentration in the Livestock Industry, and for other purposes;

S. 1429. An act to provide clarification in the reimbursement to States for federally funded employees carrying out Federal programs during the lapse in appropriations between November 14, 1995, through November 19, 1995; and

S. Con. Res. 34. Concurrent Resolution to authorize the printing of "Vice Presidents of the United States, 1789–1993".

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will now entertain fifteen 1-minutes per side.

SAVING THE AMERICAN DREAM

Mr. BOEHNER. Mr. Speaker, the headline in the Washington Post this morning is wrong. It says, "House Republicans Derail Budget Talks." We should make it perfectly clear that the person who derailed the budget talks was Vice President AL GORE when he came out to the microphones at the White House the other night after the Speaker and the majority leader in the Senate met with the President, and he poisoned the well by mischaracterizing the agreements that were made at the White House.

We are intent on balancing the budget, and we are intent on doing it now. We can give our children and our grandchildren the greatest Christmas present that anyone could ever leave to the next generation, and that is a balanced budget which means saving the American dream for our children and theirs.

We are going to do it, and we are going to do it now.

LET US FIND CHRISTMAS

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

Mrs. CLAYTON. Mr. Speaker, it is easy to be hard. It is hard to be both caring and responsible.

Some of our colleagues on the other side of the aisle, not all, but some of our colleagues on the other side of the aisle are determined to demonstrate to all America how hard they can be, my way or no way. Scrooge was hard.

The Christmas season, however, challenges us to care, to consider others, to reach out to our human beings, to embrace them. To share, to be caring can be hard.

The fatal plane crash over the mountains of Colombia and the near fatal plane crash on the runway of New York reminds us how all of our lives are uncontrollable, how the perils of our lives, we do not control that. We have many natural problems. We need not create more.

The stalled budget problem is one we created. We created that. This Congress and the President can bridge that gap between Medicare and Medicaid and the CBO numbers. Those are problems we created. They are easy.

I say to my Republican freshmen and others, be determined not to be hard.

Guess what, even Scrooge found Christmas. Please find Christmas.

MY MOM AND DAD: WHAT AMERICA IS ALL ABOUT

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

Mr. CHABOT. Mr. Speaker, at a time when the President and this Congress are engaged in an historic battle over finally balancing this Nation's budget, I would like to take a moment to acknowledge the importance of this date, December 21, 1995, to me.

You see, 50 years ago today, December 21, 1945, a young soldier from Massachusetts who had just returned from

the war in Europe and a young woman from North Carolina were married. Over that 50 years they raised four children. They now have 9 grandchildren and a 10th on the way. They are both now in their seventies. They are both on Social Security and Medicare, and they both realize, by the way, that we are not cutting Medicare or Social Security, despite what some in this House might allege.

They never had a lot of money, material goods, or that kind of wealth. But they did have something and they still have something that is more important. They have love. They are my mom and dad, and they are an example of what America is all about.

THE BUDGET DEBATE: DO NOT FORGET THE SENIOR CITIZENS

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

Mr. REED. Mr. Speaker, we continue to resist a Republican budget with deep cuts in Medicare and Medicaid, a Republican budget which has already been repudiated by a broad cross-section of the American public.

And, as we continue to debate the Federal budget, I would like to remind my Republican colleagues that they should not lose sight of the budgets of thousands of senior citizens in their districts.

Today the elderly pay more out-of-pocket than ever before for Medicare coverage and supplemental insurance. In Rhode Island, they pay this with an average income of approximately $16,000.

Yesterday the New York Times reported that MediGap premiums for over 3 million seniors will increase an average of 30 percent next year. MediGap is the supplemental insurance which is necessary to cover nonhospital medical expenses. In Rhode Island, the average premium increase will be 35 percent.

These higher premiums would come on top of the proposed increases to beneficiaries in the Republicans budget.

The Republican budget will raise annual Medicare premiums by $264 for an elderly couple in 1996 and nearly double premiums by 2002.

And on top of these significant increases, the Republicans also propose to eliminate the Medicaid entitlement which serves as a critical safety net for thousands of seniors in Rhode Island.

I urge we repudiate these massive cuts in Medicare and Medicaid.

ANOTHER STRATEGY FROM THE WHITE HOUSE

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

Mr. FORBES. Mr. Speaker, anybody who had the opportunity to watch the President's remarks yesterday, they would have seen the unveiling of yet another strategy at the White House. After backing away from the promise the President made 30 days ago to the American people to offer a balanced budget using real numbers, the President's latest strategy now has him labeling House Republican freshmen as being extremists and radical. Imagine that. The President of the United States, the leader of the free world, is now held hostage by the Republican freshman class.

Now, I have heard a lot of tall stories in my life, Mr. Speaker, but this one takes the cake. This latest attempt to tar and feather the Republicans as extremist boogeymen is just more proof Bill Clinton has no ideas and that he is becoming increasingly irrelevant.

You know, it was just about a year ago the liberal media said that Bill Clinton was irrelevant. Considering his opposition, his opposition to an honest 7-year balanced budget, I think we now have an answer.

DO NOT WALK AWAY FROM OUR RESPONSIBILITY TO WORKING FAMILIES

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

Ms. DELAURO. Mr. Speaker, I am holding a copy of an advertisement that ran in today's Washington Post paid for by a group of business leaders who are calling for a balanced budget. What they don't say is what they are willing to sacrifice to achieve that goal. Will they have the courage to say "no" to corporate welfare and tax breaks?

The sponsors of this ad are questionable spokesmen for tightening our belts. Let me tell you about one, Lawrence Bossidy, the CEO of AlliedSignal. Mr. Bossidy earned $12.3 million last year, while closing down a plant in my district, putting 1,400 people out of work.

Mr. Bossidy and the protectors of corporate subsidies could all learn a lesson from Aaron Feuerstein of Malden Mills. When his factory burnt to the ground earlier this month, Mr. Feuerstein did not walk away from his responsibility to his workers. This Congress should not walk away from our responsibility to America's working families by passing a Republican budget that protects corporate welfare, while cutting Medicare, Medicaid, and education for working families.

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

Mr. HEFLEY. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 359.

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

There was no objection.

WHOSE FAULT IS THE BUDGET STALEMATE?

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

Mr. HEFLEY. Mr. Speaker, well, you have seen the headlines in the New York Times and Washington Post. All I can say is consider the source. Two of the most liberal publications in America today naturally would want to blame the Republicans, someone like the Republican freshmen, for this.

What they did not do was watch the news conference of Vice President GORE the other night, two nights ago, when NEWT GINGRICH and BOB DOLE came back to this Capitol to brief us on what happened at the White House. There was a note of encouragement in their voices. It looked like we were on our way to getting something done.

At that very moment they were briefing us, AL GORE was in front of the cameras scuttling the whole deal, repudiating everything GINGRICH and DOLE thought they had heard.

Mr. Speaker, if anyone deserves the blame for the budget talks going south, it is Bill Clinton and his liberal Vice President, AL GORE. They refused to deal in good faith. They refused to honor their commitment that they made last month, and now they want to blame freshman Republicans. Absolutely silly.

Does this not strain credibility, Mr. Speaker? Bill Clinton and his liberal administration refused to honor their commitments, and they do not deal in good faith.

PUNISH CRIMINALS, NOT THE TAXPAYERS

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

Mr. TRAFICANT. Mr. Speaker, I want to talk about the budget deficits.

Serial killer Joel Rifkin admitted to killing 17 women. They found the bodies of those victims in nearby creeks, even in his pickup truck bed, folks.

Joel Rifkin was sentenced to 152 years in jail where he will get free food, free health care, free clothing, free heat, free electricity, television.

Beam me up, Mr. Speaker. It is time that America cuts this business out. The shallow graves of those 17 victims are crying out for justice. The only punishment here is the punishment to the American taxpayers.

Joel Rifkin should be put to death. Congress should say, "Good night, sweet prince," and maybe we would balance around here.

Yield back the balance of all the money here.

THE MOST POWERFUL MAN IN THE WORLD

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

Mr. BALLENGER. Mr. Speaker, there is no longer any doubt in my mind that President Clinton is the most powerful man in the world. Did you see what happened yesterday? The President came out to give a speech to the press, going on and on about how distraught he was over those evil Republicans who are insisting we actually balance the budget.

While he was talking, in direct reaction to his speech, the stock market dropped 50 points, it dropped 50 points in 10 minutes, just like that, bam, a 50-point drop.

Do you know why? Because every investor in the country was scared to death the President was actually being honest for once and would continue to block a real balanced budget. You see, America, that is the problem. There is only one person standing between the American people and a balanced budget, and unfortunately it happens to be the one man who can make the stock market drop 50 points in 10 minutes. It happens to be Bill Clinton.

THE GOVERNMENT SHUTDOWN

(Ms. VELÁZQUEZ asked and was given permission to address the House for 1 minute.)

Ms. VELÁZQUEZ. Mr. Speaker, today the Government is in the midst of its second shutdown. Not because Congress and the President cannot decide when and why to balance the budget. But because a radical minority does not care about the rest of America.

Speaker GINGRICH and company have chosen to inflict the maximum amount of pain on the American people, rather than offer solutions.

Last fall Republicans talked about a contract with the American people. I ask you, what about the contract with the elderly, the children, and the Americans in need?

These people will not be receiving the benefits checks that they were promised for food, shelter, and medicine—because this arrogant minority decided that it should be their way not the American way.

My colleagues, these contracts with the American people were in place well before any of us came to Congress. There is so much at stake for so many Americans. We cannot allow this extreme minority to keep stalling. Stop this irresponsible governing. Let us do our job and fund the Government.

□ 1015

DOING THE RIGHT THING

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

Mr. THORNBERRY. Mr. Speaker, all of my colleagues are anxious to get home for Christmas, and no one more so than this Member. But I recognize that the best Christmas present that we could give to all our children is to stop adding debt upon debt which they must repay.

I recognize that if we do not do it now, then it probably will not ever get done. And, while it may be more convenient to put it off yet again, as has been done so many times in the past, that would be wrong, and that would be going back to business as usual in Washington, DC, and that is what this Republican freshman ran to stop.

Mr. Speaker, we must act now to balance the budget for our kids. We must act now to save Medicare for our parents and grandparents. We must act now to reform welfare for all our sakes, and we must do so with or without the President. Whatever it takes, Mr. Speaker, we must do the right thing.

MERRY CHRISTMAS, DEAR FRIENDS

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

Mr. WILLIAMS. Mr. Speaker, this first session of the 104th Congress has been characterized by anger and arrogance, meanness and hubris. The result of such negative emotions was perfectly predictable—year-end stalemate.

Perhaps in this Christmas week, with just 4 days remaining prior to that precious day, we should set aside the accusations, and try a little Christmas tolerance and generosity and kindness.

Merry Christmas, dear friends.

LABOR GRINCH STEALS CHRISTMAS

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

Mr. FUNDERBURK. Mr. Speaker, 3 weeks ago I stood outside a Harris-Teeter supermarket in Rocky Mount, NC, ringing the Christmas bell and collecting donations for the Salvation Army. Now, I come back to Washington, DC, to learn that many retail stores are no longer making room for kettle drives because of a recent ruling issued by the National Labor Relations Board. It seems that big labor unions—who are spending millions for TV ads against a balanced budget—feel discriminated against because the shopping centers that open their doors to the Salvation Army and other charitable organizations during the holiday season will not permit union picketing at their doorsteps. The NLRB, in its infinite wisdom, sided with the unions. Not surprisingly, many malls and shopping centers have told the Salvation Army that they would love to host kettle drives this year but they just cannot afford the enormous costs of being sued by labor unions.

Mr. Speaker, this is an outrage. This is yet another example of an out-of-touch, bloated Federal Government that doesn't care about the poor and needy who could receive a hand-up from the Salvation Army instead of a hand-out from the welfare state. Today, I am cosponsoring H.R. 2497 to stop this abuse of power by the Department of Labor. Let us stop labor unions from threatening businesses who invite bell ringers from the Salvation Army.

NO WAY TO RUN A BUSINESS

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

Mr. BARRETT of Wisconsin. Mr. Speaker, the Republicans claim they are going to run our Government like a business. Well, Mr. Speaker, I am still looking for one, just one business in this entire country, that would run itself like the Republicans are running this Government.

Think about it. They are so mad that they are not getting their own way that they are sending home 280,000 employees, with pay. That is right, they are sending them home with pay.

There is not a single business in this country that would do that if they were using their own money. Nobody in their right mind would do that using their own money. But they are using taxpayer money to do that. It is wrong. Those people should come back to work.

It reminds me of a kid in the neighborhood I grew up in. He was so mad he would pinch himself. He would say, "I am going to keep pinching myself," and the rest of us would look at him in complete amazement, because he was only hurting himself.

The sad joke here is the Republicans are only hurting the taxpayers.

BUDGET NEGOTIATIONS AFFECT CHILDREN

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

Mr. KINGSTON. Mr. Speaker, my son John plays on a U-10 soccer team, the Budget Bombers. Now, judging from their names, you would think we were a bunch of Democrats, but actually they are a bunch of future taxpayers who will inherit Democrat deficits.

Their coach, Kurt Rodenberg, gave me this hat. I think it is appropriate for the season. It says "Budget" on it. I will call it the Kasich cap.

But there is another cap out here. This is the Clinton cap. Something for everybody. Fun, games, promises, and make-believe; SSI for prisoners; fear and demagoguery for senior citizens; rules, regulations, and red tap for bureaucrats; American jobs and benefits for illegal aliens. And, for the children, Clinton and Demo-Clauses would never forget the children, for the children have a $5 trillion debt. Higher interest rates, higher mortgages, less jobs. What a future for the young U-10 soccer team.

This is their compassion. This is their Christmas spirit. This is their love. Merry Christmas, Mr. President. But really and truly, fast forward them to ground-hog day.

PUT AMERICAN FAMILIES FIRST

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

Mr. GUTIERREZ. Mr. Speaker, compromise: It is a simple concept. A 7-year-old understands it. For a child, it might mean something like having an ice cream cone or a candy bar, but not both.

Well, maybe I should have a child explain this concept to some of the extremist Republicans in this house. Because even though they are all older than 7, they are acting a lot less mature than that. You see, they want it all. Tax giveaways to the wealthiest Americans. Cuts in student loans and Head Start. Gutting regulations that protect clean air and water. Making our seniors pay more for health care.

And they will not give up, no matter how much suffering they cause, until they impose their radical demands on every American family. It is too bad.

You see, if a 7-year-old insists on ice cream and a candy bar, it just means a little disagreement. But when the Republicans will not give up any of their anitfamily demands, every American, students, seniors, children—must pay.

Come on. It is time to grow up. Stop holding your breath and stomping your feet and join the fight for a decent budget that puts American family first.

TIME TO WORK ON A BALANCED BUDGET

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

Mr. FRISA. Mr. Speaker, I am sure most Americans feel as I do that we have heard enough of the blah-blah and the yak, yak, yak. We have a job to do, Mr. Speaker.

When I ran for election to this great body, I promised I would be different. I would not be like the Democrats who controlled this House for 40 years, ran up America's charge cards, got ourselves into debt, so that so much of the budget now is just going to pay the interest on our national debt. And regardless of the President's crocodile tears and his empty words and his quivering bottom lip, we are not going to be intimidated, because the simple fact is, Mr. Speaker, we have done our job and put a balanced budget on the table. The President has nothing but empty words.

We are here to work. As soon as the President is prepared to really roll up his sleeves, get the political will and drop the posturing, then we will have a balanced budget.

UPHOLD ETHICS COMMITTEE RECOMMENDATIONS

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

Mr. POMEROY. Mr. Speaker, these are difficult days for the House of Representatives. Portions of the Federal Government are shut down because the appropriations required have not even been enacted. Budget talks that could bring us to a balanced budget plan have not even really meaningfully begun; the parties are trapped in a meaningless standoff.

But something is afoot that is more serious, even more serious to this institution than either of these unfortunate developments. The House Committee on Ethics, in a unanimous bipartisan vote has recommended closing a loophole that allows Members of this institution to cash in through lucrative book deals. Efforts are now underway to prevent the Committee on Ethics recommendation from coming to the floor of this House for a vote. These efforts, apparently done with the blessing of the Speaker himself, pose a very serious threat to this Committee on Ethics.

If the committee on Ethics, operating in a bipartisan fashion, can no longer speak and govern on issues relating to the integrity of this House, we will have forever damaged this institution.

I urge members to uphold the Committee on Ethics recommendation.

BALANCE BUDGET FOR WORKING PEOPLE AND AMERICAN FAMILIES

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

Mr. EWING. Mr. Speaker, this is the debt of the United States on December 19, almost $5 trillion. Now, I think there is one thing we agree with on both sides of the aisle, that the economy is very important; not only reducing the deficit and paying off the debt, but to American families.

Mr. Speaker, just a few facts that I think are very interesting: A recent study shows that the optimum level of government spending is 17.6 percent of the gross national product. Unfortunately, government spending is 4 percentage points higher than that. If we would reduce it, we could increase the amount of energy in our economy. For every dollar of Federal spend down to the optimum level, we could get $1.38 in growth.

This week, the Dow Jones dropped 50 points when the President scuttled the budget process. Let us get back to it. Let us balance the budget for our working people and for our families.

RISK IN DELAYING AFDC CHECKS

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

Mr. WATT of North Carolina. Mr. Speaker, I have talked to some of my Republican colleagues in private about this matter, and I want to say it publicly to the balance of my colleagues. If we do not pass a continuing resolution today or tomorrow at latest, 4.7 million families who are on AFDC are in risk of not getting their AFDC checks come January 1 of next year.

There are consequences that go with that, and I want to remind my Republican colleagues that they are playing with fire, if they think people will sit by and idly wait on them to play budget games with their lives and their ability to eat.

They came forward with a continuing resolution for veterans yesterday, and I am calling on my colleagues today to come forward with a continuing resolution to address this serious problem.

TIME TO GET SERIOUS ABOUT BALANCED BUDGET

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

Mr. LEWIS of Kentucky. Mr. Speaker, it is strange that day in and day out we keep hearing from the President and from his liberal friends that come to the well of the House and talk about how they want a balanced budget. But to hear them talk, $12 trillion over the next 7 years is not enough. They want a balanced budget, but they are not willing to balance it.

I think they want an unbalanced budget, just like they have had for the last 26 years. More spending, more spending. And let me say this: In the year 2012, what are they going to do when every tax dollar will be consumed by entitlement and interest on the

debt, and there is no future for our children and grandchildren? What are they going to do then?

It is time we get serious about a $5 trillion debt. It is time that we get serious and not play these games. What are you willing to do to get a balanced budget?

BUDGET GAMES

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

Mr. GENE GREEN of Texas. Mr. Speaker, this chart shows the headlines in the Wall Street Journal, the New York Times, and the Washington Post this morning. They cut straight to the chase. One reads "GOP rebellion scuttles accord on the budget talks." Another reads "House Republicans derail budget talks." The other one from the Wall Street Journal says "The Republicans are revolting." They should read that Republicans keep government closed to give tax cuts for the few.

It appears as though there is a group that will not compromise and insists on holding not only government workers, but Social Security applicants hostage in keeping the Government shut down until they accept their harmful budget cuts and ill-advised budget-busting tax cuts for the few.

I am committed to balancing the budget, and I am also here to say I am committed to senior citizens, children, police officers, veterans, teachers, and students, and I will not sacrifice them to balance our budget.

We should remain committed to balancing the budget over 7 years, and doing so in a way that protects the priorities of Medicare, Medicaid, crime fighting, and education. Balancing the budget is not an agreement to do on Christmas eve. It is something you have to do all year.

EXCUSES FOR NOT BALANCING BUDGET

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

Mr. BAKER of California. Mr. Speaker, this Congress has not balanced the budget in 26 years, I would like to remind the gentleman, so let us just start out with the facts.

President Clinton vetoed the balanced budget passed by the House and Senate. Then 30 days ago, after his poll numbers dropped, he vowed to sign a balanced budget in 7 years using real numbers. He did nothing for 30 days.

Then the four leaders met and agreed to three things. First, we are going to balance the budget in 7 years using real numbers; second, it is nice that we can all agree; and third, we are going to do it by yearend.

Within 5 minutes, one of the four participants in the meeting, AL GORE, stepped outside and repudiated two of the three. "No, we are not going to use real numbers and we are not going to do it by the end of the year." OK, AL, so much for the agreement.

Then the President yesterday found a new excuse why he could not go along with the balanced budget. Aliens had taken over the House and they would not let this nice guy NEWT GINGRICH sign a deal to reopen government. I could not believe it.

□ 1030

The stock market did not believe it. While he was spinning that tale, it went down 50 points, but the liberal press bought it. Today's excuse: Aliens and unidentified flying objects will capture BOB DOLE and he will not be able to sign.

Folks, there are 236 Republicans on this floor that are for a balanced budget in 7 years with real numbers. Let us do it for our kids.

REAL BUDGET IMPASSE IS TAX CUT FOR THE RICH

(Ms. JACKSON-LEE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Speaker, the real budget impasse is a $270 billion tax cut for the rich. NEWT GINGRICH calls it the crown jewel. That is where the budget impasse exists. That is why, Mr. Speaker, I am glad to be part of the reform-minded Democratic freshmen who believe we can balance the budget without taking away from our children, or making devastating cuts in Medicaid, Medicare, and the environment. This is where we are today.

And Mr. Speaker, we have another problem with the welfare bill to be proposed on the floor of the House today. This is an unfriendly Congress when it comes to children. There are no work programs in this proposed Republican welfare plan for the parents of these children. This legislation does not want the welfare recipients to be independent. The Republicans have cut the work programs out. We take away $14 billion from Medicaid so that women and children cannot get good health care that are on welfare, and then those children who are disabled, the severely disabled children, 320,000 of them, this welfare bill tells them that we do not care about you by cutting their needed SSI benefits.

Unfriendly, childless, careless, that is what the Republicans are doing with the budget impasse; $270 billion in tax cuts for the rich, and then a welfare bill that misrepresents to the American people that the Republicans want real welfare reform. No; this legislation will not correct the welfare crises. This Republican legislation takes the safety net away from innocent children.

Mr. Speaker, it is time to stand up for the children.

LIBERAL EXTREMISM

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

Mr. HOKE. Mr. Speaker, yesterday during special orders I heard the gentlewoman from Connecticut [Ms. DELAURO] call our 7-year, $245 billion tax cut massive. And I looked at the CONGRESSIONAL RECORD, Mr. Speaker, and I cannot find a single instance in which the gentlewoman used the word "massive" to describe Bill Clinton's 1993 7-year tax hike of $400 billion.

In fact, she was a vocal advocate of that plan. She described it as "courageous, responsible, a bold initiative," and my favorite, "serious change."

Now, let me repeat this, Mr. Speaker, because I think it is important for the American people to understand where the Democrats are coming from philosophically. The liberal extremists criticize a $245 billion tax cut by calling it massive, but they call a $400 billion tax increase "serious change."

When it comes to letting the American people keep more of what they have earned, the liberal extremists are morally offended. But when it comes to the Government confiscating more and more money from those who have earned it, they pat themselves on the back for their courage.

REPUBLICAN RHETORIC

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

Mr. KLINK. Mr. Speaker, to the previous speaker I would mention that we had in 1993 a $250 billion tax increase and a $250 billion cut in spending. And that did something very historical. It brought down the deficit for 3 consecutive years. We have cut in half what was almost a $300-billion-a-year deficit, without one Republican vote.

Now we are arguing about balancing the budget. We took the vote to bring the budget much closer to balance, and the stock market reacted correctly. Employment was created in this Nation. All of the things that the naysayers on the GOP side of this House were saying were going to happen after 1993 never occurred. Not one of them has occurred.

As a matter of fact, Mr. Speaker, I have noticed that since the GOP is in control of this House, not one of those massive tax increases that they complain about have they rescinded. Not one of them have they rescinded. So the rhetoric is getting a little thick and America is beginning to notice.

PARTIAL SHUTDOWN II

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

Mrs. MORELLA. Mr. Speaker, yesterday morning there was a ray of promise. Yesterday afternoon that promise evaporated. The country cries out for a balanced budget agreement now; 260,000 Federal employees have been furloughed.

The good news is that yesterday we obtained a commitment from the Speaker and the Senate majority leader that all furloughed employees, those who are not working, will be paid. And, indeed, that is correct and it is the proper thing to do. These employees and their families should not be the victims of budget gridlock. They want to work. This is not an extended vacation. They are frustrated and anxious about their fate.

I do want to point out there are a lot of other consequences to this partial shutdown. Important research grants at NIH are not being processed. I have heard from employees who are missing important deadlines because they cannot go to work. They are frustrated and point out important work is not being done.

Each day of the shutdown 2,500 families will not be able to close on their mortgages, 260 businesses that receive SBA loans will not receive the financing they have been counting on. So many examples. This says let us resolve this impasse and do the job we were sent here to do.

'TWAS THE HOLIDAY SEASON

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

Mr. NADLER. Mr. Speaker:

'Twas the holiday season, and all through the House,
Any hopes for a budget, the Speaker did douse.
But the PAC checks were tacked to the chimney with care,
In hopes that a tax cut soon would be there.
With Bill in discussions, but Newt's jaws aflap,
Our nation's fine workers must just take a nap.
When what to our wondering eyes should appear,
But GOP leaders spreading more fear:
Senior citizens, women and children disabled,
It seems any help for you soon will be tabled.
Please don't be mad, but you're taking the fall,
So the wealthiest wealthy can soon have it all.
We Democrats greeted this warning with ire,
But Newt and his friends want cuts even higher.
So to every American watching tonight,
Be assured all this the Democrats will fight.

99-059 O—97 Vol. 141 (Pt. 26) 32

SECRETARY OF LABOR NEEDS TO GET OUT IN THE REAL WORLD

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

Mr. HOEKSTRA. Mr. Speaker, here is what the Secretary of Labor said this morning on C-SPAN. "This debate is not being driven by economic issues." I now know why the Secretary works for the Government. Everybody in the real world knows that a $4.9 trillion debt, that $200 billion deficits and that deficits as far out as the eye can see, those are economic issues.

The Secretary then goes on to moan that Federal workers cannot volunteer, at the same time his department has been shutting down Salvation Army bell ringers. Let us have some consistency.

Mr. Secretary, get out of the Washington puzzle palace into the real world. It will give you a better perspective on the issues and the solutions that we need to be making in America today.

SUPPORT THE COALITION BUDGET

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

Mr. PAYNE of Virginia. Mr. Speaker, sometimes the answers to our problems are so obvious that we miss them entirely. That is exactly what is happening right now with this budget stalemate. The conservative Democratic coalition has created a budget that is simple. It eliminates the major stumbling blocks to a 7-year balanced budget. It asks each of us to do exactly what the American people want us to do, that is to compromise, to work together, to get the job done. It asks my Republican colleagues and the American people to forego tax cuts until we get at this balanced budget. It asks Medicare beneficiaries and their champions in Congress to recognize that Medicare has grown at an unsustainable rate and we must curb the growth of this and other entitlement programs. Yet, it does not contain the kind of large Medicare cuts that have sparked so much partisan rancor here in Congress. It cuts the deficit faster and deeper than the Republican budget and it is the one budget that is balanced in 7 years according to CBO and occupies a sensible middle ground.

Mr. Speaker, that is where the American people are. So let us end this business as usual. Let us summon the political courage to do the right thing. Let us take some risks for a balanced budget. Let us pass this coalition budget.

APPOINTMENT OF MEMBERS TO THE FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

The SPEAKER pro tempore (Mr. CHAMBLISS). Without objection, pursuant to the provisions of Public Law 84-372, the Chair announces the Speaker's appointment to the Franklin Delano Roosevelt Memorial Commission the following Members of the House:

Mr. ENGLISH of Pennsylvania and Mr. HINCHEY of New York.

There was no objection.

WAIVING POINTS OF ORDER AGAINST CONSIDERATION OF CONFERENCE REPORT ON H.R. 1655, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1996

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 318 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 318

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

Mr. GOSS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. BEILENSON], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this is an appropriate rule for a conference report and I am delighted to bring it to the House so that we may expeditiously consider the intelligence authorization conference report for fiscal year 1996. This rule waives all points of order against the conference report and against its consideration, and I would like to commend Chairman COMBEST and his staff for diligently providing our Rules Committee with detailed information about the types of waivers that this bill requires. In addition this rule provides that the conference report shall be considered as read.

Mr. Speaker, as a conferee who worked on this bill, I am very proud of our final product. Members should know that, despite all the partisan rhetoric that's been flying in this Capitol in recent weeks, this legislation is the product of bipartisan cooperation in the finest tradition of this House. Oversight of intelligence policy and implementation of crucial national security programs are very, very serious

subjects and its oversight is taken very seriously. The members of the House Committee on Intelligence, and our counterparts in the other body, sorted through a multitude of complex and vexing problems in order to complete this conference report. Although it is fashionable in today's environment to bash the intelligence agencies and complain about problems that have come to light, I think most Americans realize that today's highly complicated and chaotic world demands that our policymakers have accurate and timely information—perhaps more so in this modern information age than in any other time in our history. Of course, we must ensure that we learn from the mistakes of the past—the highly public mistakes we've all read about—so that we don't make such mistakes again. And we must also ensure that our finite resources are being put to their most effective and appropriate use and, frankly, that is what this bill is about. My colleagues, this process of review and assessment won't stop there. Our committee is undertaking a comprehensive review of our intelligence capabilities and how they can carry us into the next century; and I am proud to be a part of that effort under Mr. COMBEST's and ranking member DICKS leadership. Likewise, the former Aspin Commission—now known as the Brown Commission—is conducting a major review at direction of Congress. As a member of both those efforts, I assure my colleagues that this important subject is being carefully addressed and we will have reports to you back next spring. As an important piece of that whole picture, I urge my colleagues to support this rule and support the conference report on H.R. 1655.

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

Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentleman from Florida [Mr. GOSS] for yielding the customary 30 minutes of debate time to me.

Mr. Speaker, we support this rule for the consideration of the conference report for the Intelligence Authorization Act for fiscal year 1996. There was no objection from the minority on the Permanent Select Committee on Intelligence to the waivers that the rule provides for the conference report, and we do not oppose them.

Among the potential points of order that are protected against are those for violations of scope, germaneness requirements, prohibition on appropriations in a legislative bill, and the Budget Act requirements. The rule is, of course, waiving the 3-day layover requirement. We are reluctant, ordinarily, to provide that particular waiver, because we believe Members should have ample time to review the legislation they are voting on, but we did agree in this instance this particular waiver of the 3-day layover rule is not at all unreasonable.

□ 1045

Mr. Speaker, the minority on the Permanent Select Committee on Intelligence supports the substance of the conference agreements. I am sure we will hear more about the provisions of the agreement during the debate on the conference report itself that will follow.

The original House bill did, however, contain several controversial provisions, including the handling of certain National Reconnaissance Office activities. Because of their classified status, these issues cannot be discussed in detail, but Members should be aware that the chairman described those changes as the only major departure in the bill from the administration's request for the National Foreign Intelligence Program.

During House consideration of the bill, the minority on the Permanent Select Committee on Intelligence expressed the hope that the reservations about the NRO would be addressed in the conference on this legislation with the Senate. We trust that they were addressed satisfactorily.

We were also concerned about the limit the committee place on spending for carrying out the President's Executive order of April 17 of this year that prescribes a uniform system for classifying and declassifying national security information.

The President has properly recognized the need to ensure that Americans know about the activities of their Government, when it is possible to make that information public. We continue to believe that a carefully prescribed system is long overdue for declassifying documents that remain classified for no reason other than inertia.

The debate over the cost of compliance with the Executive order was the main obstacle to implementation of that Executive order. We understand that the conference agreement provides more flexibility than the House bill from the several intelligence agencies in carrying out this Executive order, and we support that decision.

We are also supportive of the conferees' decision to tighten up the change in the National Security Act that would allow the President to delay the imposition of economic sanctions against a foreign country in certain cases. We understand that minority Members who raised concerns about that provision agree with the conference report action in this respect.

Lastly, Mr. Speaker, we understand that the conference committee agreed to increase the authorization for the environmental task force, which has been successful in making environmental information derived from intelligence more accessible to the general public and to the scientific community.

We had been very concerned about the level of funding for the task force in the House bill, which had been a disappointing $5 million. We understand that the conferees agreed on a funding level of $15 million. We would have preferred the $17.6 million requested by the President, but the conference agreement is certainly much better than the House version, and we welcome this improvement in the legislation.

The work of the task force, established in 1993, has been very impressive. We are pleased that the conferees agree that the outstanding accomplishments associated with it should be supported.

This initiative is another way to bring the information that is collected by intelligence assets, and that is proper to share to policymakers and scientists. It promises to help us better understand the consequences of long-term environmental change and help us better manage crisis situations involving natural and ecological disasters.

Mr. Speaker, this is an important bill that recognizes the significant challenges that the U.S. intelligence community continues to face in adapting to the post-cold-war world. The conference agreement reflects a slight decrease in the intelligence budget, which some Members will welcome and others decry.

Mr. Speaker, I would point out, however, especially to those who might be tempted to criticize the decrease in spending in this legislation, that the modest reduction is the result of cuts in the huge NRO special carry-over account that was made public earlier this year. I think all agree that the conferees made the correct and proper decision in following the appropriators' lead in cutting that NRO special account.

Mr. Speaker, we all want to help ensure that the United States maintains the ability to provide timely and reliable intelligence to its policymakers and military commanders, and we think the committee has developed a responsible budget for the intelligence agencies and activities.

Despite the demise of the Soviet Union, the world clearly remains an unpredictable and dangerous place; we know that all too well as we watch American servicemen and women enter Bosnia to help keep the peace there. There is, obviously, a great need for effective intelligence, especially in light of the worldwide reduction of U.S. military personnel.

The intelligence community should continue to be encouraged to review their operations, discarding those that are no longer necessary, strengthening those that remain important, and devising new ones when they are called for.

The appropriate missions of an intelligence agency will always be a controversial and most appropriate subject in a Nation founded on Democratic principles.

In closing, Mr. Speaker, I again congratulate the gentleman from Texas [Mr. COMBEST], chairman of the Permanent Select Committee on Intelligence, and the gentleman from Washington [Mr. DICKS], ranking minority member, for helping to guide this legislation through the conference committee, and for their excellent work in general in leading this committee in a very difficult time.

Mr. Speaker, to repeat, we support the rule, and we urge its adoption, so that we may proceed with consideration of the intelligence authorization bill.

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

Mr. BEILENSON. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I would like to commend my good friend and colleague, the gentleman from California [Mr. BEILENSON], who was a former chairman of the House Permanent Committee on Intelligence, for a very good statement.

Mr. Speaker, I thought the gentleman's statement fairly and very accurately summarized the bill and the provisions in it, and we appreciate the cooperation of the Committee on Rules and I want to commend the gentleman for his interest in intelligence, his leadership of this committee, and his continued fine work in this body.

Mr. BEILENSON. Mr. Speaker, reclaiming my time, I thank the gentleman from Washington very much for his kind comments.

Mr. Speaker, I again say that we strongly support this rule and the bill, and we thank especially the gentleman from Texas [Mr. COMBEST], the distinguished chairman of the committee, and the gentleman from Washington [Mr. DICKS], the distinguished ranking member, for all of their good work this year and in years past on this very difficult and important committee.

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

Mr. GOSS. Mr. Speaker, I would associate myself with the remarks of the gentleman from Washington [Mr. DICKS] about the gentleman from California [Mr. BEILENSON]. I thought that was an excellent statement, and particularly compelling coming from the gentleman from California, given his experience and deep knowledge of this subject, and I would also say his commitment to it over the years.

Mr. Speaker, the only area I might take a little bit of exception, I think of Mark Twain when I think of the Soviet Union these days: The demise of the death being greatly exaggerated. After the elections last Sunday, I am not so sure that we are where we think we are, sometimes.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Texas [Mr. COMBEST], chairman of the committee.

Mr. COMBEST. Mr. Speaker, I thank the gentleman from Florida [Mr. GOSS] for his support in pushing this rule. I also thank the Committee on Rules for granting the rule that was requested by myself and the ranking member, the gentleman from Washington [Mr. DICKS]. I also want to thank the gentleman from Florida for this active role in the Permanent Select Committee on Intelligence, where he as well sits, and the gentleman from California, former chairman of the committee, for his continued interest in intelligence activities; for his continued help in the rules process; and, for his continued friendship.

Mr. Speaker, I would certainly urge passage of this rule. I strongly support it.

Mr. BEILENSON. Mr. Speaker, I urge support of the rule, and I yield back the balance of my time.

Mr. GOSS. Mr. Speaker, we had other speakers, but they are not on the floor. Since the gentleman from California [Mr. BEILENSON] has yielded back all time, I will yield back all time also, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. COMBEST. Mr. Speaker, I call up the conference report on the bill (H.R. 1655) to authorize appropriations for fiscal year 1996 for the intelligence and intelligence-related activities of the U.S. Government, community management account, and the Central Intelligence Agency retirement and disability system, and for other purposes.

The Clerk read the title of the bill.

Mr. FRANK of Massachusetts. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FRANK of Massachusetts. Mr. Speaker, I would inquire as to whether the gentleman from Washington [Mr. DICKS], the ranking Democrat, is in favor of this conference report and would yield to the gentleman for the purpose of answering that question.

Mr. DICKS. Mr. Speaker, I am in favor of the conference report.

Mr. FRANK of Massachusetts. Mr. Speaker, therefore, under the rules, I claim the 20 minutes to be allotted to a Member in opposition when both the other Members are in favor.

The SPEAKER pro tempore. Pursuant to rule XXVIII, the time will be divided three ways. The gentleman from Texas [Mr. COMBEST] will be recognized for 20 minutes, the gentleman from Washington [Mr. DICKS] will be recognized for 20 minutes, and the gentleman from Massachusetts [Mr. FRANK] will be recognized for 20 minutes.

The gentleman from Texas [Mr. COMBEST] is recognized for 20 minutes.

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

Mr. Speaker, I rise in support of the conference report on H.R. 1655, the Intelligence Authorization Act for fiscal year 1996. The conference report, and the House and Senate bills that led up to it, were the product of a great deal of hard work. As I stated when we debated the original authorization bill, the House Permanent Select Committee on Intelligence held 11 hearings, 20 Member briefings, and even more staff briefings to craft this legislation.

I wish to take a moment to thank our staff for their hard work. In the course of this year, they have not only helped prepare an authorization bill that will lead us in new and positive directions, but also have had a full agenda of such issues as the Ames damage assessment—which remains the subject of wild claims and few concrete findings in terms of the effects of U.S. policy decisions; allegations about activities in Guatemala; and our major effort for the 104th Congress, "IC21: The Intelligence Community in the 21st Century." I am pleased to report that IC21 is on time and on schedule, and we hope to be back before you next year with legislative proposals that will strengthen and modernize our intelligence community.

I want to thank our colleagues in the Senate. I have been engaged in ongoing negotiations with Chairman SPECTER and Vice Chairman BOB KERREY of the Senate Select Committee on Intelligence. They were always dedicated, gentlemanly, and forthcoming as we worked out the necessary compromises. It was a pleasure working with them and the rest of the Members and staff of that committee. I have enjoyed working with the ranking member, Mr. DICKS. Although we have had our differences, we have worked them out to present this report.

I would like to say a few words about the authorization we have just completed. This bill authorizes funds for all U.S. intelligence and intelligence-related activities. It is integral to our national security. As I said earlier this year, the original submission we got from the administration was a disappointment. It was a very static bill, preoccupied with this year's funding, but showing no sense of vision, no sense of where they would like the intelligence community to be as we enter the 21st century. That is why we are excited about the new directions we have forged in such areas as the national reconnaissance program.

As my colleagues know, a great deal of this authorization is, of necessity, classified. I once again urge my colleagues to take the time to visit our committee offices and go over the classified portions of the bill. You will not

only come away better informed, but you will also have a much better sense of the breadth and depth of the intelligence community. What you will not get, unfortunately, is a sense of the thousands of dedicated employees who make it work. It was with some surprise and no little dismay that I read, only a few weekends ago, that the Director of Central Intelligence said he "did not find many first class minds in the ranks." He said that "compared to uniformed officers, [intelligence officers] certainly are not as competent, or as understanding of what their relative role is and what their responsibilities are." That may be the DCI's benighted view of the intelligence community, but it is not one that I or, I am sure, most of my colleagues share.

I want to highlight one provision of our bill that is in the classified annex only because of how the bill is structured, but is not classified in and of itself. Members may be aware of an agreement by the Director of Central Intelligence, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff to merge a large number of agencies and offices that deal with imagery, into something that they are calling the National Imagery and Mapping Agency, or NIMA.

This is a major proposal, involving as it does some of our most useful collection assets and a large amount of the intelligence budget. To date, we have not received any necessary details on what is involved, how this would operate, how this would affect all of the policy makers who rely on this valuable intelligence. I wish to assure my colleagues that we in the Intelligence Committee and they here on the floor will have a full opportunity to review and vote on any such major change. That is why my colleagues in the Senate and I inserted a provision in this bill requesting that no funds be used to begin implementation of such an agency until Congress has had the opportunity to review detailed plans.

Let me turn briefly to the prospects for the fiscal year 1997 intelligence authorization. As I said, the fiscal year 1996 administration proposal was lacking in vision and was a disappointment. I have made it very clear to the Vice President and to the Director of Central Intelligence that if the fiscal year 1997 authorization request is similarly lacking in vision for the next several years, then that bill will be dead on arrival.

I am also concerned by briefings that we have begun to receive about upcoming intelligence funding. The Director of Central Intelligence is apparently considering large cuts in his own budget in order to fund nonintelligence defense programs. Too often intelligence has been made a bill payer for these other programs. Earlier this week, DCI Deutch testified before our committee and stated that he disagreed "with people who say where you take the money doesn't matter. It does matter." He also said that he wanted to see an "honest competition between platforms in the defense budget." We intend to hold him to these views. Thus far, his actions speak louder than his words. I would hate to see the work we have begun to do on intelligence so quickly undone.

Mr. Speaker, the conference report for the fiscal year 1996 intelligence authorization gives the Nation a necessary beginning in reshaping and strengthening our intelligence capabilities. I urge all of my colleagues to support it.

□ 1100

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

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

Mr. Speaker, I rise in support of the conference report on H.R. 1655, the intelligence authorization bill for fiscal year 1996.

I want to begin by commending Chairman COMBEST for his perseverance in pursuing a resolution to the several contentious issues which separated the House and Senate on this legislation. His commitment to completing action on this measure this year has resulted in an agreement which strengthens the bills previously considered by the House and Senate.

Largely because the conferees agreed to endorse a reduction, made earlier in the Defense Appropriations Act in certain funds available to the National Reconnaissance Office [NRO], the authorization level in this conference report is below the level not only in the House-passed bill and the President's request, but the amounts authorized and appropriated in fiscal year 1995 as well. The reduction in the NRO's carry-forward funds made possible some increases in intelligence activities in other agencies, without an increase in the overall size of the fiscal year 1996 intelligence authorization.

The conferees believed that the amount of carry-forward funds accumulated by the NRO was excessive, either to the needs of NRO programs in fiscal year 1996 or, at some level, to its programmatic needs in the future. I want to emphasize that there is uncertainty over how much of the carry forward funding will be necessary to complete the satellite architecture currently envisioned by the NRO, and the restoration of some of the funds eliminated in the conference report may be necessary in the future. Director of Central Intelligence [DCI] Deutch has made a commitment to resolve this uncertainty so that a better understanding of the NRO's financial needs can be defined. I want to caution against any further significant reductions in the carry-forward funds until the DCI has provided additional, clarifying information. He is also, by the way, putting in a new financial officer at the NRO, which I think is a good move and should be supported by the Congress.

The needs of the United States for intelligence collection systems, particularly those which present complex engineering challenges, are influenced by advances in technology, changes in requirements, and available resources. It is important that decisions on the acquisition of new systems, particularly those which will replace systems of proven capability, be made with a full appreciation of the ramifications of those decisions. The conference report ensures that judgments on the advisability of proceeding with a new satellite collection system will be made in a measured, deliberative manner. I believe that will ensure that the DCI will be able to make a much more informed judgment on collection architecture options than might otherwise have been possible.

As important as collection is to our intelligence needs, it is just as important that the information collected be thoroughly processed and quickly disseminated. In my judgment, we have not devoted enough attention to these areas in the past, and I am pleased that DCI Deutch intends to commit more resources to them in the future. I look forward to working with Chairman COMBEST in the fiscal year 1997 budget cycle to make certain that processing and dissemination are adequately addressed.

Recently, the DCI, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff proposed the consolidation of imaging resources and management in a single agency within the Department of Defense. In their letter informing Congress of the proposal, these national security leaders promised to consult closely with Congress before proceeding with a comprehensive implementation plan. In fact, they have said in our meetings that legislation is required before the agency can be created. The consultation process has begun. I am pleased that the conferees recognized not only the importance of Congress being fully involved in working out the details of this proposal, but in allowing the necessary studies, planning, and coordination to take place while the process of consultation is underway. I believe this will ensure that the new agency is able to begin to function as soon as all necessary approvals are obtained.

Mr. Speaker, with United States Forces beginning a significant deployment in Bosnia, the importance of timely and accurate intelligence is underscored once more. This conference report authorizes many of the programs and activities on which the success of operations like the one in Bosnia will depend. I commend this legislation to my colleagues and urge that it be adopted.

Mr. Speaker, I also want to compliment the staff. Both the majority and minority staff on this committee have done a good job this year. I think they have worked very hard, and I am pleased that on a bipartisan basis we have been able to put together this bill and to work out some very difficult issues.

I would say to some of the other Members of this body that this may be a model for how the majority and minority work together to enact important legislation in a timely way. I want to again thank the chairman for his help, cooperation and his fair-minded approach to dealing with these controversial issues.

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

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am afraid I have to differ with my colleague who just spoke when he said this should be a model for how to deal with important legislation.

I do not think there is a less becoming example of how this Congress deals with fundamental issues than the way we have historically dealt with intelligence. First, let us underscore one point: One of the most important facts about this debate will go unuttered: How much are we authorizing? Because we have enforced upon ourselves an extraordinary stupid rule by which we cannot publicly say what the overall amount of the intelligence budget is, apparently because we think the enemy may know.

Now, of course, virtually any enemy interested in being an enemy knows. What we do here is to keep this from the average American. There will be figures presented in the newspaper. They will probably be accurate. We will look the other way.

It seems to me we bring a lot of disrespect when we wink at that. Actually, I was surprised when my friend from Washington said we were reducing the authorization this year. From what to what? We cannot tell you. How much? We cannot tell you.

The American people cannot be trusted with anything as potentially dangerous as a number, but we can tell then we are reducing it.

I am actually encouraged the Committee on Intelligence is telling us if we announced we were reducing it, we would be encouraging the enemy. I am pleasantly surprised. I do not think anything negative will happen. We are gong to see now. We have announced we are reducing it. I do not think the enemies are going to come forward.

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

Mr. FRANK of Massachusetts. I yield to the gentleman from Washington.

Mr. DICKS. I want to say to the gentleman, our former chairman, Congressman Glickman, and I both supported making this number public and have voted for it on several occasions. I think we have even joined with the gentleman from Massachusetts in that respect.

Mr. FRANK of Massachusetts. I agree

Mr. DICKS. I concur. I do not see a major national security problem with that number being made public.

Mr. FRANK of Massachusetts. I thank the gentleman. As you know our former colleague, Mr. Glickman, now Secretary of Agriculture, I understand he is interested in trying to hide the number of agricultural subsidies. That is, I think, one that angers many more Americans, what we are going to pay the farmers to do whatever they want anyway. That is probably one they ought to hide and not this one.

I acknowledge what the gentleman from Washington said. But the majority has enforced this rule. So the American people can know, I think I can say without fear of indictment, that we will be spending many billions of dollars in this bill. I think national security will survive by mentioning the figure, many billions. The American people will not know how many billions and how many less billions than we used to before.

Mr. DICKS. If the gentleman will yield further, the gentleman is right? It is many billions.

Mr. FRANK of Massachusetts. I thank the gentleman for that. I hope he has not endangered his standing as a member of the national security community prepared to help protect our secrets. But this is an example of the silliness.

There are further examples of how this is not the best way to deal with it. We are talking here about one of the most fundamental issues facing this country. We are about to adopt a budget which will severely limit spending over the next 7 years. We are going limit overall discretionary spending.

The amount we spend on national security, on intelligence and its various forms, on the military, and this is all intricately connected, will be a severe check on what we can spend elsewhere. The more we spend in this budget the less environmental protection we will have, the less we will have for education. It all becomes zero sum.

In the past we would say to ourselves, well, when it comes to the national security, we will err on the side of safety because, after all, the very security of the Nation is at stake.

We also have not been operating for many years in a limited zero-sum situation. We had a deficit, a continuing deficit. It was harder to argue then that an extra billion or two or three in this budget would come out of efforts at local enforcement where we supply money for communities to hire police officers, loans for people to go to college who could not otherwise afford to go, environmental protection. We use to be able to be more casual about this.

But today every dollar that we appropriate for this and other national security measures reduces our capacity as a society to deal with other important public problems.

Now, for many years we argued that we, if we were going to err, we should err on the side of spending money on national security because the very survival of the Nation was at stake. And it was. Beginning in the late 1930's, with the rise of Hitler and his allies and then after this Nation played a major role in defeating Hitler, beginning in 1945, with Stalin and his, not allies but vassals, we faced for 50 years outside powers that did not share our belief in freedom, that were regressive in their desire to diminish freedom elsewhere and which possessed the physical capacity to damage the United States.

Fortunately, for a combination of reasons, by the early 1990's, that situation had changed, and one thing that this budget reflects is the view, and Members have said it time and again here, the world is no less dangerous today than it was 10 years ago from the standpoint of the United States. I cannot think of a single proposition less intellectually valid, less in consonance with the real facts in the world and more damaging to the social fabric of this country.

In fact, there has been a qualitative increase in our security in the world. Yes; there are in the world today very unpleasant people running countries. You look at Iran, you look at Iraq, you look at North Korea and in a rational world the people running those countries would not even be allowed to drive cars. Sadly, they are in charge of countries. They make miserable the lives of millions, and if they could they would do great damage. But, collectively, they simply do not rise to the level of a threat of the United States.

We fought a few years ago against Iraq. We were told, and some of us took that apparently more seriously than it turned out we had to, that there would be a terrible problem because Iraq had the fourth largest army in the world. We went to war against the fourth largest army in the world, and that war was over, fortunately, very quickly in a very, very one-sided win for the United States. Then we were told, even after Iraq, there are other countries that are a threat. There is Iran. Well, Iran is run by people who are appalling in their lack of respect for the rights of others. They are clearly people who, if they could, would substantially diminish freedom. But they have not got the capacity to threaten us physically.

Iran lost a war to Iraq, which suggests to me that our fear of their overall power has been exaggerated. Again, we are talking now not about whether the United States ought to be strong,

not whether the United States ought to be by far the strongest nation in the world with the best intelligence in the world, the best weapons in the world; the question is, now the Soviet Union has collapsed, that Russia is now a small part of what the old Soviet empire was, now that Poland, Hungary, East Germany and Czechoslovakia and Bulgaria have moved away, now the Soviet Union itself has been broken into smaller parts, the nature of the threat has substantially diminished.

□ 1115

Yes, there are still problems in Russia, but the capacity, and people in the military have always said, you do not look at the intention of the enemy, you look at the capacity, that capacity is rapidly diminishing.

The Russians are now trying to sell their last remaining aircraft carrier to India, because they cannot afford to keep it up. Their fleet is in disuse and they are trying to sell that off. There has been denuclearization in Kazakhstan, Ukraine, and Belarus. The question is not whether America should be strong.

The question is, and this is, as I said, the central proposition, those who are looking to prop up excessive defense spending, which comes inevitably at the cost of environmental protection and education and health care and other important needs, local law enforcement, local transportation, their argument is the world is no safer.

They are wrong. There is a qualitative difference between the Soviet Union of 10 years ago, leading the Warsaw Pact, with its capacity to inflict absolutely terrible physical damage on this country, and, on the other hand, North Korea, Iran, and Iraq. Immoral societies, societies that oppose freedom, but which simply do not have the power.

Members have said, you know, the military budget has dropped since 1990. Yes, it has. But the point is that it has not dropped nearly enough, given the drop in the threat. If, in fact, we were lucky enough to see cancer as an illness diminish in its scope the way the Soviet Union has diminished, I would predict you would see a greater drop in the National Cancer Institute. We do not spend a lot of money today combating polio. It is a terrible thing, but fortunately, we have diminished it.

The problem is that military spending survives far after the threat has diminished, and the proof of that is that people who defend this level of spending, this relatively minor cut, talk about, and I really feel at a disadvantage, because, unlike the gentleman from Washington, the majority has insisted on keeping the number secret, so they are going to tell you they cut it, but they cannot tell you how much they cut it. But that is because they do not want to tell you how much they cut it, which is, of course, silly. But it also helps them keep it at a much higher number than it should be. We have got an overly inflated national security expenditure. The world is very different.

As a matter of fact, what we are suffering from is a severe case of cultural lag. For about 50 years, from 1940 to 1990, it is true, this Nation faced, first from the Nazis and then from the Communists, physical threats to our very existence.

Today the major international problem for Americans is not that we face a physical threat to our existence; it is that we face a threat to our ability to maintain the standard of life to which we have become accustomed in a world in which you can make anything anywhere with great technological change.

That is the challenge. That is the challenge that is destabilizing France. That is the challenge that is causing grave problems in America, as company profits go up and workers are treated worse.

The problem we have is that we are using tens of billions of dollars of our resources to act as if we were still under major physical threat from the Soviet Union or some comparable force, and depriving ourselves of the ability to deal with the current threat. It is a severe case of cultural lag.

So, I hope we will reject this particular budget, because it is a reflection of the mistaken policy that says the world is just about as dangerous as it used to be. Let me say this. They said, you know, the world is just as dangerous because we have Iran, Iraq, North Korea.

None of those countries, as I recall, sprang into existence for the first time in 1992. Eight or nine years ago we had the fully nuclear-armed Soviet Union and the Warsaw Pact, and Iran and Iraq and North Korea. Now we have these smaller nations and we continue to pump it up.

As far as the intelligence agencies are concerned, what are they doing? Well, they are into, we have talked about mission creep, they are into mission search. Mission creep is when you gradually begin to do more. Mission search is when you do not have enough things to do and you look for new things to do to justify your budget. So now we are being told we need them to do economic intelligence.

Where are the free enterprisers? You want to have the Federal Government now serving as the economic research bureau of corporate America? These are people who are charged with protecting our national security. The notion that we will now transfer over and pay them billions of dollars to do economic analysis is hardly consistent with free enterprise, and also not a very good use of our money, since they are not going to be the ones you would reply on. Paying our highly trained intelligence force to be market researchers does not make a great deal of sense, but that is the direction they are moving in.

I stress again that we do this at very specific cost to everything else. Every billion dollars we spend unnecessarily in this area means you cannot spend money on student loans, for working class young people to go to college; cleaning up Superfund sites, providing adequate transportation; providing health care.

My Republican colleagues have said with regard to some of the cuts that are being made, we do not like to make them, but we have to, because we have the goal of balancing the budget. You make it much harder with this kind of legislation. To the extent you continue to pump unnecessary funds into the national security apparatus and do not recognize the extent to which there has been a diminution in the threat of a qualitative sort, you cause your own problems when you reduce spending in many other places.

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

Mr. COMBEST. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Speaker, you can never do too much reconnaissance. That is General George S. Patton from his book "War as I Knew It."

This excellent intelligence conference report provides our military and our intelligence support troops what they need today in Bosnia and the intelligence capability we will need tomorrow and as far as we can recon into the future in North Korea, Iran, South America, Eastern Europe, and everywhere else on an increasingly complicated global situation.

This report provides, as has been stated several times, a 4-percent increase in tactical intelligence funding. The gentleman from Texas [Mr. COMBEST] has made me the chairman of the Subcommittee on Tactical and Technical Intelligence, and in a situation like Bosnia, everything, from our highest satellite architecture, to unmanned aerial vehicles, to everything we can do technically to detect some very difficult-to-find land mines, a great percentage of them made just across the Adriatic in Italy, it is not all Chinese plastic mines, we need all the funding we can get to truly "support our men and women in harm's way."

This is direct intelligence for the war fighters, or peace forgers, or peace hammerers, or peacekeepers, or nation builders, whatever we call our young defenders in the field.

It increases funding for, as I said, unmanned aerial vehicle programs, UAV programs, including the highly successful Predator, already supporting operations in Bosnia. The staff of our committee and myself, together with a former member of the Permanent Select Committee on Intelligence, Col.

GREG LAUGHLIN, the Congressman from Texas, we went to Albania, saw our growing friendship there, and how excellent this Predator program is.

It provides funding to reengine the existing workhorse of strategic manned reconnaissance, the RC–135 rivet joint aircraft. One of our staffers who went with me on that trip last August, Mike Meermans, spent many years on active duty in the Air Force in the infancy of this rivet joint incredible program.

Mr. Speaker, I can assure you, this is a great effort to enhance the tactical and technical intelligence capability of the U.S. military. I want a big and vigorous vote on this, to show that when you are drawing down your military to the tune of almost 700,000 patriotic men and women who planned on a career, you should be upping your intelligence.

A nation that suffered such drama in this Chamber on December 8 of this month 54 years ago, the last time we ever declared war on anybody, it was a result of Pearl Harbor, of course, I am speaking about, it was a result of a total breakdown of intelligence. We will never have that major a lapse again, but we are still now in a dangerous world where even fine tuning of intelligence makes the difference.

I encourage a massive vote by the Members of this Chamber for this excellent intelligence conference report.

Mr. Speaker, may I please add a few more key points. Our focus is to posture for the future without detriment to current fielded systems. Our intent is to invest in latest technologies to determine potential without sacrificing existing, proven programs, for example, new satellite technology initiative, while funding for existing programs; funds new UAV ACTD efforts while ensuring U–2 Dragon Lady upgrades.

Although the budget's total intel authorization is .08 percent less than the President's request, it actually, increases funding for every major national intel program except the NRO. The overall decrease is result of the large decrease in carry forward funds from NRO.

Our conference approved bill provides a 4 percent increase in TIARA-JMIP—direct warfighting—intelligence support. This reflects a turn around of continual decreases in direct military intelligence support funds since 1990.

I repeat, we fund many new UAV efforts.

We increase funding for the PREDATOR Medium Altitude endurance UAV—proven in Bosnia, where it provided direct operational support, with unprecedented real-time imagery, to NATO forces participating in the air campaign.

We increase funding for the Low Observable High Altitude Endurance UAV which will begin flight testing this January 1996.

We Fund Conventional High Altitude UAV.

I repeat, we provide funding, not included in President's request, for reengining the "strategic manned reconnaissance workhorse", the RC–135 rivet joint.

Much of this authorization focuses on processing and dissemination of collected intelligence. These have been where the intel community has been perceived as weak in the past.

This bill, Mr. Speaker, will ensure a continuing strong intelligence capability to support policymakers and our deployed military forces worldwide.

Mr. DICKS. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New Mexico [Mr. Richardson], one of the senior members of the Committee on Intelligence, one of our most important Members of the House, one of our leadership Members, and a man who travels around the world bringing back people who are in trouble and does a great job for this country.

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

Mr. Speaker, let me say in these days of budget impasse, there is a lot of talk of bipartisanship that does not exist, but I think this committee is a model for bipartisanship. I want to commend the gentleman from Texas [Mr. COMBEST] and the gentleman from Washington [Mr. DICKS] for the way they handle this committee. I especially want to thank the gentleman from Texas [Mr. COMBEST] for the support he gives me on many of my trips and other initiatives.

Let me just say this conference report is a good one. There are some good bipartisan compromises on the National Recognizance Office, on some of the covert action programs. There are good initiatives here that deal with international terrorism, good initiatives allowing also the Department of Defense to get more into the intelligence areas, recruiting women and minorities. There are some good initiatives here that deal with Bosnia.

Let me just address some observations that I have had as probably the longest serving member of the Committee on Intelligence of anyone here.

First, I think we have a very good CIA director, John Deutch. I think we should support him. He is a reformer. He is trying to make things better. He has brought some good people in. He is trying to consolidate. I think we should support him as he tries to bring the Defense Intelligence Agency and the National Security Agency under his rubric. I think we should, because what we have is a Director of Central Intelligence, we should make him. We should give him the authority to appoint those people. He has dealt with the Ames problem effectively. He is trying to clean things up.

But in this effort of reforming the agency, we have to be sure we do not hurt morale over there. There are still a lot of good people that perform good intelligence work, that have been there for many years, that are either mid-career officers, that are younger officers. Let us support them. Let us reform the agency, anything can be done better. Let us made them justify their fund. I think the gentleman from Massachusetts [Mr. FRANK] brings in some very healthy skepticism. But at the same time, let us not decimate it.

It is an unsafe world out there, maybe not as unsafe as it used to be, but there are threats of nuclear proliferation, there are threats of terrorism, tribal ethnic conflicts, international narcotics. And we do have a need for economic intelligence. I want my trade negotiators to know what the position of another country is going to be before they get to the negotiating table. We are not talking about freebies for corporations. We are talking about implications, intelligence work that is valuable for our national security; that is, our trade negotiators.

Let me also say that I think the National Security Agency, the NSA, has too many people there. They have an effort that collects data with a very broad sweep. They do not target it. They need to do betters in that area.

I do think we need more human intelligence. We need more spies. We need more people getting us intelligence. Now, that may not be popular in some circles, but we do. We need more James Bonds. We need more people out there that perform services that sometimes are not the safest and sometimes are not considered the purest of objectives. But we need covert action. There are instances where we probably should have used it, and we did not.

It has got to be carefully monitored by the Congress. It has got to be approved by this body. Let me say also the new DCI, the Director of Central Intelligence, has consulted with the Congress a lot better than his predecessors. That has always been a problem. But I think the committee and the staff have a good system of knowing what is going on, disseminating the information, and finally acting on it.

Mr. Speaker, again, we should approve this vote with a strong margin. There is strong bipartisan support for this bill. We are downsizing our military. But that does not mean that we should not give our military that intelligence that they need to deal with threats. And the world is not safe. Perhaps it is not as unsafe as it used to be, but these new threats have to be dealt with by new initiatives, consolidation. They have to be dealt with with a stronger thrust, as I said, in the human intelligence areas, and that is people. That is people that know Arab countries, that know about North Korea, that know about some of the threats that the gentleman from Massachusetts [Mr. FRANK] posed, and he is

right. The Soviet Union is not that much of a threat. We do not need to know how miserable the economy of the Soviet Union is. It already is. We know that. So we should know about the intentions of other nations.

So again, I think this is a good bill. We should support it, but with a good healthy skepticism that some of our colleagues have discussed.

□ 1130

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from Vermont [Mr. SANDERS], because he will need that for his introductions.

Mr. DICKS. Mr. Speaker, I yield 1 minute to the gentleman from Vermont [Mr. SANDERS], and I want him to know I have enjoyed working with him on the defense appropriations subcommittee on some important issues there, and I am delighted to yield to him.

Mr. SANDERS. Mr. Speaker, I thank the gentlemen for yielding me this time.

Mr. Speaker, all over this country today, the American people are frightened and alarmed and upset that the Government has closed down. Last night at 10 o'clock on the floor of this House we managed to pass a bill that got checks out to wounded veterans, but yet right now we do not know whether 8 million low-income kids, whether their families will get checks so that they can eat this Christmas week.

People here are talking about major cuts in Medicare, forcing low-income elderly people to pay more for health insurance when they just do not have the money to do that. People in this Chamber are talking about savage cuts in Medicaid, which could throw millions of low-income kids, elderly people, working people off of health insurance.

In America today millions of working class families cannot afford to send their kids to college. Today, 22 percent of our children are in poverty, by far the highest rate of children in poverty in the industrialized world.

For God's sake, let us get our priorities straight. We do not need to be funding the CIA and the intelligence budget at anywhere near the level that we funded them at the end of the cold war.

The Soviet Union, in case some of my colleagues have not heard, no longer exists. The Warsaw Pact no longer exists. But our children are still hungry, our elderly people still cannot afford their prescription drugs. Millions of kids still cannot go to college because they lack the funds.

When we talk about moving toward a balanced budget, and every day I hear people coming up here and telling us how important it is to move toward a balanced budget and how we have to cut so much from the needs of the elderly and the low-income people, what happened to the discussion of the balanced budget today? How come it is not important today?

Forty years ago Dwight David Eisenhower, a conservative Republican, said watch out for the military industrial complex. Watch out for the military industrial complex, said Dwight Eisenhower, a conservative Republican President, and was he right.

This year, with the end of the cold war, President Clinton signed a Republican defense budget asking for $7 billion more than the Pentagon requested, and the children go hungry. Today we are asking for an inflated intelligence budget, inflated CIA budget, and the elderly people cannot get the health care that they need.

Mr. Speaker, let us get our priorities right. Let us say no to this bill. Let us keep faith with the American people.

Mr. DICKS. Mr. Speaker, I yield myself 1½ minutes.

I want to remind our colleagues that since 1985 the defense budget has been reduced by $100 billion. We take this year's budget and this year's dollars and compare it to 1985, and we have come down $100 billion. We have reduced the defense budget by 39 percent in real terms. There is no other area of the budget that has been cut in that dramatic fashion.

Mr. Speaker, I agree with my friend from Massachusetts, the world has changed and we have recognized that change, but I also would point out that there are still significant problems, not only in Russia, where we still have a lot of nuclear weapons that have not been dismantled; but in China, a very strong assertive power in Asia that we must be concerned about; and, in Iran, Iraq, and North Korea, and other former members of the Soviet Union that present intelligence challenges.

Mr. Speaker, the intelligence budget is part of the defense budget and it, too, has been reduced. It certainly has not been reduced to the level that my friend from Massachusetts would accept, but I think prudent people who look at this from all cross-sections, understand that this Congress has cut it more than George Bush wanted it cut and it has cut it more than Bill Clinton wanted it cut. I think we have done a responsible job on a bipartisan basis.

We had extensive hearings both in the authorization and appropriations process, and we made cuts. When we found excess spending, like we did at the NRO, we cut it out. But we also have very serious requirements that must be met. So I urge my colleagues to continue to support this committee and this bill.

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

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself my remaining time.

My friend from Washington said they found some extra spending in the NRO and they dealt with it. They did. They spent it somewhere else in that same budget. That is a good example.

The intelligence community hid a billion dollars from them. A billion dollars was being spent by the intelligence community and they did not know about it. And then they found out about it after the fact. Well, first, how many Federal agencies have the capacity to hide a billion dollars from the appropriators and the authorizers? The intelligence people did.

And what was the penalty, Mr. Speaker? Well, the penalty was they could not spend it the way they wanted to. But that billion dollars did not go into deficit reduction or into other purposes, it went back into this cold system because they just think they need this money.

I believe, in the first place, that when we talk about a 39-percent reduction, let us understand that that is differential accounting. Because when the Republicans talk about cuts or increases in future programs, they do not use real dollars. They do not take inflation into account. They use nominal dollars. It is only the national security budget that gets the inflation factor put in.

But even if it is 39 percent, and let us just use that real dollar term elsewhere, and then some of the increases they talk about will become decreases in real dollars, but I believe the threat to the United States has dropped by more than 39 percent.

In 1985, a fully armed Soviet Union and Warsaw Pact, and that is gone, and Iran and Iraq and those other countries do not add up to 60 percent of the threat we had. Yet there has been a drop.

It is also the case that 1985 was a great base year because that was after Ronald Reagan and Caspar Weinberger and a very quiescent Congress gave the Pentagon literally more money than even they knew what to do with. 1985, of course, was the most inflated possible base year.

I want to close by talking again about that billion dollars they hid from the Congress at the NRO. We have people today cold, endangering their health, because this Congress has refused to appropriate adequate funds for low-income home energy assistance. Let us be very clear. We have cut this back.

There are elderly people and families in a panic because in this cold they could not heat their homes because we cut back the money. The billion dollars that they hid from us that we rewarded them by letting it be spent elsewhere is more than we are going to give people to heat their homes. Crumbs, small change in this budget are essential elsewhere, and this is an example of the worst kind of priority setting.

Mr. DICKS. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from California [Ms. PELOSI], a valued member of our committee.

Ms. PELOSI. Mr. Speaker, I, too, want to commend the Chair and the ranking member of our committee for the bipartisan manner in which the business of the Permanent Select Committees on Intelligence has been conducted.

I particularly want to thank the gentleman from Texas [Mr. COMBEST] for his leadership and cooperation on the sanctions issue, on which we went into detail when the bill originally came to the floor. Simply said, if the administration chooses not to issue sanctions for reasons as are spelled out in the bill, this action would be rare and Congress would be looking closely at the actions they take.

I, too, agree with the gentleman from Massachusetts [Mr. FRANK], that as we cut spending across the board in the Congress of the United States, that our intelligence budget should be subjected to that same tightening of the belt. I wish that his amendment, which I thought was a very sensible one, because it left the discretion to the DCI and Secretary of Defense to do the cutting, was one that I had hoped this body would have accepted. It did not.

However, I still rise to support the legislation because I believe that the bill before us is one that, at least for this next year, is worthy of support. It is worthy of support, I believe, because of the work that has gone into it but also because of the new director of the Central Intelligence, Director Deutch. I believe he deserves the confidence of the Congress of the United States to attempt to change how the intelligence community relates to itself and to each other.

I also believe that we have to have appropriate funding in order to build the satellite architecture and make the determinations about the satellite architecture. I am concerned, Mr. Speaker, that the diversity issue be addressed more proactively in the Central Intelligence Agency, and I accept the director's assurances that that will take place.

I believe that our country is better served when all of its manifestations reflect the diversity of our country. It is very, very important in terms of intelligence. What country has greater diversity in terms of language, in culture, and representation than the United States? I think our needs in terms of intelligence are served by drawing upon that, diversity certainly not only in our recruiting, but in our advancement within the Central Intelligence Agency and the community. And in that I certainly include the participation of women. I am pleased with the appointment of Nora Slatkin as the executive director.

Mr. Speaker, I am concerned about the funding for their issues. We do need funds in order to declassify the material that we need to declassify. We need to prepare for a comprehensive test ban treaty verification. There are many reasons why we have to provide the resources to go forward, including the environment.

I share the concern of the gentleman from Massachusetts [Mr. FRANK] about economic espionage. I think that corporations should do their own intelligence. If the needs of the country are served by our economic intelligence, that is quite different than serving the needs of a particular company.

With that, Mr. Speaker, I again commend the chairman and the ranking member for their leadership. I, too, will fight again for cuts. I think we should have more declassification and more diversity in our intelligence services and will fight for that in the next year.

Mr. DICKS. Mr. Speaker, I yield myself 2 minutes.

I want to make clear the point on economic espionage. I think the DCI has made it very clear that we are not entering this on a company-by-company basis; that we are looking at agreements that have been entered into, economic agreements between the United States and other countries, to make sure that they are faithfully executed, sometimes using our intelligence resources for that purpose. We also verify on a government-to-government basis various negotiations that occur between countries. Some things are done there, obviously.

We have not engaged, and I think the DCI has been correct and the Congress has been correct to draw a line and say we will not go out and engage in these activities on behalf of any company. I wanted to make that point clear.

Ms. PELOSI. Mr. Speaker, will the gentleman yield?

Mr. DICKS. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Speaker, I would say to the gentleman that I have two concerns about the economic espionage. One is the one the gentleman just spelled out, that we are not here to be an extension of providing corporate welfare to corporations to help them do business internationally, and the gentleman makes the distinction very well in terms of what is in the interest of our country, trade, et cetera.

□ 1145

But I have another concern, and that is how many of my colleagues remember when we were young, what was the March of Dimes against polio, and then all of a sudden one day, who knows, the day when the March of Dimes was to fight birth defects. It happened at a time very appropriately, and I am saying that with great positive admiration for the work that is done there.

Mr. Speaker, I do not want to see the intelligence community all of the sudden justifying its existence on the economic side, when what has been described by the gentleman from Texas [Mr. COMBEST] and by the gentleman from Washington [Mr. DICKS] as real threats. And as we know, if we send our troops out, we have to provide the best intelligence, but I do not want the justification for this big budget, which I think should be cut, to be now economic espionage. That is part of my concern with this new mission.

Mr. DICKS. Mr. Speaker, I completely concur with the gentlewoman on that.

Ms. PELOSI. Mr. Speaker, certainly, economic espionage does not require the type of money that we are talking about here.

Mr. COMBEST. Mr. Speaker, could you tell me what the remaining time is?

The SPEAKER pro tempore (Mr. CHAMBLISS). The gentleman from Texas [Mr. COMBEST] has 11 minutes remaining, the gentleman from Washington [Mr. DICKS] has 1½ minutes remaining, and the time of the gentleman from Massachusetts [Mr. FRANK] has expired.

Mr. COMBEST. Mr. Speaker, I yield myself such time as I may consume to make some general comments, not specific.

Mr. Speaker, I will never forget when I first had the opportunity, actually my first trip to Washington, DC, in my life in my mid-twenties, when I went to work for U.S. Senator John Tower. One of the things that we have certainly lost in this House, and that I would like to return to, and I think the relationship with the gentlewoman from California [Ms. PELOSI] and with the gentleman from California [Mr. BEILENSON] is exemplary, is in terms of the fact that we can work together. We may have some philosophical differences, but it is not a personal matter.

Mr. Speaker, I always had a great deal of respect for the fact that Hubert Humphrey, while I disagreed with him on many philosophical issues, there could be passionate debate in the Senate, and he and my boss, John Tower, would basically walk off the floor arm in arm because of a friendship that was there. They understood the passion with which people cared about issues.

Mr. Speaker, I have that same respect certainly for the gentleman from Massachusetts [Mr. FRANK] and the gentleman from Vermont [Mr. SANDERS]. They are very passionate in their beliefs.

This is one of those issues in which there are some differences in priorities. It certainly is not that we want to see children starving. We could take all of the money in defense and in intelligence and spend it on other programs, and to many that would not be enough. And, certainly, we cannot do that.

Mr. Speaker, we are concerned about a balanced budget. This Congress

passed, and it may have been over the objection of many who have spoken, a budget earlier in the year and we conform to that budget. We fit within it. We will take those reductions as they come.

Mr. Speaker, I would say to the gentleman from Massachusetts that we are substantially below where we were when this House passed this bill some months ago.

Mr. Speaker, I want to comment on what the gentlewoman from California [Ms. PELOSI] said. There is no Member of the House that has more of a concern, a very dedicated concern in the areas that she has those concerns in our foreign relations policies. I have stated on this floor as well that we should not, and we cannot, justify expending money in the intelligence budget on economic intelligence. I would have a very difficult time coming and suggesting that that is what we ought to be doing.

Mr. Speaker, if there is information in the bigger national security issue that we would gain and glean from that, I think that is as well, as the gentleman from New Mexico [Mr. RCHARDSON] so ably pointed out, an area in which we can be very helpful to our own commerce. But it is not company-specific; it is not giving one company advantage over the other.

Mr. Speaker, it is not that just the agencies within the intelligence community are going out and searching for new roles in order to justify their existence. They are being asked to do these things.

The Vice President is very concerned about the role that intelligence can play, and past intelligence information that has come together, on the environment. And if there is information that we can get on the environment, and information we can get about economic intelligence and other areas, I think that is a very legitimate cause. I think it would be very difficult to justify expenditures solely for those purposes. They are not the major priority and role of the intelligence community. They are an offshoot. The country is better served by it. And as long as it does not infringe upon or become more significant or important than that dealing with national security and the intelligence community, I will continue as well to support it.

Mr. Speaker, the gentleman from Washington only had 1½ minutes remaining. Does the gentleman need additional time?

Mr. DICKS. Mr. Speaker, no. I yield back the balance of my time.

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

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report just agreed to.

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

There was no objection.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4, PERSONAL RESPONSIBILITY ACT OF 1995

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 319, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 319

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. TORKILDSEN). The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for the purposes of debate only, I yield 30 minutes to the gentleman from Ohio [Mr. HALL], pending which I yield myself such time as I may consume.

Mr. Speaker, during consideration of this resolution, of course, all time yielded is for the purposes of debate only.

Mr. Speaker, House Resolution 319 waives points of order against the conference report accompanying H.R. 4, the Personal Responsibility and Work Opportunity Act of 1995; that is, the Welfare Reform Act, and against its consideration. The resolution provides, further, that the conference report shall be considered as read.

Mr. Speaker, this is a traditional rule for conference reports and I know of no controversy about the rule. It was voted out of the Committee on Rules last night around midnight by a voice vote.

Mr. Speaker, today this rule will allow the House to vote on legislation which literally overhauls the Nation's dilapidated and failed welfare system. When I opened the debate on this measure back on March 21 of 1995, many months ago, I suggested then that the American people should measure welfare reform proposals based on how they would affect the status quo. That is what this debate is all about here today: the status quo. Do we want the status quo? Has it worked, or do we want to change it?

Mr. Speaker, most everyone in this country agrees the current system has failed. It has failed our families. It has failed our children. And they also agree it has not been for a lack of spending.

Mr. Speaker, over the last 35 years, taxpayers have spent $5.4 trillion in Federal and State spending on welfare programs. This welfare reform bill honestly and compassionately addresses the key problems of poverty in America, and that is illegitimate births, welfare dependency, child support enforcement, and putting low-income people back to work. That is one of the basics of this legislation, putting welfare people back to work; giving them the work ethic that literally is what built this great country of ours over all the years.

Mr. Speaker, not only does this legislation encourage responsibility and work among single mothers that are the vast majority of welfare recipients, and that is the saddest thing in the world, but this bill contains tough measures to crack down on these deadbeat fathers who have deserted their families.

The conference agreement before us today establishes uniform State tracking procedures for those who owe child support and refuse to pay it. It promotes automated child support procedures in every State of this Union; contains strong measures to ensure rigorous child support collection services; and, according to the testimony in the Committee on Rules last night by the very able gentleman from Texas [Mr. ARCHER] and the gentleman from Florida [Mr. SHAW], the child support title of their conference agreement enjoys broad bipartisan support in this Congress and, incidentally, in the Clinton administration as well, which is why this President ought to sign this bill.

Mr. Speaker, on this particular title of the bill, I would like to relate a conversation I had recently with a constituent of mine to emphasize its importance. A member of my district office staff informed me that she had received a call from a woman who explained, in between sobs, she was literally crying, that she desperately needed to speak with me.

Mr. Speaker, I have been tied up down here for several weeks and have not been able to get home. But when I went back to my office late that night, I reached my constituent by telephone and she explained to me that she was holding down two jobs to support an 8-year-old son who had a learning disability. She told me public schools do not provide her son with adequate attention to that particular disability and he needed the care of a special tutor, but, she said, that her two small salaries that she has worked at, and she has never taken 1 day or taken 1 penny of welfare payments, she said that her two small salaries do not allow her to pay the additional expense

for her young son, who is now beginning to fall behind all of his peer in the third grade.

Mr. Speaker, the problem, of course, is that the boy's father provides no child support whatsoever and her efforts to track him down and force him to pay his share were to no avail.

Mr. Speaker, the sad part about all of this is the father is a college graduate. He lives in a nearby State. He holds down an excellent job, and he refuses to pay child support at all. Not a nickel. This is an absolutely heart-wrenching story, Mr. Speaker, and it is typical of the lack of responsibility that many men have demonstrated in our society today.

In an age in which some in our society find it fashionable to blame anyone but themselves, this bill, and my colleagues ought all to pay particular attention to it, this bill truly emphasizes responsibility among fathers. It is going to hold them responsible.

The child support title in this bill will help ensure that all persons are held responsible for the consequences of their actions. As we close a yearlong debate on this subject today, let us ask the President of the United States a question that this House and this Senate has already courageously answered in this legislation: Which is the truly compassionate public choice for the children trapped in poverty today? To sign this landmark reform legislation, or to do nothing at all and leave the status quo, a failed status quo?

Mr. Speaker, I urge the President to uphold the promise he made to the American people in the 1992 election campaign, which is written in his book, in which he pledged to reform welfare as he knows it today.

Mr. Speaker, this is a very serious matter. It is the most important piece of legislation that will come before this body this year. It truly will help the people in this country who have been saddled by welfare all these years to recuperate, to return to the work ethic, and to be good citizens in this community. That is why I urge support of this bill.

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

□ 1200

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

Mr. Speaker, as Chairman SOLOMON explained, this resolution, 319, makes it in order to consider the conference report on H.R. 4, the Personal Responsibility Act. It waives all points of order against the conference report.

Mr. Speaker, I object to the way the Republican majority has handled this bill. Members of the Committee on Rules were given about an hour's notice after the text of the bill was received by the committee, and that is 60 minutes to look at this enormously complex and important piece of legislation.

The bill will have an enormous effect on millions of needy Americans. It will cut into the safety net that provides basic food and nutrition services, assistance to children, and school lunches. It makes sweeping changes that roll back 6 decades, years of welfare laws, and for some it will be truly a matter of life and death. Sixty minutes, sixty minutes is all we had to read this stack of paper and get prepared to vote on such a critical bill.

Mr. Speaker, it is the height of irony that we are about to debate something called the Personal Responsibility Act when the majority party has handled this bill so irresponsibility. The process has also violated the rights of the minority. The Democrats on the Committee on Ways and Means and the Committee on Economic and Educational Opportunities were not given copies of this report until last night.

We will recognize the need to move quickly on welfare reform. But this breakneck speed increases the risk of mistakes and simply is wrong, and I think we are going to be sorry for it.

The conference agreement makes deep reductions in basic programs for low-income children, families, elderly, and disabled people. Is that really what the American people want?

Earlier this week, a Nielson poll showed that 95 percent of Americans consider hunger and poverty issues as important as balancing the Federal budget and reforming health care.

I would like to read that again. That is a very interesting poll.

Earlier this week, a Nielson poll showed that 95 percent of Americans consider hunger a poverty issues as important as balancing the Federal budget and reforming health care.

The U.S. Department of Agriculture estimates 14 million children and 2 million elderly people will be affected by reductions in the food stamp program, and it is wishful thinking to believe that private charity can absorb the deep cuts that are made by this bill.

A recent study by the U.S. Conference of Mayors showed that 18 percent of Americans requesting emergency food assistance this year were not fed, due to lack of resources, and almost two-thirds of these requests came for parents and children. Emergency shelters and feeding centers have to turn away hungry and homeless people because the demand is already greater than the resources.

Let us talk about the contract with America. No; I am not talking about the Republican contract that was trotted out for the last election. I am talking about the 60-year-old bipartisan contract that guarantees that every low-income child in America will eat a good breakfast or lunch as part of his or her schoolday.

The cuts in this bill will affect human lives. The cost we are scoring are real human costs. These people do not have a line on any CBO ledger or an item in the OMB budget.

It is 4 days until Christmas, and this bill is the gift that Congress is giving to the poor and the needy of this Nation. They need more than the bah humbug that this bill says to them.

Mr. Speaker, I oppose this rule, and I oppose this mean-spirited, shortsighted bill.

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

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from Claremont, CA [Mr. DREIER], who serves with me on the Committee on Rules, my vice chairman, and is someone who has worked diligently for many, many years on welfare reform.

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

I would like to at this very festive time of year extend congratulations to him for his fine leadership on our committee.

I rise in strong support of this rule and the conference report. We all know that back in 1992, when Bill Clinton was a candidate for President of the United States, he used a term which has been widely stated here in the Congress and throughout the country and the media. His statement was that we would end welfare as we know it. Those were the President's words, and he made that very strong commitment that he would pursue it.

Unfortunately, if you look back at the work of the 103d Congress, we failed to do it. We are here today trying to help the President keep the commitment that he made when he was a candidate.

I have said it on a lot of legislation. This is another very clear example of an item that needs to be addressed.

Let us talk about the important benefits of this conference report. One of the most onerous burdens that has been placed on the States has been the mandates, the mandates which have said to State governments that they are required to provide a wide range of things.

Now, take my State of California, for example; under the provisions of the present law, we see the Federal Government tell the States that they have to expand State dollars, their own State dollars, to continue to provide welfare to those who are flagrantly abusing drugs and alcohol.

We feel very strongly that the States should have the flexibility to make a determination as to how they are going to expend those dollars. Roughly $475 million in my State of California has gone to those abusers of alcohol and drugs, not to say that we are not compassionate, not concerned about them, but to continue that flow of cash to

those people who are engaging in that kind of abuse is obviously a terrible misuse of those taxpayer dollars.

Where should those dollars go? They obviously should go to the women and the children, the impoverished who are struggling, not to those who are out there abusing drugs.

This legislation allows the States the opportunity to make a determination as to how they will best use those dollars. That flexibility is key. It is very important.

We all know that the 535 of us who serve in the United States Congress do not have a corner on compassion. We have seen the creativity for welfare reform emanate from States, like mine of California under Governor Wilson, Massachusetts, where Governor William Weld has done a phenomenal job, as the gentleman from Massachusetts [Mr. MOAKLEY] has pointed out.

On the issue of welfare reform, look at Governor Tommy Thompson of Wisconsin, John Engler of Michigan. That is where the creativity has come from, and that is why it is key that we eliminate the mandates that are imposed, and that is exactly what this legislation does.

There is a very important other item that tragically this President has failed to address, but it is one that he has indicated that he would address, as we look at this issue of welfare reform. It has to do with the problem of illegal immigration, a very serious problem in California, and we found most recently in a wide range of other States from concern that has come forward from Members from around the country.

Let me take just a moment, Mr. Speaker, to look at the record that this President has had on the issue of illegal immigration. He opposed Proposition 187, strongly opposed that legislation. Two weeks ago he vetoed legislation that would have provided $3.5 billion to keep open the California hospitals that have been swamped by illegal immigrants.

Just this week he vetoed funding to put 1,000 new INS guards on the border and provide over $280 million to California prisons swelled by illegal immigrant felons.

If he vetoes this bill, Mr. Speaker, he will ensure that illegal immigrants continue to qualify for Federal and State welfare programs. It is a very sad record on the issue of illegal immigration.

He has an opportunity, by signing this bill, to end welfare as we know it and, in fact, reverse his record on the issue of illegal immigration.

I urge support of this rule, and I urge support of this conference report so that we can, in fact, end welfare as we know it.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentlewoman from California [Ms. PELOSI].

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

I want to also commend him for his leadership for children in our country and throughout the world. His approach to this problem has been effective and, indeed, even saintly, in keeping with the words of the Bible, to feed the hungry, in the words of Matthew, to provide for the least, I'd rather say, the poorest of our brethren. I thank him for that leadership.

I thank the gentleman from New York for bringing this to the floor.

I rise in opposition with the greatest respect for the chairman of the committee, the gentleman from New York [Mr. SOLOMON]; I rise in opposition to the rule and in opposition to the bill. I rise in opposition to the conference report because I think this legislation will devastate the working poor, children, legal immigrants, the elderly, and the disabled.

I listened attentively to the remarks of our colleague, the gentleman from California [Mr. DREIER], about welfare reform, and indeed we all stipulate to the fact that the welfare system in our country must be reformed.

I served as a cochairman of the Democratic platform committee with Gov. Roy Roemer of Colorado in the election year of 1992, and, yes, indeed, we had strong language making changes in the welfare system so that it better meets the needs of our people and gets them from welfare to work.

This bill, this conference report, is weak on work and tough on children. I consider it a heartless proposal and completely irresponsible in its intent to cut off families and children from the help they so desperately need.

I was helping some people collect gifts for poor children and one of the children said, "Doesn't Santa come to the homes of poor children?" Even little children know of the unfairness and of the inequity when small children have to be dependent on the largess of others. We must have public policy that enables people to take charge of their lives and to go to work.

The bill cheats our most vulnerable citizens. Our Nation's most vulnerable, poor children, two-thirds of welfare recipients are children, as a result of this bill, 1.2 million, as many as 2 million more children, could be pushed into poverty.

Our children are our future. We all say that, but we have to do something about it. This bill jeopardizes their health, safety and education. We are giving them far less than they need and certainly less than they deserve.

This bill, as I have said, is weak on work. One of the main problems of the current welfare system is the lack of sufficient funding for work programs. This bill does not even begin to provide adequate resources for work programs. It punishes parents who want to work by offering no reasonable and long-term solution to child care dilemmas faced by working families.

Lack of funding for work programs provides stronger incentives to States to cut families off the welfare rolls. Then where will these people go? What will these people do? This bill does not answer those questions, because it does nothing to promote effective programs for moving larger numbers of families off welfare and into work.

This bill cruelly discriminates against legal immigrants, punishing those who contribute to our economy and volunteer to serve in our military and whom we require to pay taxes. The overwhelming majority of legal immigrants support themselves without any government assistance. They contribute $25 billion more in annual taxes than they receive in benefits. Their goal is not to arrive in this country to be supported by it but to contribute to this country.

The so-called welfare reform bill fails to fulfill a promise by moving people from welfare to work. This is not the way to reform our welfare system.

I urge my colleagues to defeat this very harmful legislation. Vote "no" on the rule, vote "no" on the conference report, vote "yes" on the motion to recommit.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. GIBBONS], the ranking minority member, former chairman of the Committee on Ways and Means.

Mr. GIBBONS. Mr. Speaker, where is everybody? I look around the floor today, and this is about the paltriest guard I think I have ever seen in the place. I am not talking about the quality of the people here. There is nobody here. There are far more staff here than there are Members.

This is a very important piece of legislation that we are taking up. I know Members hated to be reminded of this, but 70 percent of all the people we are talking about today are infants and children who had nothing to do with being brought into this world, have been cast in dysfunctional environments. I started to say families, but they really are not families. They have a mother they can probably identify, probably identify, and most of them cannot identify their father.

□ 1215

These are really pitiful people we are talking about, and yet this is a cruel bill. It reduces the amount of money we are going to spend on them for health care, for food, and for shelter. It puts the money under the block grant system, where the problem used to be. It does not put it under an entitlement system, where the problem is today.

All of us know that the poverty figures and the dependent children figures vary around the United States, having to do mainly with the economy of that particular area of the country. My own State was blasted a couple of years ago, a few years ago, with a huge increase in welfare. It had nothing to do

with our morals, nothing to do with anything else. It is just the jobs were not there and the people had to turn to welfare to exist.

Mr. Speaker, I guess at Christmastime, shame on us. It is a horrible excuse of people here, and it is a horrible excuse of attention we are giving to this subject. This bill is cruel, it is mean, and it is hurting the least viable part of our whole American family that we have, the infants and the children. We are taking away food, we are taking away health care, and we are taking away shelter from the people that need it most.

I guess Scrooge had it right. It is a Merry Christmas for some people, but not for the ones who need the help.

Mr. SOLOMON. Mr. Speaker, we just heard from the gentleman from Tampa, FL, and I now yield 2½ minutes to the gentleman from Sanibel, FL [Mr. GOSS], a member of the Committee on Rules, so we can now hear the other side of the story.

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I am not feeling paltry today, Mr. Speaker. I admit to being a little fatigued, but not paltry.

Mr. Speaker, I thank my friend from Glens Falls, for yielding me this time.

Mr. Speaker, I rise in support of this rule to allow us to consider the conference report on H.R. 4, the welfare reform bill.

Despite the conspicuous lack of consistent leadership from the White House, Congress has carried this bill through. There are two reasons we need this legislation. The first is that the current system is riddled with waste and abuse of tax dollars, and I am pleased that H.R. 4 will save taxpayers some $58 billion over 7 years. But more important than money, we need this reform because the existing system simply does not work for those who need it.

Instead, we have designed a new system that will identify and protect Americans in their times of real need but will eliminate the never-ending cycle of dependency and illegitimacy that the current status quo system has fostered.

With the help of the States, we are going to encourage people to work, to make them productive contributors to American society, giving them the dignity and sense of worth that a job provides.

For our children, this bill makes two key changes. It encourages parents to work, and it aims to break the vicious circle of teenage pregnancy by unwed mothers. These reforms, along with our efforts to reform education and public housing should help us make progress in our efforts to renew our cities and save our at-risk children.

Finally, Mr. Speaker, let us look at what H.R. 4 does not do. The President says funds for child care are being cut. Not true. They are going to go up faster under this bill than under current law. The President says that disabled children will not receive Social Security Income benefits. Not true. We are eliminating Social Security Income checks for kids that are hyperactive, but not for disabled children in need of special care.

This bill is a good bill and it is a promise that we made as part of the Contract With America. Once again we are keeping our promises.

I urge adoption of the rule and passage of this important bill.

Mr. Speaker, I will say that the status quo does not work. It is bad government. We know that. Everybody knows the system is broke. We know that scaring Americans with skewed statistics is bad governance, it is not the way to do it. The gentlewoman from California before me spoke and she said just say no to this rule; just say no to this bill.

There is a time to just say no, but this is not the time to just say no. This bill has been through the process. We are at the conference report process. Both Houses have had a chance to work on it. I urge adoption. It is a good bill, it is a good rule, and there is no reason to say no.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I must say everybody knows the politically popular applause line is to come down and bash people on welfare. But let me tell you, this welfare bill, if this passes, it will bring a whole new meaning to the phrase "suffer the little children," because that is exactly what this welfare bill will do. It will be little children that suffer.

Now, people will stand up and tell you all sorts of things that we could do, and I would agree. I see the gentlewoman from New Jersey. She and I have worked forever trying to get some of these things done. But they are not being done.

We just saw the Health and Human Services report on how much child support is being collected in States. The State that is doing the best job is Minnesota, and they are collecting 38 percent. The gentleman from New York's State is getting about 15 percent. Florida is getting about 15 percent. You know, all these people are saying this, but they do not go out and do anything about it.

Car payments seem to be made in this country at a percentage of over 90 percent, and yet here these children are, and we blame the mother for struggling and trying to make ends meet. We do not do anything about the father. I am sorry, I hope all of you took biology class. None of these children got here with just the mother, and we let the father walk. Then, of course, other people who are working get angry that they are supporting that child. But constantly blaming the mother and blaming that child is the wrong thing to do. So saying to that child, "Oh, we are going to show you; we will take your health care, we will cut back the aid to your family," is just not the right thing to do.

Real reform is terribly important. I am all for real reform. But the thing this body does not want to hear is that real reform takes a lot more money, because you have got to do job training, you have got to get the mothers up with a better skill base, and you have got to spend the money to enforce the child support payments that are not being done, and that is a shame.

Mr. SOLOMON. Mr. Speaker, I am glad the gentlewoman agrees with us that the main focus of this is so that all those male parents that left my State of New York and went to Colorado, now we can go after them and get them. We are going to.

Mr. Speaker, I yield 2½ minutes to a very distinguished gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I rise in support of the rule and the bill. This is landmark legislation and it has my support. We must enact it now. The American people are demanding that we restore the notion of individual responsibility and self-reliance.

The system is currently out of control. Above all else, I want to stress, and here I find myself in contradiction to one of my closest colleagues, the gentleman from Ohio [Mr. HALL], he and I have worked together on numbers of issues regarding children, but I want to say that I not only want to restore self-reliance and responsibility, but we will not let innocent children go hungry and homeless. I believe that this conference report meets that test.

First, the bill requires welfare recipients to work, as have already been stated. It also places time limits on them. That has been talked about. The third thing this bill does is put a family cap in place, which means that mothers will not get extra cash benefits for having babies.

Here I want to report that New Jersey already has this policy in place, and it is working. It was initiated in New Jersey by Democrats, developed bipartisan support, and was enthusiastically signed by a Democrat Governor, and it is working.

Fourth, this bill has strong and effective child support enforcement. My colleague from Colorado, I have got to disagree with her. The heart of this bill is that it enacts the strong interstate child support enforcement measures that she and I have worked on for more than 10 years. It specifically requires interstate cooperation, and it gets to

the heart of that issue that has been vexing us. It is strange how as soon as you threaten to remove a driver's license or a professional license, the money that was never there strangely shows up.That reform is in here. It is the Roukema amendment, it was retained, and it is in here.

Let me just say one more point, because it is very important, on the nutrition aspects. I opposed the House position on school lunches and WIC. I am pleased to say the Senate got it right. The Senate protects the school lunch program and keeps the WIC program, as the gentleman from Ohio [Mr. HALL] and I both desired.

Mr. Speaker, I would say that the President promised to end welfare as we know it. This is the bill where we can do that.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Speaker, I want to thank my colleague from Ohio for yielding me this time.

Mr. Speaker, I rise in opposition to the rule on the conference report on welfare today. Mr. Speaker, Democrats on the Committee on Ways and Means and on this side of the aisle, we tried over and over and over again to work with the Republicans to fashion a welfare reform package that would respond to the needs of poor children in this country. We know that the Republicans who have reported this bill and this conference report, we have seen letters go from five Members of the Senate and from their side of the aisle that have indicated this is not what the Senate voted on and the Senate passed in their welfare package.

We look and see that since 1935 we have protected our poor children in this country through an entitlement program with AFDC. Two-thirds of the welfare recipients are in fact poor children in this Nation. It is sad to know that here on Christmas Eve, we would send a message to more than 1.5 to 2 million children who will drop right into the poverty thresholds with this welfare reform package that is before us today.

The Republicans talk about them being tough on work. This program is due to fail. It will fail. We ought to make sure that a welfare package in the recommittal motion by the Democrats will say to poor children that we will provide the protection you need. Yes, we want a strong work program as Democrats. The President wants a strong work program for the welfare recipients. Those who are able to work should work. We are in agreement with that. But when you see a work program that is due to fail, as we know that that which is in this Republican conference report that we will vote on today will, it suggests very strongly that this is a bad bill. The Republicans ought to be ashamed of a bill that is so cruel to our poor children in this country, and I would urge my colleagues to vote no on this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Speaker, 2 years ago five House Democrats, including myself, set out to end welfare as we know it. Mr. Speaker, I am disappointed today that the House and Senate conferees have presented the American people with welfare as we would never want to know it.

Ever since coming to Congress in 1988, I have been a strong advocate of a tough but reasonable welfare reform bill that empowers rather than punishes; one that calls for responsibility rather than dependence. The House Democrats and one Republican voted unanimously in support of our bill in March. Now we are given a conference report which is fundamentally different from that bill.

I want to highlight some of the differences. Our bill preserved the basic guarantees of assistance for poor, hungry, ill, disabled, abused, and neglected children and women. the conference report makes these guarantees optional. Our bill would retain the cash assistance entitlement, but the conference agreement eliminates this guarantee. Our bill maintains the AFDC program and the State match, while making needed reforms to AFDC. The conference agreement block-grants AFDC, allowing States to use the Federal funds as they wish.

Our bill would provide $8.6 billion over 5 years for work programs. The conference report is weak on work, providing no additional funds to states for work programs. If mothers or fathers are trying to escape welfare to work, they must have adequate funding for childcare. Our bill provides that increased Federal match for childcare. The conference agreement is at least $20 billion short in childcare funding. Our bill makes no changes to the successful school lunch and WIC programs. The conference report works toward eliminating this basic guarantee for low income children.

Vote "no."

□ 1230

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume to say that the gentleman is right, his bill is the status quo and ours is welfare reform.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Kansas [Mrs. MEYERS] one of the most outstanding women ever to serve in this body. She will be leaving here next year. She will not seek reelection. She is from Overland Park, KS, and truly a compassionate Member and we will miss her.

Mrs. MEYERS of Kansas. Mr. Speaker, I thank the gentleman for yielding me this time and for his leadership and everyone who has been responsible for bringing this issue to the floor.

I rise in strong support of this rule and of this bill. My principal concern has been AFDC. I believe that one look at the statistics shows that what started as a program to help people has become an incentive to join the system.

In 1988, when we reformed welfare, we said that there would be 5 million families on welfare by the year 1988. Well, we hit that target in 1993. The system is out of control. In just 4 years, by the year 2000, if we do not make changes, 80 percent of minority children and 40 percent of all children in this country will be born out of wedlock.

There is a tremendous human cost to this. Statistically, we know that children who get a kind of a chaotic start in life, and many of these children do, not all of them, but many, without a father, without a lot of structure in their lives, they have more trouble throughout their lives with education, health and with crime. This bill has time limits and work programs and it ends the entitlement nature of AFDC.

Mr. Speaker, I believe that it will end the incentive to join welfare. The current entitlement system has been very difficult for Congress and the taxpayer because a child out of wedlock usually means that the Government pays for that child and supports the child until he or she is 18. A young woman who has two children out of wedlock can receive cash and benefits of $18,000 annually. In the cash grant of AFDC, the portion of Medicaid and food stamps attributable to the AFDC population, housing, WIC, Head Start, college, day care, transportation, the cost to the taxpayer annually is $70 billion a year.

Mr. Speaker, we must insist for both human reasons and money reasons that we get control of this entitlement and control of the cost. Support the rule and the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. LOFGREN].

Ms. LOFGREN. Mr. Speaker, I rise in opposition to this rule. Until this year, I was a member of a local government, and we actually had the responsibility to make AFDC work; and I ran for Congress wanting to change welfare as we know it. We do need to make changes.

As I listen to the debate here, I am mindful that many of the people in this Chamber have never had to actually make these programs work at a local level. It is not the Governors who make this work, it is the counties and cities throughout our country.

I have here a letter I received today from the League of Cities, the National Association of Counties, and the U.S. Conference of Mayors, urging us to vote "No" on the welfare reform conference report. They understand that block granting in their words, "dismantles the critical safety net for children and families."

They point out that without an individual entitlement they will not have sufficient funds to provide child protective services. They say the restrictions on legal immigration go too far and will transfer costs to local government. They point out that the block granting of child nutrition programs is wrong in that a child's educational success is essential to the economic well-being of our Nation's local communities. And, they say the welfare reform conference agreement would shift costs and liability and create new unfunded mandates for local governments, leaving them with two options: cut other essential services, such as law enforcement, or raise revenues.

Earlier this week I called two people upon whose advice I rely: a friend who is an administrator of my county and a Catholic priest, and they both urged me to vote against this conference report for similar reasons. It does not adequately emphasize the well-being of children. I came here to reform welfare, not to dismantle it for a simple budget cut. This bill does not achieve reform, it just achieves a cut.

Finally, I wanted to say that I saw an article in my local paper today by Governor Pete Wilson urging that we support this legislation and suggesting that he has exhibited creativity. Do not make me laugh. All he has done is taken local governments' property taxes, and unloaded the problems on them.

I would urge a "no" vote and hope that we get back to a real reform of welfare.

Mr. SOLOMON. Mr. Speaker, yielding myself 30 seconds, I would point out to the gentlewoman that, first of all, she should speak to her Democratic Members of the Committee on Rules. They all support this rule, as they should, because it is an ordinary customary rule.

Second, having serving as a town mayor, a county legislator and a State legislator, and 17 years in this Congress, I assure the gentlewoman this is a step in the right direction and we are going to pass this bill and get true welfare reform in this country.

Mr. Speaker, I yield 1 minute to the gentleman from Ocala, FL, Mr. CLIFF STEARNS, another Floridian who is an outstanding Member of this body. He has done more to help us balance this budget than anyone I know.

Mr. STEARNS. Mr. Speaker, I rise in support of the rule and this bill. Let me say to the people on this side of the aisle, no one party has a corner on compassion. For 30 years we have had this program and we have spent $5 trillion. It has become obvious to the Democratic Party and obvious to our party that this program, as it is configured now, does not work and we have to change it.

For some of my colleagues to come on the floor all the time and say they have all the compassion, really the compassion comes when we try to take away, when we take an individual and take away their incentive to work. What happens is they do not want to work. We have doomed their life to continued dependency. That is not being compassionate, and that is what the debate is about. To show compassion is to give individuals incentive.

We must instill in our young people a sense of pride that can only be realized through hard work and personal achievement. What is wrong with that? This country was founded on the work ethic. Passage of this legislation sends a clear signal that we are no longer going to subsidize and reward individuals who have chosen to take a check instead of a job.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, let it be clear that the status quo on welfare is dead. It needs to be changed. The House Democrats put together a proposition to change it. The key is getting the parents off of welfare into work and not punishing the kids. Punishment of children is not welfare reform, it is getting their parents off of welfare into work.

Here is the problem with the conference report, it is weak on work. The CBO estimates in the year 2002 that this conference report will be $7.5 billion short in terms of assistance to get people into work and child care. It is weak on work and it is tough on kids.

Just read the letter signed by four, I think more than that, Republican Senators, and they pick out the food stamp cuts of $30 billion, the SSI benefit cuts of 25 percent for 650,000 kids, the foster care changes, the legal immigrant provisions. These are extreme provisions.

Here is what the Republican Senators say. "We are dismayed at what is in the conference report. We have our strong reservations about this agreement."

Mr. Speaker, we have not worked here on a bipartisan basis. We have a highly partisan bill here that aims at a political message, but misses the key to welfare reform, moving parents off of welfare into work and not punishing their kids. We Democrats stand for that. Once this bill is turned down, and the President has said he will veto it, we will then turn and together work for true welfare reform that gets the parent into the work force without, as the Republicans do, punishing their children. Let us vote no on this conference report.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from Florida, Mr. CLAY SHAW, who, as chairman of the subcommittee, along with Chairman of the full committee, the gentleman from Texas, BILL ARCHER, is one of the two outstanding Members that have had so much to do with this. I yield to him to respond and to give Members the straight story.

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

Mr. Speaker, the last speaker, the gentleman from Michigan [Mr. LEVIN], on the floor, I have enjoyed working with him in the subcommittee and he and I have had a lot of conversations on and off the floor, in the subcommittee. We all want to do the right thing, and I applaud him for putting forth the fact that the welfare system that we have today is archaic, it is wrong, and it is bad.

But I want to point out a couple of things that I do not think the Senators were aware of that wrote the letter he referred to, and that I am not sure the gentleman from Michigan [Mr. LEVIN] is aware of.

Under the new baseline, we are spending more in this bill on Aid to Families with Dependent Children than we do under existing law. With the funding level that we have in child care, an area that I have spoken to the gentleman from Michigan [Mr. LEVIN] about several times, and I know he is very concerned about, there is an additional billion, which puts us way above, over a billion dollars over the Senate bill, which is the one the four Senators that he referred to voted for.

The question of the cuts in SSI. They were only for those children who are not seriously afflicted and it is recognizing that we need to keep full funding for those children who are truly disabled. It is a compassionate bill, a good bill, a good rule. I encourage the House to vote for the rule and for the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. WYNN].

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

I rise today to oppose this rule because it is a bad rule supporting a bad bill. I am for welfare reform and I am for work requirements. The problem is that this bill fails in the commonsense department.

Let us turn to the CBO, their sacred cow for fiscal analysis. CBO says this bill cannot fund the work program. It cannot provide the training necessary. It says it falls $5.5 billion short in the year 2002. Over the 7 years, this bill is $14 billion short in what is needed to provide adequate employment and training.

In fact, their original Contract on America had $10 billion in it for employment and training. What happened? That is not in the bill.

Let me tell Members what the people of Maryland think. My Governor has already spoken on the subject, and he says, quite frankly, the idea is good, but the funding is grossly inadequate to support employment and training. We cannot take people who are out of work, who are low-skilled and expect

them to go into the work force without training. There is no employer around, no matter how willing this person is to work, that will hire them without some level of training.

If we are serious about welfare reform and work requirements, we ought to put in the necessary funds for the training programs and not pass the buck on to the States.

What else is wrong with this bill? The child care is inadequate. That is the second component. We cannot expect women with two and three children to go to work without adequate child care. Right now States provide funds for the working poor. But with these new people coming onto the rolls, the States will not be able to afford to pay adequate child care. This bill falls $6 billion short in terms of providing the necessary child care programs.

Again, we go back to the CBO. CBO figures show that the legislation will force States to choose between maintaining current levels of child care assistance for working poor families and providing child care resources for these new families that are coming on.

So Mr. Speaker, the issue is not defending the status quo. We on the Democratic side do want welfare reform, we just want to make sure it works, and that requires common sense, something that is sorely lacking in the Republican approach.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentlewoman from Jacksonville, FL, Mrs. TILLIE FOWLER, another outstanding woman Member of this body.

Mrs. FOWLER. Mr. Speaker, I strongly urge passage of the rule for consideration of the conference report on H.R. 4. This historic legislation will fix a welfare system which has become so badly broken that it perpetuates dependence, illegitimacy, and hopelessness.

H.R. 4 reduces the intrusiveness of the Federal Government and provides flexibility for States and localities to meet the greatest needs.

It contains several provisions which discourage illegitimacy and encourage family responsibility, including one which allows States to deny additional benefits to parents who have additional children while on welfare. It provides for the creation of a nationwide tracking system for child support payments which will crack down on deadbeat parents.

It encourages independence by requiring adults who receive cash benefits to work or attend school and limiting their benefits to 5 years.

It also saves $58 billion in outlays over 7 years—while continuing to maintain a safety net for those in our society who are the most vulnerable.

This legislation is long overdue, and I urge passage of the rule and of the conference report.

□ 1245

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I have two children who are very young, and they were actually on the floor the other day. I also served in the State legislature in New Jersey for 5 or 6 years, and I mention that only by background because I am very concerned about the policy impact of this conference agreement and what it means for children in this country and my home State and other States.

Mr. Speaker, I am concerned particularly about the elimination of the entitlement status. What I see happening in this conference report, and in many ways it is a lot worse than the bill that originally passed this House, is that we are making it a policy, essentially on AFDC, on Medicaid, to some extent also on some of the other programs, that it will be up to the States to decide who is eligible and what kind of cash benefits children get.

Mr. Speaker, I think that because we are dealing with such a vulnerable population, particularly with AFDC recipients, the tendency always is if there is a budget crunch, to cut back on the vulnerable amongst our population because they do not have the political clout. They are not the ones who can go to the State legislature and say, "We are not going to vote for you, or vote one way or another, because of your position on these benefits."

Mr. Speaker, if we look at the statement that some of the Senators made, that some of the Republican Senators made in the letter that they sent to Senator DOLE, they pointed out, for example, with regard to Medicaid, that unlike the House and the Senate bills, Medicaid no longer is an entitlement under this bill. They estimate, the Republican Senators, that we could be denying Medicaid eligibility to millions of women and to children over the age of 13.

Mr. Speaker, the same thing is true with SSI benefits, that due to significant changes in the definition of disability, the conference agreement would create a new 2-tiered system of eligibility which would result in a 25-percent reduction in SSI benefits.

Mr. Speaker, my concern here is that if we do not provide the entitlement status for some of these programs, whether it is Medicaid or AFDC, and then as the gentleman from Maryland said, we actually cut the amount of money that is available by as much as $14 billion, where are we going? A lot of people who are now receiving these benefits will not receive them. It is unconscionable and we have the obligation to ensure that the guarantee is there.

Mr. SOLOMON. Mr. Speaker, how much time is remaining on either side?

The SPEAKER pro tempore (Mr. TORKILDSEN). The gentleman from New York [Mr. SOLOMON] has 7½ minutes remaining, and the gentleman from Ohio [Mr. HALL] has 6 minutes remaining.

Mr. SOLOMON. Mr. Speaker, there are 73 new Members on our side of the aisle, new Members of this body. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. GANSKE], one of the outstanding new Members.

Mr. GANSKE. Mr. Speaker, not too long ago I was a physician taking care of young women and their children who are on welfare. My heart would go out to them, because very rarely would there be a dad with them. One of the reasons that I so enthusiastically support this rule and this bill is because it has significant improvements in the child support enforcement.

Mr. Speaker, it requires States to have automated case registries of child support ordered. It requires States to establish automated State directories. It allows States to use information for establishing paternity and forcing child support obligations and tracking. It establishes an automated Federal case registry of child support orders. It requires States to have specific laws related to paternity establishment, including a single civil process for establishing paternity. It requires States to tighten laws preventing the transfer of income or property for the purpose of avoiding child support payments.

These are all good things, long overdue, that this bill will significantly help.

Mr. Speaker, I have also been very concerned about nutrition, and I am happy that the conference report adds back $1.5 billion in child nutrition programs. The School Lunch Program continues to grow, as under current law. There are no cuts from the CBO baseline. The reimbursement rate for school lunches and breakfasts remains the same as under current law. The savings in the child nutrition program come mainly from setting up a 2-tiered system. This was proposed by President Clinton himself.

Basically, the 2-tiered system says that if communities have child care in low-income areas, they continue to get a higher reimbursement; but, if they have child care for families that are not poor, then they have to pay a little bit more in those areas. But, Mr. Speaker, if they can establish that the majority of the children in that child care program are from poor families, then they get the higher reimbursement. This is reasonable and I support the rule and the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Speaker, there is a lot of controversy that takes place about who ought to get credit for reforming welfare. It is almost as though this is a new issue. But I remember as a boy growing up hearing my father, Robert Kennedy,

talk about the fact that welfare was a program in dire need of reform; that it has created a whole cycle of dependency; that we had a situation that had developed in so many of our Nation's cities that people had grown used to welfare as a way of life; and, that we had to break that cycle of dependency.

Mr. Speaker, I remember great speeches by Franklin Delano Roosevelt talking about people on the Government dole and the devastating and debilitating effects of being on the Government dole for the way of life and self-determination of those individual families. This is not a new issue.

But, Mr. Speaker, there is a sense that there is a lot of common ground between Democrats and Republicans about the fact that we need welfare reform. We do need welfare reform. We ought to tell people clearly that we do not want a system where they are rewarded and given something for nothing; that they can expect to have welfare without going out and getting a job; that we want to create any kind of signal that says that recipients ought to go out and have children on the welfare system.

Mr. Speaker, those are the areas of commonality. That is not what the difference is between what the Democrats have stood for in the bill that I voted for, and that many of my colleagues have voted for, and the bill that is before us today.

Mr. Speaker, the bill that is before us today is a mean-spirited attempt not to put people to work, but is a mean-spirited attempt to go out and gut the very programs that provide for our children with cerebral palsy, that provide for our children with Down's syndrome, that go out and cut the SSI Program, cut the Food Stamp Program.

My Republican colleagues sit there under the guise of welfare reform and try to hurt little children in America. They call that reform. Mr. Speaker, it is not reform. It is the mean-spirited dollars necessary to provide a tax cut to the wealthiest people in this country at a time when we ought to be looking out after how to break the cycle of dependency and not create one for the wealthy.

Mr. SOLOMON. Mr. Speaker, I am tempted to yield myself some time right now to respond to the gentleman from Massachusetts, but I will withhold until I conclude.

Mr. Speaker, I yield 1 minute to the gentleman from Stephensburg, KY [Mr. LEWIS], an outstanding Member of this body.

Mr. LEWIS of Kentucky. Mr. Speaker, it seems we keep hearing the word "extreme" and "mean-spirited" and that we are "gutting" the welfare program, but I just want to address that just for a minute.

Mr. Speaker, I am holding an editorial by one of the fine newspapers in Kentucky, the Owensboro Messenger-Inquirer. In a Tuesday editorial they say, "The Republicans have a sensible idea in moving decision-making authority closer to the frontlines," but then they make the mistake so many on the left do when describing our plan, just as the previous speaker, they suggest that it will fail because it spends less money than the current system. Wrong, wrong, wrong.

The Republican welfare reform will increase spending by one-third over the next 7 years from $83 billion to more than $111 billion. So, I say to my friends on the left, and to the Messenger-Inquirer for whom I have a great deal of respect: If you like moving power back home and want more welfare spending, you have got it. True, we may not be spending as much on welfare as you would like but $5 trillion over the last 30 years shows just throwing money at the problem is not the answer .

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I rise in opposition to this rule, and I rise in opposition to the rule because it is not really about reform. We need welfare reform, but this bill actually is a taking away of opportunity. In fact, it has been estimated that 1.3 million children will be denied opportunity through this bill.

Mr. Speaker, this is not the way we should talk about family values. Some of us feel that as we talk about family values we can scapegoat the poor. We can say that those children who happen not to be born in the prescribed way of a family, we should deny them food, deny them health care. That is unthinkable; unthinkable especially in the season of Christmas. Twenty-five percent of SSI benefiting kids with severe disability will be denied that opportunity. Is that reform? Is that taking?

Consider also AFDC children on Medicaid, that eligibility will now be determined by each State. Each State will decide as they proceed. School lunch, we would deny even feeding children, the least among us. This is not reform. This is taking from America's children.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentlewoman from Utah [Mrs. WALDHOLTZ], another outstanding freshman woman, a member of our Committee on Rules, who has had so much input in dealing with absent fathers.

Mrs. WALDHOLTZ. Mr. Speaker, I am pleased to stand in support of this rule and this bill. One of the fundamental principles of this bill is that people should be encouraged and rewarded for work, and this bill gives them that chance.

But parents cannot reasonably be expected to work their way out of dependency if their children are not safely cared for. So Mr. Speaker, I am glad that the conferees added additional funds for childcare even above the House-passed amendment sponsored by the gentlewoman from Connecticut [Mrs. JOHNSON], the gentlewoman from Ohio [Mr. PRYCE], the gentlewoman from Washington [Ms. DUNN], and I, that added more money for child care for low-income working parents.

Mr. Speaker, I also want to commend the conferees for including our provisions to make interstate enforcement of child support orders easier and less expensive. It is important that parents meet their obligations to their children, and this bill will help us require that of parents in divorce situations.

Mr. Speaker, I urge my colleagues to support this bill and this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I hope that we can engage my colleagues to the right in an intelligent, quiet, reasonable, and respectful dialog. Could my Republican colleagues do me a favor today? Stop painting those children and welfare recipients as bad people. Can we not come together to recognize that they cry out for a helping hand, not a handout?

Mr. Speaker, the gentleman from Ohio [Mr. HALL] has been a fighter for hungry children. Welfare reform is about hungry children. And Mickey Leland, a predecessor in the 18th Congressional District, as I stand here remembering his spirit, he reached out for hungry children. This welfare reform is not that.

Mr. Speaker, it is a bad rule, it is a bad bill, because it does not provide an entitlement. Yes, America; I am going to say that. Not because I have not gone on record for welfare reform. I am proud to be part of 14 Democratic freshmen who came in on reform. But, Mr. Speaker, when I talk to my Republican colleagues, they tell me they want people to work.

Mr. Speaker, this bill does not have a working provision. I am less eloquent than my colleagues in county government, city government, and the U.S. Conference of Mayors who have said to me today there is no safety net. They are on the ground at home.

□ 1300

They represent you Republicans and Democrats and independents alike. It is not me on the House floor. My colleagues at home have said, "Help us."

This is a bad rule, a bad bill. There is no work.

And, yes, 350,000 children, Down syndrome, cerebral palsy, muscular dystrophy, cystic fibrosis, and suffering from AIDS, they will lose their SSI, excuse me, 650,000. Can we stop calling these people bad? Can we insist upon the kind of collegiality that knows

that your bill is bad because it does not help people who want to transition?

I cry out on behalf of Mickey Leland and others who believe that hungry children should be fed. Vote this rule down and vote this bill down.

Mr. Speaker, I am inserting at this point in the RECORD a letter from the National League of Cities, National Association of Counties, and the U.S. Conference of Mayors, as follows:

DECEMBER 19, 1995.

DEAR REPRESENTATIVE: On behalf of the nation's local elected officials, we are writing to urge you to oppose H.R. 4, the conference agreement on the Personal Responsibility Act. Although the conferees agreed to some changes in the areas of foster care and consultation with local governments, we cannot support the final conference agreement which fails to address many of the other significant concerns of local governments. In particular, we object to the following provisions:

1. The bill ends the entitlement to Families with Dependent Children, thereby dismantling the critical safety net for children and their families.

2. The bill places foster care administration and training into a block grant. These funds provide basic services to our most vulnerable children. If administration and training do not remain an individual entitlement, our agencies will not have sufficient funds to provide the necessary child protective services, thereby placing more children at risk.

3. The eligibility restrictions for legal immigrants go too far and will shift substantial costs onto local governments. The most objectionable provisions include denying Supplemental Security Income and Food Stamps, particularly to older immigrants. Local governments cannot and should not be the safety net for federal policy decisions regarding immigration.

4. The work participation requirements are unrealistic, and funding for child care and job training is not sufficient to meet these requirements. One example of the impracticality of these provisions is the removal of Senate language that would have allowed states to require lower hours of participation for parents with children under age six.

5. We remain very concerned with the possibility of any block granting of child nutrition programs. A strong federal role in child nutrition would continue to ensure an adequate level of nutrition assistance to children and their families. School lunch programs are necessary to ensure that children receive the nutrition they need to succeed in school. Children's educational success is essential to the economic well-being of our nation's local communities.

6. The implementation dates and transition periods are inadequate to make the changes necessary to comply with the legislation. We suggest delaying them until the next fiscal year.

As the level of government closest to the people, local elected officials understand the importance of reforming the welfare system. However, the welfare reform conference agreement would shift costs and liabilities and create new unfunded mandates for local governments, as well as penalize low income families. Such a bill, in combination with federal cuts and increased demands for services, will leave local governments with two options: cut other essential services, such as law enforcement, or raise revenues. We, therefore, urge you to vote against the conference agreement on H.R. 4.

Sincerely,

GREGORY S. LASHUTKA,
President, National League of Cities, Mayor, Columbus, OH.

DOUGLAS R. BOVIN,
President, National Association of Counties, Commissioner, Delta County, MI.

NORMAN B. RICE,
President, The U.S. Conference of Mayors, Mayor, Seattle, WA.

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

I would just conclude by saying that the U.S. Catholic Conference, Bread for the World, Lutheran Social Services, they oppose the bill. The National League of Cities, the National Association of Counties, the U.S. Conference of Mayors, they oppose the bill.

I think many of us, probably all of us in the Congress, we ran on the campaign, part of our issue was on welfare reform. We never expected welfare reform to be taking money away from children relative to food, shelter, and medical expenses. And I guess this bill is OK, I guess this bill is OK if you are a healthy person or you are a healthy child. But if you are going to eat a couple of meals a day or less, this bill is going to hurt you.

So we really ask, on this side, that you oppose this bill and oppose this conference report.

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

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

Mr. Speaker, my good friend, the gentleman from Ohio [Mr. HALL], for whom I have great respect, has said he did not expect us to do what we said we were going to do. Ladies and gentlemen, we are here today doing exactly what we said we were going to do. This is part of the Contract for America.

I just have sat here patiently for an hour listening, and I have kept track of all the speakers, I say to the gentleman from Ohio [Mr. HALL], from your side of the aisle, and every speaker without exception that I could find appears on the National Taxpayers' Union list of big spenders.

Almost every speaker from that side of the aisle has talked about maintaining the status quo. Ladies and gentlemen, what is compassionate about maintaining the status quo? It is a total failure.

I have heard the gentleman from Massachusetts [Mr. KENNEDY] stand up and talk about people in poverty. Let me tell you something friends, I was born 65 years ago into poverty. My dad walked out on my mother and me the day I was born. We never saw him again.

Ladies and gentlemen, we went through hell for 10 years. There were no jobs, and my mother would not take a nickel of welfare, and we fought our way out of it. That is what this bill does.

This bill changes that status quo, and God knows we need it. Let us give the poor people the work ethic. Let us put them back to work so there is no need for all of this kind of welfare.

Compassionate is balancing the budget, lowering this deficit so that our children and grandchildren have a chance to buy a home, to buy a car, to be able to afford it and not pay all of the increased interest that is there because of our fiscal irresponsibility over all of these years.

Let us just try something different. This bill, when it left the House, had $100 billion in savings. You know what it has today now that it is back here in the conference report? Only $58 billion. Everyone on your side of the aisle ought to say, OK, this is a compromise; it is not as tough as it was when it went out of here, like I want it to be.

So come over here, vote for this rule. It is a normal, customary rule, nothing unusual about it. It passed on a voice vote with all Democrats voting for it last night at midnight. Come over here and vote for the rule. Use your good judgment, but vote for something that is different. Vote for change.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ARCHER. Mr. Speaker, I call up the conference report on the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LINDER). Pursuant to House Resolution 319, the conference report is considered as having been read.

(For conference report and statement, see prior proceedings of the House of today, Thursday, December 21, 1995.)

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes, and the gentleman from Florida [Mr. GIBBONS] will be recognized for 30 minutes.

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

Mr. ARCHER. Mr. Speaker, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. GOODLING], the chairman of the Committee on Economic and Educational Opportunities.

Mr. GOODLING. Mr. Speaker, I rise to talk about a portion of the bill that should make everyone happy, I mean everyone should be happy about the portion I am talking about, and that

deals with school lunches and school breakfasts.

The House position was maintained as far as the reimbursement issue is concerned. We said no reduction in reimbursement without great flexibility for the provider. We kept the present reimbursement rates for school lunches and breakfasts.

Second, we make the school food service people very, very happy, and we do that by streamlining and eliminating the piles of rules and paperwork that they have to deal with every year. When they come here to testify before our committee each year, they say, "We could feed more youngsters and we could do a better job if you would just get rid of some of the paperwork." So we have taken care of that and made the school food service people very, very happy.

At the same time, we allow the schools to use the old meal pattern as long as they meet the dietary guidelines.

Now, we do a third thing that should make everyone happy. Fifty percent of the youngsters who are eligible for free and reduced prices meals are not participating; I repeat, 50 percent who are eligible, free and reduced-price youngsters are not participating. That means in all probability we are trying to educate them on empty stomachs because I do not imagine they had money for breakfast. I do not imagine they had money for lunch. So we are going to try to do something about that 50 percent.

I am not worried about the 54 percent who are paying customers that do not participate, because I assume they have money. But we must do something about the 50 percent eligible for free and reduced-price meals who are not participating. What we do, we allow a 7-State demonstration program to see if those States can increase the participation, particularly for those most in need.

We keep the same nutrition guidelines. They must serve the same people. The same guidelines are in place, but we give them an opportunity to see whether they cannot do something about bringing the 50 percent who positively need the program into the nutrition program.

So, again, I repeat, everyone should be happy with the portion that deals with breakfast and lunch because I think we have tried to satisfy every need that is out there.

Mr. Speaker, today marks a milestone in our efforts to reform, repair, redo the current system by which assistance is provided to many of our needy citizens. The current system has too often failed to truly help. It has encouraged dependence rather than independence. And it has failed the test of fairness to those who pay for it, the taxpayers.

This conference report comes at the end of a long and often difficult process. I want to express my appreciation of my colleagues who have not only worked so hard to achieve a conference agreement but stood firm in helping us negotiate with the other body to achieve a final agreement. I especially want to express my appreciation to the Speaker and to the majority leader, as well as to Chairman ARCHER and Chairman SHAW for their leadership during the conference with the Senate. Our committees have worked extremely close and extremely well together to bring this conference agreement to the floor.

Mr. Speaker, the American people have rightfully demanded change in the welfare system. This conference report delivers change. It is a good package, and it deserves the support of the House and of the Senate, and the signature of the President.

The conference report reflects the principles which we set out at the beginning of this process, and which, overwhelmingly, the American public supports. First of all, it reflects the recognition that no one, including those of us in Washington, has all of the answers as to what works best. One-size-fits-all mandates do not work well. States and communities must be given flexibility to meet their needs and the needs of those who require assistance.

Second, the conference report emphasizes that the purpose of welfare should be a temporary stop on the road back to independence, and the best way off welfare is a job. The work requirements under this legislation, spearheaded by Mr. TALENT and Mr. HUTCHINSON, will have a profound impact on the nature of welfare. Under this legislation, individuals on welfare for more than 2 years will be required to participate in a State work program. In addition, States will be required to meet strict Federal work participation rates, starting at 15 percent of their caseload and increasing to 50 percent by the year 2002.

The legislation allows for up to 20 percent of the State's participation to be met by vocational educational programs. The remainder must work at least 20 hours per week in actual work settings. By the year 2002, those hours are increased to 35 hours per week.

One of the problems with past work efforts has been the lack of effective sanctions for failing to participate. Under the conference report, individuals failing to work the required number of hours will have their benefits reduced accordingly.

I have maintained all along that in order for welfare reform to work, there has to be sufficient provision for child care. I am pleased that we have been able to do that in this conference report. The conference report makes major improvements to child care. It provides more Federal money for child care, it allows for a more efficient system for helping parents pay for child care, and it expands parental choice in child care providers.

The conference agreement streamlines 8 separate child care programs into a single program. This consolidation eliminates conflicting income requirements, time limits, and work requirements among the various current programs. These conflicting requirements have in too many cases become obstacles to independence from welfare, rather than programs assisting in reaching independence.

Under the conference agreement, child care funding is increased to $18 billion over 7 years. According to CBO, this increases the amount of child care funding over current law by $2.3 billion. The conference agreement simplifies child care programs by reducing Federal mandates, while ensuring that States provide for quality improvement activities and consumer education. Additionally, States must certify that procedures are in effect to ensure child care providers comply with all applicable State and local health and safety requirements and must certify that licensing standards for child care are in effect in the State.

We have worked hard, with the Ways and Means Committee, to improve and streamline the terribly fragmented and ineffective and inefficient array of programs that are supposed to help some of our most vulnerable people, children caught in abusive families and families that have otherwise been destroyed. It was with the best of intentions, I am sure, that all of these separate programs have been created. But the result is a maze of programs and a mountain of paperwork for States trying to make their child protection systems work. The legislation reduces the current maze of 18 different child protection programs into a streamlined system aimed at protecting children and reducing paperwork imposed on States.

Among other changes, the conference report combines numerous separate categorical programs which have been under our committee's jurisdiction into a new "Child Protection Block Grant." The block grant will give States more flexibility in how they can best use these funds. At the same time, we maintain Federal oversight as to how these funds are used, and seek to ensure, through certifications which the State must make in order to receive funds, that States will have effective child protection systems.

As my colleagues know, the child nutrition provisions of this bill were amongst the most difficult to resolve. Specifically, with regard to the school lunch and breakfast programs, I have maintained all along that, contrary to the claims of some of those who have demogoged on this issue, all is not well with the current programs. That is pretty obvious from the fact that only about 50 percent of the children who are eligible for free and reduced price meals even bother to take them. They'd rather pay for other food, or not eat, I guess, than take the meals that we offer for free or low cost.

The House position has been that any reduction in the rate of spending for these programs must be accompanied by greater flexibility for States and schools. Otherwise we simply make the situation even worse.

The conference report maintains the House position in that regard. It makes no changes in reimbursement rates for school lunches and breakfasts. At the same time, we have created a demonstration program, to allow up to 7 States to test the idea that if we give States a set amount of money, they can do a better job of serving low-income children than is the case with current programs dictated from Washington.

While not reducing reimbursement rates, we have improved the current program by eliminating a number of obsolete and unnecessary provisions and streamlining some of the piles of rules and paperwork that have burdened schools in running the nutrition programs.

I want to mention specifically the issue of nutrition standards, which are provided for in

the legislation, both in the existing school lunch program and in the demonstration program. No one is in a better position to determine what methods school food authorities should use to ensure that school meals adhere to the Dietary Guidelines for Americans than the school food authority itself. The changes which the conference committee has made to section 9(f) of the National School Lunch Act, with identical language carried over to the demonstration program, are intended to give school food authorities the ability to use the method they determine is best suited to their individual needs. This includes the meal pattern regulations in effect during the 1994-95 school year, in addition to the methods described in the National School Lunch Act.

In addition, the conference agreement achieves savings by targeting, for the first time, funds under the family day care food program toward more needy families. Currently there is no means testing of this program. While I would prefer to go further, and fully means test this food program like we do all other food programs, at least we made some headway in targeting funds toward more needy families.

Mr. Speaker, as I said at the beginning of my comments, this is a good bill. It makes major changes, and at the same time addresses the concerns which the President and others have had, such as sufficient funding for child care. We have listened to these concerns, and addressed them. The question now is, "Will President Clinton have the courage to stick by his pledge to the American people to end welfare as we know it, or will he cave in to those who demand to keep the current failed welfare system?" I urge my colleagues to vote for the conference agreement, and I urge the President to join with us in truly reforming the failed welfare system.

Mr. GIBBONS. Mr. Speaker, I yield myself 30 seconds, and before I begin to speak, I would ask unanimous consent that I be allowed to yield my time to the gentleman from Tennessee [Mr. FORD], the ranking minority member on the Committee on Human Resources, and that he be granted authority to yield time.

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

There was no objection.

Mr. GIBBONS. Mr. Speaker, this is a lousy bill. The President is going to veto it so it will not ever become law.

The idea of giving block grants for this is like putting the money where the problem was a couple of years ago, not where the problem is today.

This bill is mean to children. Children are 70 percent of this bill, infants and children. It is mean to sick children, and it just should never become law.

We need welfare reform. Let us start over again, though, on this.

Mr. FORD. Mr. Speaker, I yield myself 30 seconds.

I would just like to point out the National League of Cities and the National Association of Counties and the U.S. Conference of Mayors, they have all indicated that this bill ends entitlement for Aid to Families with Dependent Children, thereby dismantling the critical safety net for our children and our families.

We have a letter also from five Senate Members addressed to the majority leader in the Senate praising the Senate for their work on the vote of 87 to 12 in passing the welfare package. But they wrote a letter saying that they have strong reservations about this agreement that is before the House today in this conference report, and I would urge all of my colleagues to take a look at this to see that this is a bad bill for children in this Nation and the welfare population.

Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Speaker, my colleagues, this is the night before Christmas, and history will record that the majority of the Members in this House decided that their priority before we go home for the holidays is to cut taxes by $245 billion. Sixty billions of those dollars will come out of the welfare program, and 70 percent of those dollars would normally go to children.

It has not been that many years ago we used to go to countries in South America and see people sleeping and living in the streets, and we said, "Oh, how disgusting." And now in every major city throughout these great United States we find those homeless children and homeless people.

In some of the countries the families just kicked the kids out into the street to rob, to steal, to beg, and we say, "Never in this country," and yet right now we are saying that this Federal Government will have no obligation to those children, that it would be left up to the Governors to decide what they should do. If the Governors decide that they cannot or will not do it, then they say, "Well, let the mayors do it." The mayor says, "For God's sake, don't give us that responsibility." But all of the Republicans say, "It is part of the contract, that just because you are poor and blind and disabled, you are not entitled. The only thing you are entitled to is to go to the charities."

And so, my brother and sister, what do they say? The National Conference of Catholic Bishops say, "Don't retreat from the Nation's commitment. Protect the poor children." The churches of the U.S.A., the American Jewish Congress, the National Councils of Churches, the United Church of Christ say, "Don't appeal to affluent people at the expense of the poor children."

This is the night before Christmas. Who would you want to listen to? Wall Street or our spiritual leaders?

Mr. ARCHER. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, this is truly an historic day. With this vote we arrive at a defining moment in our Nation's welfare reform debate.

□ 1315

At long last, the Congress and this President have an opportunity to show that we mean what we say.

We bring forward today a great bill, which includes participation and input from many Members on both sides of the aisle and the White House, a bill that after too long in waiting does truly reform our Nation's failed welfare system; not by rhetoric, but by substance. It turns today's welfare trap for the needy into a trampoline to self-sufficiency.

With this bill, we fulfill our promise to replace the failed welfare state, so that America's poor can achieve independence and enjoy successes that come from work. This bill achieves long overdue welfare reform by stressing work, personal responsibility, and the return of power and flexibility to the States.

Under this bill, welfare spending will continue to grow, by an average of 4 percent per year over the next 7 years.

The agreement provides more funds for childcare than under current law, but because the overall rate of growth in welfare spending is moderated, the conference report contributes to the goal of balancing the Federal budget by providing about $58 billion in total savings, relief for hard-working, tax paying Americans, who bear the load.

Finally, this agreement reflects a reenergized partnership with the States. For too long the needs of the poor have floundered on the flawed belief that Washington alone has all the answers; that Washington alone can provide for every need. It cannot, and it certainly cannot do so efficiently.

Local officials exercising local judgment can best determine how the poor can most help themselves and be helped where they need help. Helping America's poor was our goal when we began the process of reforming the failed welfare state, and this vote marks an historic step in that direction.

Mr. Speaker, with this vote we will have the opportunity to let our constituents know if we are for or against real welfare reform.

Earlier today 30 Governors signed a letter to the President calling on him to sign this bill, to keep his word, to put his name, William Clinton, on the line. But if he does not, he will demonstrate that when it comes to welfare reform, this President is all talk and no action. He said he would end welfare as we know it. If he vetoes this bill, he will be remembered as the very liberal President who kept welfare as we have it.

Mr. Speaker, this is a great bill and a great opportunity to solve one of our Nation's most vexing problems. The previous Congresses ignored the cries of Republicans and conservative Democrats by refusing to take action. For years, Republicans and conservative

Democrats worked together to achieve welfare reform.

With this vote, our efforts will be put to the test. This is a bill that only an extreme liberal could oppose. I urge all my colleagues to fix welfare and vote for this conference report.

Mr. FORD. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MATSUI], who serves on the Committee on Ways and Means, and who has been in the forefront of welfare reform for many, many years in this Congress and who has spoken very eloquently on this issue for the children of this country for a long time.

Mr. MATSUI. Mr. Speaker, I would like to thank the ranking member of the Subcommittee on Human Resources of the Committee on Ways and Means for yielding me time.

Mr. Speaker, I have to say that I am astonished that this bill has finally reached the floor of the House in the shape it finally is in. It is somewhat ironic, because the Republicans have indicated that this will get people on welfare off welfare and into the work force.

In fact, there is a requirement by the year 2000, 5 years from now, that 50 percent of those people currently on welfare will be either in jobs or through a job training program. That sounds wonderful, and if you just think of the goals and the vision, we all as Americans support that goal and that vision. The problem is, they do not provide the resources.

I think anybody who has thought this issue through knows that before a woman can go off welfare into the work force, she has to have some kind of training. Because of the economy in America today, we do not have that kind of opportunity for a lot of people who have not graduated from high school or college.

For example, we do not have file clerks in America today who file papers alphabetically. I remember when I was a kid going through college, I would come back home and work as a file clerk for the State of California. All those people around me that were working full-time were women who had minor children. That job does not exist anymore, because we are a computerized society in America, so those women today are probably on welfare, AFDC. So you have to provide some kind of training for them. You also have to provide some kind of transportation for them. But, most of all, because by the law anybody on AFDC, has minor children, you have to provide daycare for these people.

This bill does not have any of those provisions. They block grant generally AFDC and say OK, States, figure it out. You want to give this issue to the States. Think about it for a minute. The States, this is a group of States, 50 States, that have in fact messed up the education system of this country. Now you want to put AFDC and welfare in that mess as well.

This bill is mean spirited. It will put 2 million people into poverty, children into poverty. We need to vote down this conference report.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from Georgia [Mr. DEAL] who spent so much time this year in developing an alternative welfare reform plan, one that was offered as the Democrat substitute earlier this year and received all of the votes on the Democrat side.

Mr. DEAL of Georgia. Mr. Speaker, let me at the outset say that I recognize that my colleagues on the other side of the aisle now are sincere in their concerns about welfare reform. There is one issue that should not be partisan in this House, it is not partisan with the American people, and that is that the current system does not work. So as we measure this bill today against a standard, it maybe should not be the standard of what each of us in our individual point of view might prefer, but against the standard of where we are and where we are headed.

Mr. Speaker, I would say that by all of those measurements, the conference committee report is a substantial step in the right direction. Many of us worked together on parts of the bill that we voted for earlier this year, and I would say that if you look at this conference committee report, it has moved substantially toward the version that we worked for. It is substantially toward the version. In fact, it exceeds our version that we voted for earlier this year in the critical area of work requirements. All of the first 7 years the work requirements are in excess of the bill we voted for, and we criticized the House-passed version for being weak on work. This takes it even beyond where we were.

In terms of childcare, and I agree with the previous speakers that childcare is an important component of this, childcare funding has been substantially increased.

I would urge us to look at the bill compared with the system that is broken. I commend the conferees. I urge the adoption of this conference report.

Mr. FORD. Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts [Mr. NEAL], who has cochaired the Democratic Task Force on Welfare and served on the Committee on Ways and Means and who has worked with all Democrats and tried to work with the Republicans as well on welfare reform.

Mr. NEAL of Massachusetts. Mr. Speaker, the essential point to remember here today, as the gentleman from Georgia [Mr. DEAL] has accurately said, in March of this year 204 Democrats came together to offer a tough and fair alternative. I helped to convince the Democratic caucus that this debate had shifted and we should move it to the center.

But the gentleman from Georgia [Mr. DEAL] is also correct, and I disagree with my friend, the gentleman from Texas [Mr. ARCHER], this proposal that we are being asked to vote on today is indeed extreme. Now, do not take it from me as one who has been immersed in the detail of the welfare legislation debate for the last year. Take it from ARLEN SPECTER, take it from JOHN CHAFEE, take it from BILL COHEN, from OLYMPIA SNOWE and JIM JEFFORDS, who have said in a letter to Senator DOLE dated yesterday, "We are therefore dismayed at the significant changes made to the Senate bill in conference and are writing to let you know of our strong reservations about this agreement."

The bill that the gentleman from Georgia [Mr. DEAL] offered here 9 months ago was a good strong piece of basic legislation. It involved a work requirement, it involved a time limit, but it also offered transitional assistance in the amount of $10 billion to women who were trying to get into the work force.

Yes, this debate has shifted, but it has shifted to an extreme element that is trying to change the contours of this debate. The truth is that the bill that this Democratic caucus voted for was the right bill, that was in the center, where all Americans are on this debate.

Mr. FORD. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. CLAY], the ranking member of the Committee on Economic and Educational Opportunities, one who has been active in this debate on welfare reform.

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

Mr. Speaker, I rise to oppose this conference report. Descriptions of the Republican welfare plan have exhausted nearly every pejorative term found in Webster's Dictionary. "Heartless," "Cruel," "Meanspirited," "Disgraceful"; take your pick because each description is tragically accurate.

Under the guise of welfare reform, this bill would swell the ranks of the poor by more than 1 million children. How can our Nation be called civilized when the majority party in this Congress comes up with a proposal that would visit such dire, chaotic consequences on poor children?

For reasons totally unrelated to welfare reform Republicans want to experiment with programs which for decades have fed millions of children in schools and childcare centers. It is one thing to tinker with the names of Federal buildings, but another to tamper with the daily bread of little children.

Five million poor children were served a nutritious breakfast at school this morning, free of charge. Twenty-four million children will receive a nutritious school lunch this afternoon. Nearly half of these lunches are provided to poor children free of charge,

and nearly 2 million lunches to low-income children at reduced prices.

Mr. Speaker, under the guise of eliminating bureaucracy and giving Governors flexibility, this conference report allows hunger prevention programs to be block granted. To experiment with these highly speculative block grants for nutrition and health programs is like playing Russian roulette with the lives of our young people.

For the past month, the Senate and House Republican conferees have had a food fight over school lunch block grants. They delayed final consideration of this conference report for months over an issue that has very little to do with welfare. Now, they have reached an agreement that would allow seven States to eliminate the Federal guarantee that every poor child will receive at least one solid meal a day.

I urge defeat of this heartless conference report.

Mr. SHAW. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. ROBERTS], the distinguished chairman of the Committee on Agriculture.

Mr. ROBERTS. Mr. Speaker, we all know that welfare reform has become a front-burner topic in this town and throughout the Nation. Last November the American public spoke decisively on wanting change. Welfare reform was a central theme in last fall's election. The House of Representatives has responded to the American public and I believe that real welfare reform can be found in the conference report before the House today.

The changes incorporated in the conference report on H.R. 4, the Personal Responsibility Act, represent real change. I congratulate members of the Committee on Agriculture and all Members who worked diligently on reforming the Food Stamp Program and the present welfare system.

The very first hearing held by me in the committee was on enforcement in the Food Stamp Program. Following that hearing, the chairman of the subcommittee held four hearings on the Food Stamp Program. From the testimony received in these hearings the committee formulated the principles that guided its reform. The conference agreement reflects these principles.

First, keep the Food Stamp Program as a safety net so that food can be provided as a basic need while States are undergoing the transition to State-design welfare programs.

Second, harmonize welfare and the Food Stamp Program for families receiving benefits from both programs.

Third, take the Food Stamp Program off automatic pilot.

Fourth, able-bodies participants without dependents must work in private sector jobs.

Fifth, tighten controls on waste and abuse and curb trafficking with increased penalties.

The Food Stamp Program provides benefits to an average of 27 million people each month at an annual cost of more than $25 billion. For the most part these benefits go to families in need of help and are used to buy food. There is no question in my mind that the Food Stamp Program helps poor people and those who have temporarily fallen on hard times. However, there is also no question in my mind that it is in need of reform.

The conference agreement reflects the principle that the Food Stamp Program should remain a Federal program. States will be undergoing a transition to State-designed welfare programs. During this period the Food Stamp Program will remain the safety net program and able to provide food as a basic need while this transition is taking place. The Food Stamp Program will remain at the Federal level and equal access to food for every American in need is ensured.

Given the hearing record, public support for real reform, and the dollars involved, the conference committee could not continue the program without significant reforms. The five hearings held in the Committee on Agriculture between February 1–14, 1995, dictated the course of the changes needed in the Food Stamp Program.

The agreement in the welfare reform conference adopted these changes. The Food Stamp Program is taken off of automatic pilot, except for annual increases in the cost of food, and control of spending for this program is returned to Congress. The food stamp deductions are kept at the current levels instead of being adjusted automatically for increases in the Consumer Price Index. Food stamp benefits will increase to reflect increase in the cost of food. Food stamp spending will no longer grow out of control. Oversight from the Agriculture Committee is essential so that when reforms are needed, the committee will act.

States are provided the option of harmonizing their new AFDC programs with the Food Stamp Program for those people receiving assistance from both programs. Since 1981, the committee has authorized demonstration projects aimed at simplifying the rules and regulations for those receiving assistance from AFDC and food stamps. States have complained for years about the disparity between AFDC and food stamp rules. This bill provides them the opportunity to reconcile these differences. It is now time to provide all States with this option.

The conference agreement on H.R. 4 contains a strong work program. Abled-bodied persons between the ages of 18 and 50 years, with no dependents, will be able to receive food stamps for 4 months. Eligibility will cease at the end of this period if they are not working at least 20 hours per week in a regular job. This rule will not apply to those who are in employment or training programs, such as those approved by the Governor of a State. A State may request a waiver of these rules if the unemployment rates are high or if there are a lack of jobs in an area. Republicans are not heartless, we just expect able-bodied people between 18 and 50 years, who have no one relying upon them, to work at least half-time if they want to continue to receive food stamps.

It is essential to begin to restore integrity to the Food Stamp Program. Incidences of fraud and abuse and losses to the program are steadily increasing and the public has lost confidence in the program. There are frequent reports in the press and on national television concerning abuses in the Food Stamp Program. Abuse of the program occurs in three ways: fraudulent receipt of benefits by recipients; street trafficking in food stamps by recipients; and trafficking offenses made by retail and wholesale grocers. H.R. 4 doubles the disqualification periods for food stamp participants who intentionally defraud the program. For the first offense the disqualification period is changed to 1 year; for the second offense the disqualification period is changed to 2 years. Food stamp recipients who are convicted for trafficking food stamps with a value over $500 will be permanently disqualified.

Trafficking by unethical wholesale and retail food stores is a serious problem. Benefits Congress appropriates for needy families are going to others who are making money from the program. Therefore the conference agreement limits the authorization period for stores and provides the Secretary of Agriculture with other means to ensure that only those stores abiding by the rules are authorized to accept food stamps. Finally, the conference includes a provision that all property used to traffic in food stamps and the proceeds traceable to any property used to traffic in food stamps will be subject to criminal forfeiture.

The electronic benefit transfer [EBT] systems have proven to be helpful in reducing street trafficking in food stamps and have provided law enforcement officers a trail through which they can find and prosecute traffickers. EBT systems do not end fraudulent activity in the Food Stamp Program; but they are instrumental in curbing the problem. Additionally, EBT is a more efficient method to issue food benefits for participants, States, food stores, and banks. For all of these reasons we include changes in the law to encourage States to go forward with EBT systems they deem most appropriate. Also the bill we are considering today lifts the restriction placed on State EBT systems by the Federal Reserve Board. This restriction is known as regulation E and it has hindered State progress on converting a coupon delivery system to an EBT system.

Mr. Speaker, this bill and the Agriculture Committee's contribution to the bill represent good policy. We have kept the Food Stamp Program as a safety net for families in need of food. We have taken the program off of automatic pilot and placed a ceiling on spending. We save $30 billion over 7 years. Congress is back in control of spending on food stamps. If additional funding is needed Congress will act to reform the program so that it operates within the amount of funding allowed or provide additional funding when necessary. States are provided with an option to harmonize food stamps with their new AFDC programs. We take steps to restore integrity to the Food Stamp Program by giving law enforcement and USDA additional means to curtail fraud and abuse. We encourage and facilitate EBT systems. We begin a strong work program so that able-bodied people with no dependents and who are between 18 and 50 years can receive food stamps for a limited amount of time without working.

This represents good food stamp policy. I hope all Members will agree with me and support the conference agreement on H.R. 4, the Personal Responsibility Act of 1995.

□ 1330

Mr. FORD. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. WATERS], who has been very active with the Democratic Task Force on Welfare Reform.

Ms. WATERS. Mr. Speaker, this conference report is not welfare reform. I support real welfare reform. I support transitioning recipients from dependency to work, to real jobs. This is simply slash and burn, causing 1.5 million more children to fall into poverty. If this is supposed to be welfare reform, why can we not assist these mothers in getting job training and getting education and transitioning into the job market? No, we do not do this.

This bill cuts job training. It simply block grants it, throws it to the States and says you train them. It is a mandate on local government and we do not fund it. If this is supposed to be welfare reform, why on heaven's earth do we cut child care? It does not take a rocket scientist to know that if mothers are to go to work, they must have child care.

To add insult to injury, this bill takes the safety net from child care protective services. As a matter of fact, I am shocked and surprised. Every time a child is murdered, like little Alicia up in New York, little Lisa 2 years ago in New York, we cry and bemoan the fact another child has been killed, yet we cut child care protective services. This bill is a sham. This is not real welfare reform.

Finally, Mr. Speaker, let me tell Members, because we block grant, we take away the possibility that when the middle-class clients and citizens lose their jobs or they are laid off and they want a little temporary help, if their State is in a recession, they are not going to be able to get it because with this block granting we say when the money runs out, it runs out. There is no guarantee. There is no safety net, and so middle-class families who find themselves in a little difficulty will not have any support from welfare because we are taking away the safety net from them.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Speaker, I thank the gentleman for yielding me time. I think colleagues refer to the historical context of this bill and also talk about the terrible job the States were doing with welfare. So I think it may be appropriate to respond a little to that.

Let us look at the historical context. In the immediate postwar era of 1948 the poverty rate in this country was about 30 percent. That was when the States and localities were handling welfare. It declined to about 15 percent in 1965, when the Federal Government declared war on poverty and took over the welfare system. In the last 30 years, the Federal Government has spent or mandated in State spending $5 trillion in entitlement spending and the poverty rate, which was 15 percent 30 years ago, is 15 percent today.

What we have gotten a sixfold increase in the out-of-wedlock- birthrate. And the reason is the two best antipoverty programs are marriage and work, and the Federal Government has brilliantly conditioned welfare assistance on the people doing neither. That is the historical context of this bill.

Mr. Speaker, what we have done is taken away from the lower-income Americans in this country the institutions that make them happy, that make them secure, family, work, responsibility, and we have given them Government, and it has been a total failure.

What does this bill try to do? It changes the welfare system so that, among other things, instead of punishing work, we encourage it and, in many cases, require it for able-bodied Americans. The bill says to the States they must have by about the end of the decade about 50 percent of the caseload working, and we mean actual work at actual labor, what the average American means by work.

Is this workable? It has been suggested it is not. Of course it is workable, if by work we do not mean we have to train them to be a vice president; if by work we do not mean we have to have a bureaucrat work out a personal employability program for them that will take 18 months before they have to do anything.

There are States already implementing real work requirements under waivers. Gov. Tommy Thompson of Wisconsin, when somebody applies for welfare there, if they do not have a small child at home who needs day care, he says, OK, go out, get work. And it has shrunk the welfare rolls.

Mr. Speaker, it is a good bill. If individuals are not liberals that believe in the failed system, they will be for this bill.

Mr. FORD. Mr. Speaker, may we inquire as to how much time is remaining on both sides?

The SPEAKER pro tempore (Mr. LINDER). The gentleman from Florida [Mr. SHAW] has 17½ minutes, and the gentleman from Tennessee [Mr. FORD] has 19½ minutes remaining.

Mr. FORD. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding time to me.

I stand here today as one of those who was the cosponsor of the first Democratic bill that we put forth on this floor, and I felt very strongly at that time that it was a good bill. Let me just point out to the gentleman from Georgia [Mr. DEAL], who spoke earlier, that we are still short in carrying out the work requirements of about $7 billion, according to CBO.

I want to talk about two other issues, Mr. Speaker, that I have heard on this floor for the last couple of months. The first one was that we had to move this Government closer to home, to let those people make the decisions, those people that are elected in our local governments and our State legislatures.

Well, let me address the first issue, because these folks are saying H.R. 4 is the wrong way to go. They have sent out a letter and mentioned six very prominent points of concern that they have in this piece of legislation.

I want to talk about a second part of this letter, however, one that I supported on this floor in the beginning of the 104th Congress, one of two items in the contract that has gone to the President to be signed and that was an unfunded mandate.

The first time this is being tested these folks are saying we are going to create new unfunded mandates for local governments. Do not break your contract already.

Mr. FORD. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY], the real champion of child support enforcement in this Congress and our friend.

Mrs. KENNELLY. Mr. Speaker, 3 days ago the Clinton administration approved my home State of Connecticut's welfare reform plan. Under this waiver, Connecticut will have the strictest time limit on welfare benefits in the country, 21 months, and children born on to welfare will have reduced benefits.

Along with these penalties, the plan will also provide certain rewards, including transitional child care and medical assistance for those leaving welfare for work.

I should point out that 34 other States have also had welfare reform plans approved by the current administration. So despite what some may say, the legislation before us is not necessary to provide States with the flexibility to implement their own reforms.

The main goal of this legislation would truly achieve would be to eliminate basic Federal protections for children. I do not think the American people believe that should be the central goal of welfare reform.

Americans want people to receive paychecks instead of welfare checks. For the life of me, I do not see how much of the bill before us would promote that fundamental goal. I do not understand what cutting SSI benefits for 1 million disabled children has to do with promoting work.

I do not understand what reducing food stamp benefits for 14 million children has to do with promoting work. I do not understand what eliminating the guarantee of services for foster-care families has to do with promoting work. I do not understand what block granting school lunches has to do with promoting work. And I do not understand what throwing 1.5 million children into poverty has to do with promoting work.

I very much want to vote for legislation that reforms our welfare system. But the bill before us is not welfare reform. It is merely a list of spending cuts on nearly every program designed to help children.

Real welfare reform focuses on how to move people from welfare to work. That means training, child care, medical assistance, and a strict requirement that you better be working or moving toward work.

Let us get back to that central goal. Instead of renouncing any Federal role in safeguarding children, let us pass legislation that demands responsibility, rewards work, and protects children.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. CAMP], a distinguished member of the Committee on Ways and Means.

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

Mr. Speaker, today the Congress is presented with a historic opportunity to end welfare as we know it. The welfare system we have come to know is one that has failed. It has failed those dependent upon it. And it has failed the American people who believed it would end poverty. Nothing could be crueler or more heartless than the current system.

Our current welfare system imposes excessive bureaucratic regulations and guidelines on States. There are more than 340 different Federal welfare programs. In my State of Michigan, caseworkers spend 80 percent of their time complying with Federal regulations. The other 20 percent of their time is spent on personal contact with recipients. It is personal contact that often makes the difference between an individual's success and failure.

The Personal Responsibility and Work Opportunity Act would allow caseworkers more time to work directly with recipients instead of pushing paper. We eliminate unnecessary and duplicative programs. We block grant to the States in key areas including AFDC, child protection and child care $4 billion more than current levels for greater flexibility and effective targeting of critical welfare resources. We empower people to take responsibility for their lives so that success stories of individuals and families lifting themselves from poverty will become the norm instead of the exception.

Under our bill, Federal, State, and local officials will work in concert to move welfare recipients from a life of poverty and government dependence to a life of success and self-reliance. It also includes the State maintenance of effort requirement supported by Democrats and the administration that requires States to maintain spending on welfare programs.

In a bipartisan effort, we also strengthen paternity establishment and force deadbeat parents to pay child support. Most importantly, as my colleagues on the other side of the aisle and the President will agree, our bill not only encourages work, it requires it.

Support the conference report, end welfare as we know it.

Mr. FORD. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Speaker, I rise in opposition to the conference report. The only entitlements being taken away by the Republican majority are means-tested entitlements to the poorest people in America. I hope we vote "no" on this bill.

Mr. FORD. Mr. Speaker, I yield 1 minutes to the gentleman from California [Mr. FAZIO], the distinguished chair of the Democratic caucus here in the House.

Mr. FAZIO of California. Mr. Speaker, I thank my colleague from Tennessee for yielding me time.

Mr. Speaker, like any system its age, the welfare program needs to be reformed. The current system hinders self-sufficiency. It chips away at recipients personal dignity, perpetuates a cycle of poverty, and promote dependency.

But you can't reform welfare by simply taking away benefits while ignoring the basic needs that make people self-reliant—education, job training, and child care. Nor can you ignore the need for adequate nutrition and health care. You simply cannot mandate work without giving people a chance to develop the skills and work habits needed to support their families.

Unfortunately, the Republican bill on the floor does exactly that. They're not moving people off welfare to work—where they can take responsibility for their families. They're kicking them and their children into the streets.

What have we accomplished if all we do is take away the safety net and create a permanent underclass of unemployable people? What happens to the children who will grow up hungry, shelter bound, and poorly educated? These children deserve more than this bill is prepared to offer—they deserve a real future.

We know from looking at welfare-to-work programs that are successful, that there are two key elements that make real reform possible: job training and education. The proposal before us today fails miserably in both areas. This bill makes no accommodation for young mothers earning high school degrees. Instead, it simply mandates that they find a job. I don't know about you, but I am not aware of many employers anxious to hire teenage mothers without diplomas and without child care for even minimum wage jobs in this country.

As far as health services are concerned, the bill takes away the guarantee that those currently on assistance receive Medicaid benefits. So when they get sick, the people at the lowest income level in this country cannot get medical help.

The bill cuts food stamps by $35 billion, and that's not just a number—it's 14 million children who are now fed by the program who will be removed. Only overwhelming opposition from both the Democratic and Republican parties prevented he School Lunch Program from also being decimated by this bill. How does taking the food out of the mouths of children help to reform the welfare system?

We have talked a lot about family values in this Congress. Where are those values now when we are trying to take people from poverty to productivity? How is valuing poor children less than our own children, who we have raised and loved, a family value?

I urge my colleagues to approach welfare reform with a long term view toward the future productivity of this country and not just a short-term goal toward saving a few tax dollars. If we truly hope to save money on the cost of welfare over time, we need to provide a transition that translates into permanent job responsibility.

Welfare reform isn't just about saving money—it's about saving families. Let's support welfare reform that allows these families to become responsible and self-reliant. If we save families, the savings in dollars and human lives to this country will be huge.

□ 1345

Mr. FORD. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DE LA GARZA], the distinguished ranking member of the Committee on Agriculture.

Mr. DE LA GARZA. Mr. Speaker, I regret exceedingly that I cannot vote for this conference report for a multiplicity of reasons. I, like many of my colleagues, came here willing and wanting to reform welfare as we know it, as it is being called here. Unfortunately, this legislation does not do that.

Mr. Speaker, in my estimation, it is used as a camouflage to go after programs we do not like. We are using the budget. We are using welfare reform to shut down programs that we do not like. I am more concerned, and I feel it very sincerely and I feel it in my heart, that we are targeting people that we do not like. That is what we are aiming at.

My colleagues can call it welfare reform, call it what they want. I can take my colleagues to the neighborhood; I can take them to the State; I can take them to the region; and, I can show them that this is targeting at its best people that they do not agree with, areas that they are not concerned about.

Mr. Speaker, I have a lot of need in my district. Everyone I meet wants to cut fraud and abuse. This does not give the State the tools to reduce fraud and abuse. My Republican colleagues are just shifting it over to the State. We took it over because the States had not done that.

Now, Mr. Speaker, a little bit about the conference. I say it with frustration and sadness. I never went to a conference committee meeting, except the initial meeting. I was not even asked to sign the report. I do not know who decided. I do not know where they met. I do not know when they met. I do not know when they put it in writing. Mr. Speaker, I am the ranking member of the Committee on Agriculture that has a section of this bill.

Mr. Speaker, I wanted to talk, also, about the aliens, legal aliens. There is a Congressional Medal of Honor winner, Jose Francisco Jimenez, who died serving this country who was not a citizen. Lance Corporal Jimenez was a Marine killed in Vietnam in 1969. He lived in Phoenix, was a Mexican citizen, but in the Untied States legally. My colleagues on the other side would aim at him and all people like him. Shame on those who want to target people that cannot defend themselves.

Mr. Speaker, House Democrats and Republicans, Senate Democrats and Republicans, and President Clinton share a common goal—all agree that welfare reform is urgently needed. Reform is needed not only for the recipients of welfare, who many times are trapped in a cycle of poverty from which they cannot escape, but also for the American taxpayers who deserve a better return on their investment in our future.

Currently, the American people lack confidence that many of our welfare programs, as they are currently designed, are really benefiting the recipients. This lack of confidence should not be translated into the idea that the American public is unwilling to spend any money on the needy. In fact, a recent Nielsen survey finds that 95 percent of Americans rate hunger and poverty issues equal to the issues of health care and a balanced budget. The lack of confidence in our welfare programs comes from the perception that waste, fraud, and abuse permeates many programs. These allegations need to be addressed in order to restore the confidence of the American people. However, we must be sure that we are addressing legitimate allegations and not some headline catching editorial writer whose hidden agenda is not program reform, but program elimination. It should be interpreted as a desire by the public to make sure that these programs are effectively designed and monitored to be effective and eliminate waste, fraud, and abuse.

We must remember that our goal is to reform welfare in order to move people toward self-sufficiency. Reform by itself is a hollow word. Reform for reform's sake is meaningless. We aren't OMB, CBO, or GAO. We can't work in the vacuum of numbers only. We cannot let the bureaucrats with the green eye shades determine what path reform will take. We are Members of Congress. It is our responsibility to put faces with these numbers. We must interject the human element into the process in order to ensure that real need is addressed in welfare reform. We must ensure that our children and the aged and disabled are not left unprotected. We must remember that a dollar spent now can actually result in saving thousands of dollars later, if we help produce a future tax paying citizen.

We must determine the policy that will move people toward self-sufficiency. This must be a policy-driven bill, not one that is driven by empty, faceless numbers that are wrong as many times as they are right.

When we look at these many programs designed to help the poorest of the poor, we must have the wisdom to be able to distinguish between those programs and policies that are working and filling a legitimate need and those that are not. We must not get wrapped up in the idea that just any reform is good reform. We must be deliberative and compassionate. We must have reform that meets the numbers, and not numbers that determine the reform.

When I go home to the 15th District of Texas every weekend, I am returning to one of the poorest areas of our country, an area where unemployment is in the double digits and newly arrived immigrants are searching for the American dream. Lest anyone think that there is no real need for many of these programs, one out of every two children in my district is living in poverty. My constituents don't want a hand-out. They want jobs. They want economic development. They want the American dream. These are the people we must help. These are the people for whom we must redesign these programs to help them achieve their desire of becoming successful citizens.

I am particularly concerned about what this bill will do to the Food Stamp Program, our frontline in the fight against hunger. It will jeopardize the nutritional status of millions of poor families because of a basic misunderstanding of how the program works. The perception is that this program is out of control, that hundreds of thousands of families are added to the food stamp rolls every month. The reality is something very different. Over the last year, as the economy has improved, food stamp participation has actually dropped by over 1 million people. This vital program is clearly filing a very real need. If the need isn't there, the program doesn't continue to expand, but if the need is there, the program is there to meet it.

The block grant provisions in this bill will set funding at levels well below that necessary to feed hungry families in times of recession or if food prices increase. If block grants had been chosen by all States in 1990, the Food Stamp Program would have served 8.3 million fewer children.

The funding cap imposed by this bill will put huge holes in the nutritional safety net. A cap takes away the flexibility to accommodate a decrease in a family's welfare benefits and the resultant increase in food stamp benefits. Efforts to raise the cap in the future by a well-intentioned Congress will be virtually impossible, requiring an offsetting tax increase, a cut in another entitlement, or an emergency designation.

To assure adequate nutrition and the good health of our poor families, the calculation of food stamp benefits must take into account extremely high housing expenses. The conference report limits this calculation, leaving poor families with children who pay more than half of their income for housing with less money to buy food. The provision will result in more hungry children.

We all want families on welfare to be self sufficient—they want to be self sufficient. But, the way to make families self sufficient is not to deny them food stamps after 4 months. Eighty percent of the able-bodied recipients between the ages of 18 and 50 receive food stamps on a temporary basis already, they leave the program within a year. What these people need most is the opportunity to work—job training, or a job slot. This bill simply kicks them off the program, without a helping hand to find a job.

Let me say once again, that we must reform these programs without the draconian cuts in funding. The goal should be to get more poor people into the work force, not to simply cut funding. By the year 2002, this bill will reduce benefits to families with children by 15 to 20 percent. Such cuts are unconscionable.

Finally, I must express the serious concerns that I share with my friends on the Congressional Hispanic Caucus about the provisions denying benefits to legal immigrants. Legal immigrants who work hard, play by the rules, pay taxes, and contribute greatly to our communities and society should not be denied access to social services when they fall on hard times, or when their sponsor falls on hard times. By denying benefits to legal immigrants, we will be shifting the responsibility to the States without any assistance from the Federal Government. State health care costs will increase as well as the costs to run State general assistance programs. I am shocked and saddened at the meaning of these provisions.

The American people are not mean-spirited. They do not want children to be poor and hungry. This bill will push 1 million children below

the poverty line. How can we allow such a thing to happen? I urge Members to remember that we are reforming the programs that impact the most vulnerable of our constituents. We must remember the faces of the poor and hungry of our Nation. We must vote against this misguided attempt at welfare reform.

Mr. SHAW. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Washington [Ms. DUNN], a distinguished member of the Committee on ways and Means.

Ms. DUNN of Washington. Mr. Speaker, I am relieved and gratified that the Senate and the House have finally agreed on a proposal that will end welfare as we know it. I believe everybody in this body would agree that the cruelest thing of all, Mr. Speaker, is to limit the ability of poor women to seek gainful work and condemn those women and their children to a life of hopelessness and dependence, where often in their child's life there is never a strong role model, a parent who works and provides for the family.

Nowhere is there a better example of where the current system has failed the family than in the area of child support. Mr. Speaker, today in our Nation $34 billion is owed in back child support, court-ordered child support by deadbeat parents who have walked out on their families.

The new child support provisions in this bill are the toughest ever passed by Congress. Under our bill, States will finally receive the assistance they need to track down deadbeat parents, especially the 30 percent who leave the State to escape their responsibilities.

Child support payments can be the difference between forcing a single parent, usually the mother, onto welfare or helping her make it on her own. Our bill helps these custodial parents stay off welfare and provides them the support they are owed so that they can make a better life for themselves and, even more importantly, for their children.

Mr. Speaker, now is the time for the President and all our colleagues to stand up for the Nation's custodial parents and their children, and to recognize our efforts to accommodate their concerns so that we truly can "end welfare as we know it," as the President pledged.

Mr. FORD. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, I would like to respond to the gentlewoman from Washington [Ms. DUNN], my colleague on the Committee on Ways and Means, and to just say to my Republican colleagues that there would not be a single child support enforcement provision in this bill had it not been for the Democrats, who insisted upon this provision being in the bill.

Mr. Speaker, I yield 1 minute to the gentlewoman from Hawaii [Mrs. MINK].

Mrs. MINK of Hawaii. Mr. Speaker, there are nearly 10 million children who are poor and who are victims of circumstances. These are the children that we are attempting to address in this so-called welfare reform bill.

Mr. Speaker, I rise today to ask my colleagues to consider their circumstances. The only possible reason for voting for a welfare reform bill is if we have taken into consideration their circumstances, and improved their potential to have a better life in their respective communities. I say that this bill falls so far short that it is a tragedy to call it welfare reform.

Mr. Speaker, what we have done is to make an example for everyone to believe that we are doing something about the welfare system and trying to create a better circumstance for these families so they can get jobs. But look at the details of the bill.

Mr. Speaker, my colleagues on the other side have taken away child care. How can anyone go to work if they do not have child care opportunities? How could there be a better circumstance for these people if we cut them off of Medicaid support? This bill is a tragic example of harming our children, and I urge a "no" vote on the conference.

Mr. Speaker, I rise to express my outrage at the welfare reform legislation before us which promises harm to the most vulnerable Americans—the poor, the elderly, the disabled, and especially the children. Under this bill, appalling statistics we already face will worsen; 10 million of the 14 million Americans relying on welfare are children, and more than 1.5 million additional children could be forced into poverty under this bill that abolishes the essential safety net for poor families. It is a shame that the new majority in Congress, in the richest country in the world, has put such a low priority on children.

We would all like to say that American children are born into happy families with two loving parents and a warm home. We want to see our children provided with everything they need to grow into productive and responsible adults.

Instead, millions of American children are not this lucky. Many live in squalor, in rundown homes with tattered clothing and without food because a parent has lost a job or was injured or even killed. These are children of unfortunate circumstances. They do not deserve the punishment held in this irresponsible and shortsighted welfare bill. The new majority in Congress in crafting this bill was ended our contract with American children—to provide these children and their parents with a break when they are down on their luck.

During the first debate on this bill in March, every single Democrat supported a welfare reform proposal that continued the basic entitlement making up the Federal safety net for poor families. This bill before us removes the entitlement status and block grants many programs in the safety net, assuming that States will be able to make up the difference. States will be left vulnerable during recessions, when the numbers of those needing Government assistance always increase. The end of the entitlement means that no matter how many children may come to need cash assistance, child care, food, or protection from abuse or neglect, thousands of children per State will be without these services—discarded by the new Republican majority.

The bill fails low-income families who hold tremendous value for the work force by underfunding work programs, despite many success stories we hear from families who—with jobs paying a living wage—moved from poverty to self-sufficiency. Congressional Budget Office [CBO] figures show that conference report provisions combining work programs and cash assistance into a single block grant to the States falls $14.1 billion short of what CBO predicts will be needed over the next 7 years. Tough work requirements in the bill will hit States who will be forced to pay penalties for failing to comply. Cancelled work programs will deny low-income families the chance to escape poverty.

Child care, an essential component of the safety net, is also underfunded by $6 billion through fiscal year 1996, according to CBO. Neither States nor working poor families can be expected to comply with the bill's strict work requirements without providing adequate child care. Low-income parents already have very limited choices in this area compared to higher-income parents. Cuts in assistance make it virtually impossible for working poor families to secure quality child care that will assure their child's well-being while they work. Every parent should have access to safe, affordable child care.

The bill robs poor families of vital health care assistance. By severing the link between welfare and Medicaid, this Republican bill would add 3.8 million children and more than 4 million mothers to the scores of Americans without health insurance. This is in addition to proposals to block-grant the Medicaid Program which would guarantee that only a few children in a handful of States would be vaccinated. These so-called Medicaid reforms will put the health status of poor Americans children below those in many developing countries.

The new majority would dare to punish children who face special, everyday difficulties as a result of illness or physical impediment. The bill would cut by one-fourth Supplemental Security Income [SSI] for children with disabilities such as cerebral palsy, Down's syndrome, muscular dystrophy, cystic fibrosis, and AIDS. By 2002, 650,000 disabled children will be unable to receive SSI through harsh new eligibility requirements. Children whose benefits are reduced would suffer from reductions in assistance from 74 to 55 percent of poverty.

This bill fails poor Americans in their essential nutritional needs. This bill would block-grant the Food Stamp Program to threaten its future existence. Cuts of $32 billion in food stamps would hit families with a 20-percent reduction in average benefits, decreasing the per meal benefit from 78 to 62 cents. In denial of advances of the past three decades made in the nutritional safety net for poor households, this bill revises food stamps to eliminate all Federal standards, State assurances and flexibility to accommodate factors such as inflation, population growth or negative economic conditions.

Not only would this bill deny food to poor families at home, but also to children at school

and to the country's smallest children. This Republican conference report would undermine the school lunch program by allowing a number of States to opt for block-grant funding—a move that would fail to allow for increasing costs of food faced by most schools today.

Programs which have protected millions of American children have been repealed under this bill, disregarding annual reports of child abuse and neglect of as many as 2.9 million children. This bill would block-grant foster care and adoption assistance funds which would cripple the ability of these programs to rescue children from abusive or unsafe situations, place children in appropriate homes, and recruit and train foster parents and parents wanting to adopt.

Finally, this bill scapegoats legal, taxpaying immigrants in this country, despite the fact that immigrants pay the Federal Government more than $70 billion in taxes annually—$25 billion more than immigrants use in services. The Republican plan unfairly restricts immigrant access to the safety net, arbitrarily prohibiting America's 22.6 million foreign-born residents from receiving food stamps and SSI unless and until they become citizens. States would be given the option to bar legal immigrants from Medicaid, temporary assistance for needy families, and title XX social services block grants. School lunches are arbitrarily denied to certain categories of immigrant school children—an unfunded mandate which would impose massive administrative burdens on schools. By denying Women, Infants and Children [WIC] assistance to certain categories of pregnant women who are immigrants, this legislation ignores clear medical evidence that WIC has contributed to lower infant mortality and reductions in the incidence of low birthweight babies. It is outrageous to abandon immigrants who have complied in every way with U.S. law and who have earned their right to live peacefully in this country.

This Republican welfare reform conference report unrealistically looks at poor families as lazy castaways who want to receive welfare rather than work. It says if you are poor, you have to find a job but don't deserve job training or search assistance. It says if you are poor, your children aren't good enough for quality child care or health care. It says if you are poor, you are a second-class citizen whom the Government has no duty to help.

The new Republican majority in this bill deserts poor American children who need food, shelter, health care, protection, and other programs critical to their existence. I very strongly urge my colleagues to vote down this egregious legislation for the sake of America's children.

Mr. SHAW. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I would like to acknowledge to the gentleman from Texas [Mr. DE LA GARZA] my friend, there have been more Mexican-Americans win the Medal of Honor than any other group in the United States. They were here legally.

Mr. Speaker, this bill also affects, especially for the border States, illegal immigration. If you are here in this country illegally, I do not care if you are Irish, I do not want you to get a penny of services that the taxpayer pays for.

Just in the State of California, there are 800,000, we use the term 400,000 so that the figures cannot be disputed, illegal aliens K through 12. At $1.90 a meal, that is $1.2 million a day just on the school meals program. At $5,000 to educate a student, it is actually $4,750 in California, that is $2 billion to illegals.

Governor Wilson, $400 million in just emergency services, $400 million in emergency services just to illegal aliens. This bill eliminates services to illegal aliens. Let us focus on legal residents of this country that are in need. Take it away from those that do not belong here and have come here illegally and focus on what the system needs to take a look at.

Mr. Speaker, I submit the following article for the RECORD:

[From the San Diego Union-Tribune, Dec. 21, 1995]

MEDICAID SYSTEM HANDCUFFS CALIFORNIA

(By Pete Wilson)

Contrary to what the weather maps indicate, a hot-air front has stalled over the nation's capital. It's hot air in the form of deception and distortion over the transfer of income support programs to the states.

President Clinton and the congressional Democrats would have us believe that the current Medicaid system protects all vulnerable populations—and that, without the benevolent oversight of the federal government, those populations would be denied needed care and thus devastated by the insensitivity of callous governors. The former governor of Arkansas wants you to believe that current governors can't be trusted with the reins.

Regrettably, it's the same kind of shabby scare tactics that the White House used in the "Mediscare" campaign to hoodwink the elderly into believing that Republicans were cutting the bottom out of their safety net. The truth was, Republicans proposed reducing the increase in Medicare spending to 7.2 percent. In fact, in September 1993, Hillary Rodham Clinton suggested slowing Medicare growth "to about 6 or 7 percent annually."

With respect to Medicaid, the White House and liberal Democrats in Congress have been even more disingenuous. They want you to believe that governors who have balanced budgets—even with limited resources—can't be trusted to manage block grants without savaging the poor (as though anyone would want to savage the poor.)

The truth is, the "benevolent" federal government has fostered a Medicaid system that prevents states from helping their own residents. Here in California, for example, many children, families and low-income pregnant women are excluded from eligibility categories established by the Federal Government. Consequently, two-thirds of California's disadvantaged families lack health insurance.

To try to mend holes in the current system, California has chosen to use state-only money to fill in the gaps in Medicaid coverage created by Washington. We've implemented a program to provide prenatal and well-baby care to low-income pregnant women who do not qualify for Medicaid.

We've also proposed expanding a package of preventive health-care benefits to low-income children who don't qualify for Medicaid. Why does the Medicaid system hinder such efforts? More importantly, why is the White House defending such a system.

To add insult to injury, the federal government forces states to cover the health care costs of low-income illegal immigrants. This means that California, which carries nearly one-half of the illegal immigrant burden for the entire nation, must spend $400 million annually to provide health care for illegal immigrants, thus forcing us to reduce or deny benefits for needy legal residents.

If the White House took a closer look at California, it would see a state where health-care reforms are well under way. We've accelerated the enrollment of Medicaid recipients in managed-care programs. Those enrollees are guaranteed access to quality care, case management by a primary-care physician, and state monitoring of the care being provided.

California has managed to contain costs and deliver quality health care for about $1,600 per recipient per year (by contrast, some states have a more expensive program costing taxpayers over $4,500 per year, per Medicaid recipient.)

One would think that a state would be rewarded for such efficiency and innovation. But to the contrary, California is punished by a federal Medicaid funding scheme that fosters runaway growth and rewards inefficiency. States that have run efficient programs and manage costs effectively are penalized by a federal funding formula which results in huge funding inequities that choke state budgets and impede further reforms.

One might ask: Is there any way for Washington to make the Medicaid system worse? Regrettably, the answer is yes. President Clinton has proposed capping the growth in per-recipient expenditures, without giving states like California the tools to slow the growth in overall Medicaid expenditures. This would reduce growth in Medicaid payments by $54 billion over the next seven years.

As a result, California would have to find an additional $5 billion to make up for Washington's shortfall. In other words, we would be forced to keep the current federal system with all the federal rules and requirements—for less money to operate it.

As long as the current Medicaid system is in place, states will be blocked from implementing reforms that meet the health-care needs of our most vulnerable populations. The Republican MediGrant plan offers a better alternative by providing states with the flexibility they deserve to design more effective and cost-efficient systems of health-care delivery.

Clinton entered office promising Americans real health-care reform. Back then, he was asking the American people to trust a governor to run the federal government. Now, he won't trust governors to help him better manage federal health care.

Columnist David Broder has noted this inconsistency. As Broder writes, "In his former life, Clinton, like every other governor, was complaining that federal Medicaid mandates were wrecking his state budget. Three years ago, in fact, Arkansas was being sued in the federal courts for jeopardizing the health of expectant others by slashing Medicaid spending—a policy Clinton then defended as necessary to save state funds for schools, roads and other important projects."

The times have changed. With a former governor in the White House and a Congress

willing to give states greater autonomy, Washington has the opportunity to do what's sensible: give states the freedom to enact health-care reform that benefits all Americans, and let Californians help Californians.

Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. GOODLING] on the Committee on Economic and Educational Opportunities, who held firm, and I also thank the gentleman from Florida [Mr. SHAW].

Mr. FORD. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY], the cochair of the Democratic Welfare Reform Task Force.

Ms. WOOLSEY. Mr. Speaker, the weather outside is frightful, but it is nothing compared to the welfare bill we are considering today.

Just in time for Christmas, the new majority is putting the welfare reform package under the Christmas tree that will push at least 1.5 million children into poverty, and almost 4 million children into the ranks of the uninsured.

I cannot help but think of this Dr. Seuss tale, "How the Grinch Stole Christmas," when I think about this bill. But this Grinch-like welfare bill is not just stealing Christmas from our Nation's most vulnerable children; it is stealing their safety net. Basically it tells children, if you are poor, do not get sick, do not get hungry, do not get cold, because we do not think you are important.

Mr. Speaker, as the only Member of this Congress who has actually been a mother on welfare, my ideas about welfare reform do not come from theories or books or movies like "Boy's Town." I know it. I lived it, and as cochair of the House democratic task force on welfare, my experience was translated into legislation that 100 percent of the Democrats in the House voted for, legislation that gets parents into work and maintains the safety net for their children.

Mr. Speaker, that is the type of reform for welfare that American people want, and that is why I am urging that we defeat this bill and prevent poor children from becoming even poorer.

Mr. Speaker, let us make sure that the Grinch does not steal our children's Christmas. And, Mr. Speaker, in the words of Dr. Seuss, "the Grinch hated Christmas, the whole Christmas season. Now please do not ask why. No one quite knows the reason. It could be his head was not screwed on just right. It could be perhaps that his shoes wee too tight. But I think that the most likely reason of all may have been that his heart was two sizes too small."

The SPEAKER pro tempore. The gentleman from Florida has 12½ minutes remaining, and the gentleman from Tennessee [Mr. FORD] has 10 minutes and 20 seconds remaining.

Mr. SHAW. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Speaker, for the past decade this topic, I believe, of reforming welfare has been an abiding interest of mine. I have worked through three different administrations and many Congresses on this subject, and I have always been guided by the words of Abraham Lincoln, to the effect that "The dogmas of the past are inadequate to the present. We must think anew and act anew."

The present welfare system cannot be defended. It is a disgrace. The people who receive the assistance do not like it. The people who run it do not like it, and the taxpayers do not like it and are not going to stand for a continuation of the present welfare maintenance system.

Mr. Speaker, there are more programs in existence now for providing public assistance to poor families than at any time in the past, serving more people and costing more money. There has got to be a better way to help low-income people achieve their rightful place in our society as taxpayers and as mainstream members of society.

Mr. Speaker, the current President of the United States in the campaign of 1992 said, "We must end welfare as it now exists." This conservative-dominated Congress has endeavored to do that, to provide some new approaches, to consolidate some programs, and to refine some programs. I believe that a good product has been produced here and that it would behoove all Members to support the Personal Responsibility Act, and I urge their positive vote on this conference report.

Mr. Speaker, for the past decade this topic of reforming welfare has been an abiding interest of mine. I am guided by the words of Abraham Lincoln "The Dogmas of the past are inadequate to the present. We must think anew and act anew."

The present welfare system cannot be defended. It is a disgrace. The people who receive the assistance do not like it; the people who run the system do not like it; and, the taxpayers will not stand for continuation of this present welfare maintenance system.

There are more programs now for providing public assistance to poor families than any time in the past, serving more people and costing more money. There must be a better way to help low-income people become taxpayers.

We currently have a welfare maintenance system, not one designed to provide temporary assistance and help people reclaim or gain a life.

Most needy families coming in to seek public assistance need help in at least three categories: Cash and the accompanying medical assistance, food, and, housing. The rules and regulations for these programs are different and in many cases conflicting. It does not make sense for the Federal Government to set up programs for poor families and then establish different rules for eligibility.

We need one program that provides a basic level of assistance for poor families; sets conditions for receipt of that assistance, including work; and then limits the amount of time families can receive public assistance.

Over the past 12 years, I have served on the Nutrition Subcommittee of the Agriculture Committee or the Select Committee on Hunger. I have looked at these welfare programs in depth; I have visited scores of welfare offices, soup kitchens, food banks; I have spoken to those administering the welfare programs and the people receiving the assistance.

I learned during my years serving on the Select Committee on Hunger that any one program does not comprehensively provide welfare for poor families; it takes two or more of the current programs to provide a basic level of help. When there are two or more programs with different rules and regulations people fall through the cracks in the system and also take advantage of the system.

This must stop. How anyone could defend the present structure and system is a puzzle to me; unless it is persons who benefit illicitly from the fractured welfare mess we find ourselves in today, be they welfare recipients who take advantage of the system or advocates who thrive on the power derived from establishing new programs. Advocates of a humane system, a cost-effective system, an efficient system, a system that helps people up, off and out could find little solace in the current system.

It is amazing to me that so many states have sought to change the welfare system through the waiver process, thereby recognizing the failure of the present system, without any action on the part of Congress to change the system as well. How many more States might try to institute reforms but for the maze of bureaucracy they must go to achieve waivers? What we have now is not a welfare system aimed at moving families off of welfare and onto the taxpayers rolls, but a maintenance system that thwarts State initiative and diversity and poorly helps poor families, exasperates the front line administrators running the programs, and is a frustration and burden to the people paying for this disastrous system.

I want to help reform the system; I want to change the way we delivery this help to poor families; and, I want to do it in an efficient, compassionate, and cost-effective manner.

The subcommittee that I chair held four hearings last February on the issue of reforming the present welfare system. We heard from the General Accounting Office on the multitude of programs that are now operating. we heard from a Governor who operates a welfare system that is dependent upon Federal Bureaucrats for waivers; a former Governor who had to devise a system to provide one-stop-shopping for participants; and State administrators who must deal with the day-to-day obstacles that are placed in their way by Federal rules and regulations. Witnesses traveled from all over the United Sates to tell the subcommittee of their experiences operating programs to help poor families. Two of the members of the Welfare Simplification and Coordination Advisory Committee told us of the experiences deliberating the complexities of the present system. Others provided the subcommittee with their ideas on how to improve the system.

The conference agreement on H.R. 4 improves the USDA commodity distribution programs and reforms the Food Stamp Program.

We consolidate food distribution programs and provide for an increase in authorizations for the new program. Remember, food is fundamental. The food distribution programs, such as the emergency food assistance program or TEFAP, are the front line of defense against hunger for needy individuals and families. Food banks, soup kitchens, churches and community organizations are always there with food when it is needed.

The Federal Government provides a portion of the food that is distributed through these programs. But it is an essential part and acts as seed money for food contributions from the private sector. If we did not have food distribution programs we would have to invent them. We consolidate programs and increase the money to buy food so that these worthwhile organizations, most of which are made up of volunteers, can continue the fine work they now do.

Under the conference agreement we reform the Food Stamp Program and it is in need of a lot of reform. The States are provided with an option to reconcile the differences between their new AFDC programs with the Food Stamp Program for those people receiving help from both programs. This has been one of my goals and I believe that we are on the road to a one-stop-shopping welfare system. Complete welfare reform will come. This is the first step in the long road to reform.

States are encouraged to go forward with an electronic benefit transfer system. EBT is the preferred way to issue food stamp benefits. This bill provides States with the ability to implement the EBT system they deem appropriate and the problems with the notorious regulation E are eliminated. EBT is a means to effectively issue food stamp benefits and a means to control and detect fraudulent activities in the program. I am especially gratified that EBT can become an integral part of the Food Stamp Program and other welfare programs.

The conference agreement includes provisions that take steps to restore integrity to the Food Stamp Program. The agreement provides criminal forfeiture authority so that criminals will pay a price for their illegal activities in food stamp trafficking. We double the penalties for recipient fraudulent activities and we give USDA the authority to better manage the food stores that are authorized to accept and redeem food stamps.

We include a strong work program. We say that if you are able-bodied and between 18 years and 50 years with no dependents, you can receive food stamps for four months. Following that you must be working in a regular job at least 20 hours a week—half-time work—or you will not receive food stamps. The American people cannot understand why people who can work do not do so. We say you will not receive food stamps forever if you do not work.

Unconstrained growth in the Food Stamp Program, due to the automatic increases built into the program and the changes made to the program over the past years, cannot continue. We restrain the growth in the program by limiting the indexing of food stamp income deductions. We provide increases in food stamp benefits based on annual changes in the cost of food. We place a ceiling on the spending in the program. It will be up to Congress to determine whether increases above the limits placed on the program will take place. This is the appropriate way in which to manage this program. If a supplemental appropriation is needed, it will be Congress that decides whether to provide the additional money or institute reforms in the program to restrain the growth.

Mr. Speaker, this is a good bill, with sound policy decisions incorporated. Remember, we have not ended the process of reforming welfare with the action we took last March and continue today. We are beginning the process of real reform. I urge my colleagues to support the principles of this bill and take this first step along with me. We cannot continue as we are today with a welfare system that is despised by all involved. The status quo is unacceptable.

Let us think anew and act anew.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from the State of Connecticut [Mrs. JOHNSON], a member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in support of H.R. 4, the Personal Responsibility and Work Opportunity Act. It is a significant improvement on the House-passed bill, and not only will it not suffer the children, but will provide women and children in need a window of opportunity to regain their independence from welfare.

I am particularly pleased with two titles of the bill that I have worked on for years: child protective services and child support enforcement.

We have 22 States currently under court order because their child welfare departments are failing in their mission to protect children in grossly abusive or neglectful families. Under the bill's child protective services title, foster care and adoption assistance payments remain entitlements, current law protection standards are retained, States must maintain their spending and may not transfer funds to other programs as they can do between other block grants, and spending on this title will increase by 92 percent—from $3.3 billion to $6.3 billion in the year 2002.

In addition, the data collection section will allow us, for the very first time, to know how many children were in foster care last year, how long they stayed, what help they and their families received, and basic information we need to truly protect children. For the first time States will have to have citizen review boards, which, in States where they are well developed, have prevented kids from getting lost in the system, and prompted permanent placements and early intervention. And because it is new law, we will be monitoring States' performance very closely in upcoming years and learning from their experience to improve this legislation.

The child support title of this bill, based on the bipartisan Child Support Responsibility Act I was privileged to introduce earlier this year, takes giant steps toward enabling us to effectively collect child support. This is one area where national uniform law is important, since at least one-third of nonsupport cases involves more than one State. Immediate reporting of new employees to centralized State databanks will allow cross-checking with outstanding child support orders on an interstate basis for the first time. This, coupled with new power to cross-reference support orders with bank information and license information, will help literally millions of children enjoy a level of financial security not possible without the support from both parents.

And, finally, this is a families-first bill. For the first time, parents and children formerly on welfare will get paid the child support they are owed without having to wait for the States to get paid first. This families-first provision will help families to regain their independence and their hope. This is what welfare reform is all about—giving families the tools they need to help themselves. I urge my colleagues to join me in support of the H.R. 4 conference report before us today.

Mr. FORD. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Speaker, I rise in opposition to the conference report.

I rise in opposition to the conference report on welfare reform.

The district that I represent is one of the 10 poorest in America, and so the implications of this bill are very real to a lot of my people. I oppose this bill because it begins and ends with the intent to punish the people on welfare. What we should be doing is working with people to help them get a job, and keep a job, help them get off welfare, and stay off welfare. Many of us have embraced the idea of "welfare to work."

But for many people, this bill will mean welfare to homelessness—and thus more Federal money will be spent. We're going backwards.

Because this issue is so important to my constituents, I started the year by laying eight principles as a framework for real welfare reform. The common idea behind these principles is simple—let's think about how people live their lives and help them live that life without welfare.

How can we get parents trained for real jobs, and get them a job? How can we keep mass transit viable, safe, and cheap so that people can get to their jobs? How can we get parents child care so they can feel secure, knowing their children are safe, as they work through the day?

These are just some of the principles I laid down—and based on those principles, I cannot support this conference report.

Punishment and arbitrariness is not the way to real welfare reform. This is especially unfortunate, because the ingredients are here for

bipartisan agreement on this issue. The President should veto this bill and give us the opportunity to get to genuine reform.

I urge my colleagues to oppose this conference report.

□ 1400

Mr. FORD. Mr. Speaker, I yield 30 seconds to our colleague, the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the ranking member for his generosity.

Mr. Speaker, the current welfare system is at odds with the core values Americans share: work, opportunity, family, and responsibility.

Too many people who hate being on welfare are trying to escape it with unfortunately too little success. It is time for a fundamental change. In 30 second obviously I cannot analyze the changes that I would be for other than to say I was a strong supporter, and continue to support the Deal bill. The Deal bill was sponsored by a Democrat; the gentleman from Georgia [Mr. DEAL] is now a Republican. What more bipartisan bill could Members support than the Deal bill?

Mr. FORD. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Speaker, I rise today in strong opposition to the welfare conference agreement. I implore my colleagues on both sides of the isle to reject the mean-spirited provisions in this bill that will allow States to deny SSI and food stamps to immigrants living in the United States legally.

This conference agreement is an insult to millions of hard-working immigrants. It is not only unfair, unjust, discriminatory, and prejudicial—it is unconstitutional. Furthermore, It is a shameful and vicious attempt to single out and penalize immigrants for the wrongs of society.

In the past when the majority of immigrants looked like most of my Republican colleagues—immigration was good. Now that the majority of immigrants look like me—the radicals are pushing for laws that serve to punish those whose only crime is that they came to this country for a better life.

I ask my colleagues have we forgotten that this is a Nation of immigrants? Let's not create laws that will discriminate against people who work hard, pay taxes, and serve in the military. Vote against this shameful welfare conference agreement.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the most distinguished gentleman from Louisiana [Mr. MCCRERY], a valuable member of the Committee on Ways and Means.

Mr. MCCRERY. First of all, Mr. Speaker, let me point out that this conference report represents a compromise on the issue of SSI for children. Those of us who wanted to replace cash benefits with services to disabled children agreed to continue cash. Although I think that decision is a mistake, I believe this bill makes other badly needed changes to a badly flawed program, so I support the compromise.

But some defenders of the status quo, having lost the issue of cash to cry about, now complain that fewer children will qualify for SSI as a result of this bill. That is true. Here's why. As recently as 1989, the number of children on SSI was 300,000; today, that number is 900,000. Clearly, something is wrong with a program that triples in 6 years.

Under this bill, caseloads would decline because, after months of hearings and expert testimony, Republicans and some Democrats are acting to bring some common sense back to this program. Our bill ends the IFA and maladaptive behavior standards that allow parents to receive more than $5,000 per child in annual benefits—sometime called crazy checks—because their children exhibited age-inappropriate behavior.

My Democrat colleagues should be familiar with this policy, because they all supported it as part of the House Democratic welfare substitute just last spring. Every Democrat voted for a bill that would cut the same number of children from the SSI rolls as this conference report. According to CBO, the Democrat bill would "trim approximately 20 to 25 percent of children from the SSI rolls."

Yes, just a few months ago, every Democrat in this House voted, rightly, to restrict eligibility for a welfare program gone wild. Yet today, in an effort to make cheap political points, some of them conveniently change their minds. Well, it won't work—what was sound policy then is sound policy now. The SSI provisions of this bill should be a good reason to vote for the conference report.

Mr. FORD. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Speaker, I rise in opposition.

Mr. FORD. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. LEVIN] who serves on the Subcommittee on Human Resources of the Committee on Ways and Means and who has really been in the forefront of welfare reform for many years and one who has articulated the issue very well for the children of this Nation.

Mr. LEVIN. Mr. Speaker, I thank the gentleman for his kind words. Unfortunately, this is not a historic day. It is a wasted opportunity. Instead of a bipartisan bill that the President can sign, this is an extreme bill that my colleagues have given the President no choice but to vote.

The House Democratic bill that we presented a number of months ago aimed at putting people on welfare into work. It had time limits. It had flexibility for the Governors. It had resources to make that program work. The gentleman from Georgia [Mr. DEAL] comes here and that key part is out of the bill and he defends his action.

The CBO has said very clearly that in the year 2002 the bill is $7 billion-plus short on getting people to work within the participation rates, child care, and the work requirements.

I want to say something, though. My colleagues are not only weak on work, but they punish kids. I want to say this to my colleagues very directly, because what was said a few minutes ago is simply wrong. The Republican Senators who signed that letter saying that they had deep concern pointed out their 58 billion in cuts have nothing to do with AFDC and getting parents into work as they should. It cuts food stamps mostly for kids. It cuts protective services like foster care for children. It cuts Medicaid, the link between welfare and health care.

For people to get off of welfare, they need a year's transition with Medicaid and you eliminate it. You also tamper with SSI. These are kids with cerebral palsy, Downs syndrome, muscular dystrophy, cystic fibrosis.

We did eliminate in our bill, it was not this many, 330,000, a smaller number who do not deserve to be on the rolls. We need reform, but you cut by 25 percent payment, yes, and you do, for kids with cystic fibrosis, cerebral palsy, Downs syndrome.

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

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

Mr. MCCRERY. Mr. Speaker, the gentleman is simply wrong. In fact, the CBO, I have the statement right here in front of me that the Deal bill that was voted for cuts from the roles the same number of children.

Mr. LEVIN. Mr. Speaker, there was no 25-percent cut for these severely handicapped children, period. And what Members have done is grab $4 billion from severely handicapped kids, from low income, in order to pay for a tax cut. That is a crying shame and that is why we are going to vote "no" on this welfare bill.

Mr. SHAW. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Connecticut [Mr. FRANKS].

Mr. FRANKS of Connecticut. Mr. Speaker, I rise in strong support of H.R. 4. Since my election to Congress in 1990, I have fought hard to address a system that to me is akin to one of the most oppressive systems and periods in our country's history, slavery. There are strong similarities between our current welfare system and slavery. Like slavery, welfare recipients feel trapped, have low hope, depend on the system as well. The welfare recipients receive food, shelter and health care, and so did slaves.

There are of course some differences. Slaves were black; most welfare recipients are white, though a disproportionate number of blacks are on welfare. Slaves worked but were not paid. Welfare recipients do not work but they are paid. Both practices are wrong. One system would kill you with pain via the whip, while the other system would kill you with kindness. Both have the same end result, they control people's lives.

Both systems divide the family, a key element of perpetuating the system. Slave owners sold off slaves with little regard to the family while in today's welfare system we encourage the flight of the male. We encourage the divided family. We ended slavery, Mr. Speaker. The least we can do is reform welfare. There is a better way.

I am also pleased that the electronic benefits transfer, the debit card system, has been included in this bill for the disbursement of AFDC and food stamps. I introduced this bill, the debit card, in 1993.

Mr. FORD. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana [Mr. FIELDS].

Mr. FIELDS of Louisiana. Mr. Speaker, I rise in strong opposition to this bill.

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

Mr. BENTSEN. Mr. Speaker, I rise in strong support of real welfare reform as contained in the Deal substitute and the coalition budget and in opposition to this conference report.

Mr. Speaker, I rise in support of real welfare reform as provided in the Deal substitute and contained in the coalition's balanced budget and in opposition to the conference report for H.R. 4, the Personal Responsibility Act. This bill is the wrong answer to the critical challenge of reforming our welfare system to encourage more personal responsibility and to require welfare recipients to work. This bill is weak on work and tough on children, and it fails to keep up with the needs of fast-growing States such as Texas.

Let there be no mistake about it. I strongly support reforming welfare to emphasize work. Earlier this year, I voted for the Deal-Stenholm welfare reform bill, which includes a tough work requirement and provides resources to help people on welfare find and keep jobs. I voted for it again with the coalition's balanced budget reconciliation bill. The Deal-Stenholm plan requires each person on welfare to immediately develop a self-sufficiency plan that includes job searching, job training, or education. It would cut off benefits to individuals who refuse to work or accept a job. But it also provides a necessary resources, including child care, job training, health care, and nutrition, that make it possible for parents to work without hurting their children and that make sure that work pays more than welfare.

H.R. 4 neither requires nor rewards work. Rather, it punishes children.

This bill includes no work requirement whatsoever. It rewards states that reduce their welfare rolls, but the reward is the same regardless of whether recipients end up homeless on the streets or in good jobs and on the road to a better life. In fact, the former is much more likely than the latter under this bill because it falls woefully short in meeting child care, health care, and other needs. In fact, this bill falls $14 billion short of meeting these needs compared to the Senate bill approved earlier this year, which itself was barely adequate at best.

The problems in this bill are exacerbated by the Republican proposal to cut the earned income tax credit by $32 billion over the next 7 years. This cut in the EITC amounts to a tax increase for 12.6 million working families with 14.5 million children. What kind of a message do we send to these families when we tell them that if they work hard, they will be penalized with a tax increase and reduced health care, child care, and nutritional assistance? It certainly isn't a message that we value work.

It is the children that will suffer, through no fault of their own. For example, this conference report severs the link between welfare and Medicaid eligibility. In Texas alone, 321,419 parents and children would lose their health coverage. These children and families will lose guaranteed health coverage regardless of any other reforms made in Medicaid. Without Medicaid coverage, sick children will go without even the most basic health care.

This bill is especially bad for fast-growing States such as Texas. The proposal to block grant will welfare benefits would cost Texas $1 billion over 7-years. Texas is a State with higher than average population growth. Block grants are fixed amounts of money that are not adjusted for either population growth or recessions. Thus block grants will not keep up with Texas' needs. And Texas certainly would not have sufficient resources to help our most vulnerable families, therefore creating an unfunded mandate which this HOUSE is on record opposing.

In the final analysis, H.R. 4 is the wrong answer to a critical problem. The President has vowed to veto this bill in its current form. I hope that once the President vetoes this bill, we can work together on a bipartisan basis to reform our welfare system. The Deal-Stenholm plan is a constructive compromise that encourages and rewards work while protecting our children. This is the common-sense approach we need to truly reform welfare.

Mr. FORD Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. FARR].

Mr. FARR. Mr. Speaker, I rise in strong opposition to this bill.

Mr. Speaker, in Dr. Seuss' beloved story, the Grinch stole Christmas from the children in Whooville because he was mean-spirited. While the Grinch is a fairy tale and has a happy ending, it is tragic that the welfare reform conference report before us today is not.

While every Member of this institution agrees with me that the welfare system is broken and must be fixed, it is unconscionable to me that the Republicans can demonstrate such mean-spiritedness by proposing a welfare reform bill that will plunge innocent children into poverty.

Every President since FDR has preserved the minimum national guarantee of income assistance for poor children. What the Republican conference report does is steal the basic guarantees of help for poor, hungry, ill, abused, and neglected children much like the Ginch who stole Christmas from Whoolville.

At the same time the Republicans can eliminate the safety net for children, they continue to insist on a $245 billion tax cut for the wealthy.

Let me tell you what would happen by the year 2002 if the $245 billion were allotted to low-income children instead: enroll another 1.5 million children in Head Start, cost: $42.68 billion; expand child care for working parents, cost: $42.20 billion; provide health insurance to 10 million children who currently have no health insurance, cost: $90.80 billion; provide after-school programs, cost: $4.95 billion; and raise 3.65 million children out of poverty, cost: $70.67 billion.

This is true welfare reform—if we allocate $70 billion to give jobless parents part-time jobs and provide families with child care, wage supplements, and direct cash assistance, we would truly fulfill the spirit of Christmas for millions and millions of needy children.

This is a Grinchie conference report and I urge its defeat.

Mr. FORD. Mr. Speaker, I yield 1 minute to be gentlewoman from the district of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Speaker, there is no greater disappointment this session than this bill. It fails to meet the two mandates the American people gave us when we began this exercise across all race and class lines: put people on welfare to work; do no harm to children.

Instead of providing the means to work, we provide an artificial percentage who must work which we know will not be met, 50 percent by the year 2002. The bill betrays the mandate of no harm to children because it removes the entitlement without replacing it with any form of safety net. Ending the entitlement and the safety net will not reduce the number of desperately needy children who need some means of support. Instead of saving children, we put their needy parents in competition with one another. The working poor and the welfare poor will compete with one another for child care because we eliminate much of what we said we would give in child care. If we believe in keeping with the priorities our own constituents set for us across race and class lines at the beginning of this exercise, we must vote down this conference report.

Mr. SHAW Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. SMITH], a member of the Committee on the Judiciary.

Mr. SMITH of Texas. Mr. Speaker, one of the most important sections in the Personal Responsibility Act stops giving welfare benefits to illegal aliens and encourages legal immigrants to become self-reliant. Our Nation simply cannot continue to allow noncitizens to take limited welfare resources while ignoring our own citizens.

Many immigrants come to America for economic opportunity. Others,

though, come to exploit our Government assistance programs. For example, the number of immigrants applying for supplemental security income has increased 580 percent over the last 12 years. Those who agree to financially sponsor immigrants repeatedly fail to honor their obligations.

The provisions in the Personal Responsibility Act that apply to noncitizens are estimated to save American taxpayers $16 billion, but welfare reform is as much a behavioral issue as a budgetary one. The real debate in welfare reform is not over 16 billion, it is over the fact that welfare destroys work incentives, encourages the breakdown of the family and results in years of dependency.

Mr. Speaker, all the President needs to do to keep his word to the American people to reform welfare is to sign this bill.

□ 1415

Mr. FORD. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. RUSH].

Mr. RUSH. Mr. Speaker, I rise in strong opposition to this bill.

We have sent troops to Bosnia to protect people who cannot protect themselves. They were killed and slaughtered because another group felt that the region in which they lived needed to be cleansed. I mention this because, the provisions in this bill bring to mind the tragedy in Bosnia. The motivation behind these provisions which deny Medicaid, social services, and welfare for assistance to legal immigrants, children, and the disabled reeks of all sorts of machinations.

I am concerned that the Republican majority feels that this Nation needs to be cleansed of those who do not speak English as their native language, those who are poor, those who are disabled, those who are sick, and those who dare to ask for a helping hand, whatever the reason might be.

Mr. Speaker, this bill sounds like, smells like and is an elitist manifesto. Some may characterize this bill as immoral, but I feel that would not be accurate. This bill goes further—it is amoral—totally devoid and lacking of consideration of laws of human civility.

We must change the welfare system, however, it must not be done without compassion and sensibility. This bill will only harm those who are already in need.

Mr. FORD. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Speaker, I rise in strong opposition to this terrible bill.

Mr. Speaker, I rise in strong opposition to the Republican welfare reform conference report being considered today on the House floor.

This bill is a clear assault on America's children, and on America's future. It would cut $48.4 billion from vital family survival programs, denying benefits to millions of children who are in desperate need.

The welfare reform bill rips apart the safety net that so many children and families have relied on to help them stay afloat during desperate times. The Draconian cuts to essential services for low-income children, for families, and for elderly and disabled people is a clear example of the mean and uncaring spirit which has engulfed this Congress.

Mr. Speaker, the magnitude of the cuts to these programs are unprecedented in U.S. history. This bill takes away the guaranty of emergency assistance for the very poor. It reduces drastically the funding for child protection programs needed to remove children from unsafe homes, and to place them in appropriate settings, such as foster care and adoption. Under this legislation, families on AFDC, as well as children receiving foster care and adoption assistance, would no longer be assured of receiving Medicaid as they currently are. Food assistance is reduced to ridiculous levels. The food stamp program is cut nearly $35 billion over 7 years—cutting benefits about 20 percent. Further, this bill reduces Federal supplemental security income benefits for large groups of disabled low-income children and also to older Americans. This bill also reduces funding for work programs which are key to making people personally responsible for themselves and their families.

As a result of these reductions, the legislation would increase poverty dramatically among children. An Office of Management and Budget analysis found that this conference agreement would add 1.5 million children to the ranks of the poor. This study also found that the conference agreement would increase the depth of child poverty by one-third—making large numbers of children who already are poor poorer. This too is unprecedented in our Nation's history.

Mr. Speaker, this bill is immoral and counter to the so-called family values which the Republicans constantly tout as necessary to a productive society. How this legislation will help to foster family values and personal responsibility baffles me. This legislation will put more families and children out on the streets; make more families and children go hungry; and will take away all of the basic survival needs and opportunities which those less fortunate need to be productive and contributing citizens. Don't let the Republicans fool you into believing that this bill is about reforming the welfare system, because if it were they would focus more on job and education opportunities for families with children while maintaining an adequate living standard for those in need, allowing them to be distinct contributors.

This bill callously steals the little bit of hope that those in need have left to rise up against the odds. Clearly, it is a vehicle to keep the poor and disadvantaged down at the benefit of the wealthy status quo.

In this bill, the Republicans destroy hope for personal advancement among this Nation's disadvantaged and poor—those who have not been so fortunate to have been born into economically stable families.

Mr. Speaker, I urge my colleagues to vote against this very damaging bill.

Mr. FORD. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. LEWIS], the distinguished Democratic leader.

Mr. LEWIS of Georgia. Mr. Speaker, in the spirit of the Gingrich Christmas, Republicans are giving American children an early Christmas surprise.

During this season, the season of giving, the Republicans have instead taken—taken from our Nation's poor children. They are stealing the hopes and dreams of millions of children who have little else.

The Republican plan puts a million and a half children into poverty. It takes from school lunches and child care. Poor children are no longer guaranteed basic health care.

The Republican proposal destroys the safety net that protects our Nation's children. It is an extreme, mean-spirited and radical proposal—devoid of compassion and feeling.

As your children open their presents Monday morning—as we join our families in love and fellowship—take a moment to remember the children who will do without, the children that this plan will make do with even less.

Merry Christmas—Mr. Speaker.

Mr. SHAW. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Speaker, my friends, in the midst of this budget crisis, the crisis of a generation, we are afforded an historic opportunity to transform a flawed welfare system that has been destroying families, eroding hope, and shredding the social fabric of this country for a generation.

If you are for welfare reform today, you have an opportunity, a chance to prove it. No more excuses, no more demagoguery, no more rhetoric about how it is tough on children, no more rhetoric about pulling the safety net and all of the rhetoric about it being cruel and mean.

I do not know, I have lost track of how many times the word cut has been used from the other side. So let us set the record straight. This chart demonstrates it conclusively: Spending in this bill increases, increases, increases, at 4 percent a year. Perhaps more importantly, spending per person in poverty, the individuals whom we are most concerned about, increases to the point that it will be the highest ever in the history of this republic.

I challenge anybody on the other side of the aisle to dispute these facts. Spending goes up in this bill. The safety net is secure. This bill, in fact, has been so tempered in conference that only the most wild-eyed liberal could possibly oppose it. It gives States new, broad authority to design their welfare programs.

You say, well, they might not do it right. And I say they could not possibly do it worse. It has real work requirements. It has a real time cutoff on welfare benefits.

I am from Arkansas. I know President Clinton is an advocate for welfare reform and, I believe in the end he will do right and he will sign this bill. We will have real welfare reform.

Mr. FORD. Mr. Speaker, I am inserting at this point in the RECORD material expressing opposition to this bill.

ASFSA POSITION ON WELFARE REFORM CONFERENCE REPORT

ASFSA urges the Congress to vote against the welfare reform conference report because in addition to other problems it includes a block grant of school lunch and child nutrition. While the school lunch block grant is limited to seven states, it is a step in the wrong direction. The block grant breaks a fifty year tradition of federal responsibility and commitment to feeding children. (The National School Lunch Act was signed by President Harry Truman on June 4, 1946.)

The National School Lunch Program works, and works very well. There is no reason to experiment, even in seven states, with how to break the federal commitment to feeding children.

THE SCHOOL DISTRICT OF PHILADELPHIA,
Philadelphia, PA, December 14, 1995.

Hon. RICHARD LUGAR,
U.S. Senate,
Washington, DC.

DEAR SENATOR LUGAR: On behalf of the students of Philadelphia's public schools and their parents, I extend heartfelt thanks for your staunch opposition to block grants for school nutrition programs.

The School District of Philadelphia feeds its students over 115,000 lunch and 32,000 breakfast meals each day. Eighty-five percent of these student's household size and family income make them eligible for free meals. To many of our students these meals are the only source of good nutrition that they may receive. Over the past five years we have increased student participation in the lunch program by 57% and by 128% at breakfast. The block grant concept for nutrition programs would have severely impeded our progress in increasing student participation and maintaining current service levels.

It is a recognized fact that nutritious meals improve a student's ability to achieve and contribute to long term wellness. Your principled, non-partisan stand on this issue is a true service to the youth of this country.

Again, thank you.

Sincerely,

THOMAS E. MCGLINCHY,
Director.

Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. BECERRA].

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

When you ask any American what is reform in welfare, they will tell you, go after the fraud, be tough on the cheats, require work. But if you ask them should we knock 330,000 children who are severely disabled off from any assistance whatsoever and you tell them that for the 650,000 other very severely disabled children who have things like cerebral palsy or Down's syndrome, that should we cut their assistance by 25 percent, will they tell you that is reform? Will they tell your cutting $35 billion out of food stamps that will affect the 14 million children in this country who receive some assistance through food stamps, that that is reform? They will not tell you yes, but they will say you are heading in the wrong direction.

When you tell them that if you abide by the laws and you pay your taxes and you are doing everything this country asks you to, except you are not quite yet a citizen, should you be denied assistance if you should need it? I do not think they will tell you yes. This bill takes $20 billion out of the hide of legal residents to this country, and I think that is wrong.

Let us get some reform. Let us not ravage our children. Let us get something on the table we can vote for. This conference report is not it.

Mr. FORD. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. TORRES].

Mr. TORRES. Mr. Speaker, I rise in opposition to this welfare conference report.

Mr. Speaker, I rise in opposition to the welfare conference report. This report is nothing short of a nightmare. What the Republicans call reform, I call outright abuse.

Welfare reform is about helping families help themselves. It's about presenting opportunity through job training and child care. It's about giving these families a realistic chance at making it on their own.

More importantly, welfare reform begins with the next generation. This conference report ignores this simple fact.

If we want to end welfare as we know it, let's start with our welfare children—all of our welfare children, be they legal residents or not. They did not ask for poverty or hunger, so let's recognize their innocence with reforms that give them a future.

Instead, this Congress is leading our poorest, neediest children to the edge of a cliff and pushing them off.

With cuts in nutritional programs, child care and health care, we are taking away their future. We aren't encouraging the end of welfare, we're cultivating the next generation of recipients.

I ask my colleagues to vote against this report; these children did not create the welfare crises. Don't make them pay for it.

Mr. FORD. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, I rise in opposition to the conference report.

Mr. Speaker, I rise today, just a few short days before Christmas and during the observance of Hanukkah, to denounce the welfare reform conference report as antifamily, antichildren, and the most dramatic illustration of the cruel agenda of the House Republicans.

In this time of giving and caring, of family togetherness, it is simply unconscionable that we are considering legislation that will ultimately deprive children, the elderly, and low income families in this country of the most basic human needs—food, healthcare, and protection from abuse. What has happened to this country's priorities? Last month, Congress approved a $245 billion tax cut that primarily benefits wealthy Americans and profitable corporations. Just last week Congress passed legislation authorizing $260 billion in defense spending, including funds for more B–2 bombers, at $2 billion each, which the Pentagon does not want. Today the House authorized $28 billion for intelligence operations.

I am unalterably opposed to this irresponsible welfare reform proposal. The plan punishes our country's poor families and children while doing nothing to move them off welfare and into family-wage jobs. The conference report pretends that if we punish the poor, the problem of welfare dependency will somehow go away. The conference report reduces funding for education and job training and provides insufficient funding for child care—the very tools that enable people to leave welfare and become self-sufficient.

In a nation facing unemployment rates of 5.6 percent, this legislation will not prepare welfare recipients for family-wage jobs and self-sufficiency. Instead, it sets an arbitrary time limit of anywhere from 2 to 5 years in which people who have been given no opportunity to succeed are permanently barred from assistance. Welfare needs reform, but we must give individuals real opportunities for success.

The Republican leadership argues that welfare eats up our entire Federal budget. In fact, we spend 1 percent of our total budget on Aid to Families With Dependent Children—$16 billion. That's about the same amount the Republican leadership proposes to spend on foreign aid. By conservative estimates, we will spend about $570 billion over the next 5 years on corporate welfare for large profitable corporations, many of which are foreign owned. In contrast, the welfare reform conference report will cut anywhere between $60 and $80 billion over the next 7 years in a variety of public welfare programs—we don't know exactly how much, because we haven't been able to see the final report.

We do know who will feel the burden of these cuts. It is our Nation's children, Mr. Speaker. In the United States in 1992 children made up 67 percent of all welfare recipients. That year, slightly more than 9 million children received cash assistance from Aid to Families with Dependent Children [AFDC]. It is these children who will face the terrible consequences if this bill is enacted. What will happen to these children if their parents are denied assistance? Will America look more like Calcutta in 7 years? Is that what Americans want.

We have heard that if families are forced off welfare, they will still have access to healthcare and food stamps. However, the conference report eliminates the current guarantee of Medicaid coverage for AFDC recipients, as well as children receiving foster care and adoption assistance. In addition, nearly half of the cuts in this bill come from the Food Stamp Program. Republicans have been assuring us all along that they're maintaining the basic noncash safety net for children of food stamps and Medicaid. Now we see the reality behind the rhetoric. This is a mean-spirited attack on the poor which will increase child hunger and deny children access to health care.

I would like to close with some passages from that cherished Christmas story, "A Christmas Carol," as spoken by the character, Ebenezer Scrooge:

Are there no prisons, no workhouses? . . . I can't afford to make idle people merry. I help to support these establishments and they cost enough and those who are badly off must go there . . . It is

enough for a man to understand his own business and not interfere with other people's.

Sound familiar, Mr. Speaker? You have heard almost identical statements from the Republicans throughout the past year. All ends well in this story of Christmas past and Scrooge mends his ways. I call on my colleagues to follow this example and reject this mean-spirited legislation for the sake of our Nation's children.

Mr. FORD. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California [Ms. ROYBAL-ALLARD].

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in strong opposition to this bill.

Mr. FORD. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. OLVER].

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

Mr. Speaker, welfare reform is supposed to move people off welfare and reward work, but this bill does neither. It not only shreds the safety net for the truly poor but it hurts working families as well. This bill slashes child care, nutrition, and food stamps for working families. It slashes support for disabled children. It slashes child abuse protections, the very support that keeps working families whole and off of welfare.

Add to this the Gingrich earned income tax credit cuts, and you truly close the door of opportunity for poor working families and their children. That is not reform, Mr. Speaker, it is cruelty.

Mr. Speaker, welfare reform, real welfare reform, is supposed to move people off welfare and reward them for their working.

Last spring, I and every other House Democrats voted for a welfare reform bill which would have done just that. It included tougher work requirements than the Republican plan and State flexibility in improvising welfare policies, while at the same time preserving the safety net for this Nation's poor. It also provided adequate funding for the tools needed to successfully move people to work: education, training, and child care.

The extremist bill we vote on today, H.R. 4, does neither of these things.

It shreds the safety net for the truly poor in this country, ending the 60-year commitment Government has made to the less fortunate.

It ends the guarantee of financial assistance, health care, and child care for poor children. It provides no additional funds for education, literacy, and job training to move and keep people off welfare.

Furthermore, this bill also directly harms the economic well-being of working families.

This bill cuts funding for child nutrition, such as WIC, which provides vital prenatal nutrition for women, and food at day care centers for low-income families. It cuts both child care and food stamps, both of which are essential to struggling, working families.

This legislation also slashes at nonwelfare programs like financial assistance for disabled children and protection for neglected and abused children.

These are the very supports that keep working families whole and off of welfare.

Add to these measures the proposed $30 billion in cuts to the earned income tax credit, which benefits 12 million families with incomes below $30,000, and you truly close the door on opportunity for the working poor.

That's not reform, that's cruelty.

Mr. FORD. Mr. Speaker, I yield 50 seconds to our colleague, the gentleman from North Carolina [Mr. ROSE].

Mr. ROSE. Mr. Speaker, I appreciate the time, and I would like to tell my colleagues that at the appropriate time I will offer a motion to recommit. This motion to recommit goes in the direction of what our distinguished colleagues in another body have urged that be done.

I urge my colleagues to take a page out of Santa Claus' book and realize that this is not a time to be cruel to the youngest and the most vulnerable people in our society.

I urge that the motion to recommit, which I will offer at the appropriate time, be adopted by my colleagues.

Mr. FORD. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Speaker, I stand to say to the world to, please, revoke this stand by the Republican party against needy immigrants and vote against it.

Mr. Speaker, there are many reasons to oppose this conference report. I'll just talk about one that is very important in the part of the country I represent: discriminating against legal immigrants.

The conference report denies Supplementary Security Income and food stamps to legal immigrants.

The Republican majority is destroying the safety net for thousands of people who are legal residents in the Miami area. These people are hardworking and productive members of society. They pay their taxes. But for reasons beyond their control, some of them may need temporary financial assistance.

Why does the Republican majority discriminate against people who are legal residents? We all know the answer. This discrimination cuts Federal spending by $20 billion. They want to use these funds to give a $245 billion tax cut that is targeted to those earning more than $100,000 a year.

This conference report should be defeated.

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

I would like to make note of the statement by the President today, share it with my colleagues on the Republican side as well as the Democrats on this side. In a portion of it, he said, "I am disappointed the Republicans are trying to use the word welfare reform as cover to advance the budget plan that is at odds with America's values. Americans know that welfare reform is not about playing budget politics. It is about moving people from welfare to work," and he said, "I am determined to work with Congress to achieve real bipartisan welfare reform, but if Congress sends me this conference report, I will veto it and insist that they try again."

I urge the President to veto this bill if it is passed today, this conference report, in this House of Representatives.

Mr. SHAW. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Speaker, I rise in support of this conference report.

Thomas Jefferson said it best in 3 words, "Despondency begets servitude."

Through misguided compassion our welfare system has fostered chaos. We have enslaved two generations. The Federal welfare system has destroyed family structure, work ethic, and any sense of values and smothered opportunity. The Federal welfare system has destroyed hope, discouraged personal responsibility, and cast a dark gloom over the lives of millions of Americans.

Today we offer with this welfare reform bill a glimmer of hope. Today we offer hope for people to help themselves. Today we offer hope to end the cycle of dependency.

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

Mr. Speaker, we have come down a very, very long road. Before I get into my closing remarks, I want to recognize a staff person who has done an unbelievable job in bringing this along, Dr. Ron Haskins, of the Committee on Ways and Means, Subcommittee on Human Resources. Without him, all of us know that without good hard-working staff people, such as Dr. Haskins, we would not be able to formulate legislation such as is before us today.

Mr. Speaker, I think we also, while we are handing out credit today, we have to give credit to the President of the United States for raising the consciousness of the American people about the corruption of the existing welfare system. For it is he that coined the phrase that we shall change welfare as we know it today. It took, however, this Congress to finally move forward with a bill that all of us today should be able to support.

I wish the podium were right in the middle of this floor because this is where it ought to be when we are talking about the future of so many millions of American people who have become welfare dependent. President Roosevelt referred to welfare as a narcotic. It is an addictive narcotic.

Approaching welfare reform, as many of us did some 5½, 6 years ago, never once did we view it as a vindication of the taxpayer. We viewed it as a corrupt system that had sucked people into a way of life from which there was no escape, and we have moved substantially forward.

I want to compliment all of the Members on the Democrat side of the aisle for their vote the last time this came forward, because each and every one of you set aside and said, "I will not support the existing welfare system."

Each and every one of you today have not, not one person in this Chamber has gotten up to support this system that is now 60 years old and has enslaved so many of our American people.

Is there one of us that would want to depend upon a 60-year-old car for transportation? But we are asking the poorest among us to live with a system that is 60 years old. Think back 60 years, think of where the place of the woman was 60 years ago and where she is now. Think how the American psyche has changed, think about where minorities have gone in the protection of the law when the law used to work against them, and now it is working with them.

So what has held so many American people back? A welfare system, a welfare system that pays people to stay where they are, not to get married, and not to work. We cannot choose that system.

My colleagues, today we have a choice. On the one side, you can vote for the status quo. On the other side, you can come forward with us and reach out your hand, and I will commit to you as long as I am chairman of the Subcommittee on Human Resources we are going to continue to look at welfare reform. We are going to continue to help the poor. We are going to move this country forward, and we are not going to leave anybody behind this time.

Vote "yes" on this most important bill.

Mr. DINGELL. Mr. Speaker, I rise today, somewhat reluctantly, in opposition to the welfare reform conference report. I do so because my colleagues from the other side of the aisle have left no real choice for those Members who want to make smart and reasonable reforms. Earlier this year, I supported an alternative bill with work requirements, time limits for receiving assistance, and more flexibility for States to make their welfare programs work better.

The bill before us fails any reasonable sense of balance. It singles out the harshest cuts for children, such as denying AFDC cash assistance to 4 million children. This is not right. Neither is it right to out 6 million children from the health care benefits of Medicaid.

As we work to reform welfare, it is important to remember that we do not provide welfare assistance purely for altruistic reasons. We provide financial assistance to those in need because it is in the best interest of our society to do so.

Helping Americans who are experiencing severe financial difficulties get back on their feet, at its most practical level, lowers our crime rate and increases our Nation's ability to compete by strengthening the quality of our work force. At its loftiest level, it increases the quality of many people's lives.

Our goal is to return people to work—enabling them to support their families, and provide for those children, elderly, and disabled who are unable to provide for themselves. For the most part, this requires funding of the basic necessities—health care, child care, and job training. The bill fails to provide to States adequate funding for any of these three.

The bill repeals the current guarantee of Medicaid coverage for AFDC families, thus leaving over 4 million mothers without health care. It also mandates that 50 percent of welfare recipients participate in work programs, yet offers no funding for these programs. This places a $26 billion unfunded mandate on States to operate job training programs, and to care for the children of those enrolled.

In our rush to try to get home for the holidays, I find it sad that our friends on the majority side of the aisle have chosen to mark the spirit of the season by pushing through an excessive level of cuts disproportionately aimed at the most helpless among us. I am told the President will veto this legislation. That is the right choice. Perhaps then we can mark the new year by working in a bipartisan manner to enact smart and reasonable welfare reform.

Mr. VENTO. Mr. Speaker, I rise in opposition to this measure, H.R. 4. This is not welfare reform, rather, it is a measure which short changes many essential programs that affect our fellow Americans in need.

In addition to rewriting policy and cutting funding for the Aid to Families with Dependent Children [AFDC] Program, the measure substantially cuts nutrition programs, child care assistance, Supplemental Security Income [SSI], and other emergency assistance programs. Consequently, it undercuts much of the economic safety net for people in need in our Nation.

Major flaws that were inherent in this measure when it left the House persist, and, in some instances, have been compounded. This measure ends the entitlement status of most essential programs for families in need and folds them together. This means that the numbers of families and individuals that actually qualify for assistance with today's policy will no longer be a factor, they will be irrelevant, in determining who gets aid. The policy advanced in H.R. 4 sets reduced allocations of funds that are fixed, regardless of the demographics or need.

Furthermore, this measure relieves the States of a full maintenance of effort, allowing them to provide substantially less resources to meet the needs of their own citizens. While I understand that States and local public officials care about the well-being of their citizens, the shortfall in funding under H.R. 4 will force them to do more with less, and that willingness to match and maintain the same effort that exists under current policy will be strained. The State and local officials may benefit from flexibility, but it would take a miracle to offset the cuts and exclusions in this bill and also achieve the work requirements set forth in it. This measure contains inadequate support for training and education and does not provide the necessary transitional health care that should be present to support the expected participation in the world of work.

Individuals in our society should be expected to do what they can for themselves. But policies should be careful to differentiate between those who cannot and those who will not. Many of the benefits of a public assistance nature accrue to the welfare of children. Two-thirds of the individuals within the welfare system are children. The harsh policies advanced in this measure affect kids with disabilities under SSI. Funding to aid children with Down syndrome, cerebral palsy, AIDS, muscular dystrophy and cystic fibrosis under SSI would be cut by 25 percent—an estimated 650,000 kids would be affected. An additional 320,000 kids would lose SSI benefits under different changes in the law. Nearly 1 million children would lose under the SSI policy changes of H.R. 4 alone.

Mr. Speaker, one provision on this measure claims big cuts and savings by denying benefits to legal immigrants, noncitizens who pay taxes and contribute to our economy. Such is the case with the Hmong, the natives of Laos who have a concentrated population in Minnesota and in other parts of the Nation. Because they have failed their citizenship test largely based on language difficulties, they would be denied essential and basic public assistance benefits.

Mr. Speaker, this could affect tens of thousands of individuals nationwide and many in my community. Other immigrant groups will also be negatively affected by this provision such as the influx of Soviet jews who are so prominent in our area. I know of no justification or explanation for this policy. Certainly, a more rigorous pursuit of deeming, that is sponsor support, for immigrants is appropriate, but often this is not applicable or practical.

Mr. Speaker, this will translate into unacceptable responsibilities and burdens on families, communities, and States. H.R. 4 is not well-thought-out policy. Its claim to reform masks extreme notions of a welfare mindset that has little relationship to the real world. Spousal support provisions and some of the sensible provisions of this measure are completely eclipsed by the negative, punitive, regressive, and unworkable policy that is palmed off as reform—deformed policy would be a more accurate description. I urge my colleagues to oppose this measure and renew our efforts for real reform so that those dependent can truly achieve an end goal of independence and positive contribution of their talents, for our Nation and our society.

Mr. STOKES. Mr. Speaker, I rise in strong opposition to H.R. 4, the Personal Responsibility Act, a bill designed to overhaul our Nation's welfare system. Nine months ago, on March 24, many of my colleagues and I stood before this body and showed our staunch disagreement with the House-passed welfare reform bill by voting against the bill. I wish I could say that, since then, some compassion and reason had overcome our colleagues on the other side, who were conferees on this measure, to reverse some of the mean and devastating cuts made in this legislation. Unfortunately, that was not the case.

Just 1 month ago, on November 14, I joined with 116 of my colleagues in writing to President Clinton to urge him to veto any welfare reform legislation which eliminates a safety net for our Nation's needy children and their families. I appeal to him again to do so with this ill-advised measure which abandons the Federal commitment and safety net that protects America's children.

In fulfilling their Contract With America, our Republican colleagues assured us that we

would have a family friendly Congress. They promised us that our children would be protected. It is abundantly clear that our colleagues have reneged on that commitment when we examine the provisions of this bill. H.R. 4 slashes nearly $80 billion over 7 years in welfare programs. This bill guts the AFDC and Medicaid entitlement, cuts into the SSI protections for disabled children, and drastically cuts food stamps and child nutrition programs.

Mr. Speaker, I find these reductions in quality of life programs appalling. Although they claim to be so concerned about what the future holds for our Nation's children, how can my Republican colleagues support a bill that cuts $3.3 billion from funding for child care for low-income families? How can they stand by a bill that slashes more than $3 billion in funding for meals to children in child care centers and homes? How can they support a bill that would end Medicaid coverage for AFDC recipients, leaving many low-income families with no health care coverage? As if that were not devastating enough, this bill would cut nearly $35 billion over 7 years from the Food Stamp Program and $5.7 billion in the Child Nutrition Program.

H.R. 4 sends a signal to the rest of the world that the United States of America, a world leader, places a very low priority on those individuals who have very little. This bill unfairly punishes children and their families simply because they are poor. In Cuyahoga County, we have a 20-percent poverty rate in a county of 1.4 million people. In the city of Cleveland, it is an alarming 42 percent. Throughout the county, more than 228,000 people receive food stamps. Further, more than 137,000 individuals must rely on Aid to Families With Dependent Children. Many of these individuals constitute America's working poor. This punitive measure will undoubtedly endanger their health and well-being.

Mr. Speaker, I can understand and support a balanced and rational approach to addressing the reform of our Nation's welfare system. But I cannot and will not support this legislation which would shatter the lives of millions of our Nation's poor. The pledge to end welfare as we now know it is not a mandate to act irresponsibly and without compassion and destroy the lives of people, who, through no fault of their own, are in need of assistance. On behalf of America's children and the poor, I urge my colleagues to vote against H.R. 4.

Mr. OWENS. Mr. Speaker, I rise in strong opposition to the conference report on welfare reform. The destruction of entitlements. That is the goal of the Republican majority. But only the means-tested Aid to Families with Dependent Children [AFDC] entitlement is being wiped out by these high technology barbarians. Rich farmers and agricultural businesses will still retain their entitlement to farm subsidies. Entitlements to homeowners and business owners for flood relief, hurricane relief, and earthquake relief will remain in place. But families and children who experience economic disaster, the neediest among us will be denied Government assistance.

There are many reasons to vote against this phony reform package. But the single most important reason is that it sets a precedent by ending a means-tested entitlement. A beachhead is established by the barbarians. The next target is the means-tested Medicaid entitlement. In this bill the automatic right to Medicaid presently available to all AFDC recipients is eliminated. In the reconciliation bill of the majority, the means-tested Medicaid entitlement is eliminated totally.

This Christmas 1995 is not a Merry Christmas. Millions of Tiny Tims will suffer and die in the years to come as a result of the overwhelming meaness of the House Republican majority.

Mr. MALONEY. Mr. Speaker, this has been an extremely partisan Congress—but this is one area where Democrats and Republicans agree. Welfare needs reform.

But the conference report we're considering today would make a bad system much worse.

The bill would worsen poverty and hunger for innocent children by making deep cuts in benefits especially during economic downturns.

It would do far too little to empower welfare recipients to rejoin the work force with education and training.

It would scale back the very child care funding that would liberate welfare recipients to go to work.

This plan is punitive, irresponsible, and cruel to children.

For example, the 25 percent reduction in SSI benefits will effect aid to children with cerebral palsy, Down syndrome, muscular dystrophy, cystic fibrosis, and other health concerns.

The $32 billion in food stamp cuts will force many working poor, elderly, and disabled to go hungry.

The block granting of child protection services and oversight will force more children to stay in abusive and unsafe homes.

This is not welfare reform.

Already millions of children lack health care insurance. Under this agreement, up to 2 million more children could be added to the roles because they would lose Medicaid coverage.

Clearly, welfare needs reform.

Welfare reform should focus on providing real jobs and moving recipients into those jobs. Yet, all the best work incentives have been stripped from the bill.

This conference agreement is harsh, mean-spirited, and cruel.

Although, we live in the richest society in human history, this House cannot find within its heart or its wallet, the will to make sure that no American child goes hungry.

For this Christmas season, lets not be Scrooge to the poor and disabled, Vote "no" on the agreement.

Mr. SERRANO. Mr. Speaker, I rise in opposition to the conference agreement on H.R. 4, the so-called Personal Responsibility Act.

It has long been clear that our welfare system is failing the people it is meant to help. But the Personal Responsibility Act will make the situation of the poor much worse, not better.

The main reason Congress has been slow to face welfare reform in the past is that everyone knows it takes more spending, not less, to help poor mothers get and keep jobs and escape poverty—they need education, training, job search assistance, day care for their children, and jobs.

But this conference agreement saves money, cutting programs that sustain our neediest families at the same time it cuts the programs that might give them a hand up. And why? To give tax breaks to big corporations and the wealthy.

And what would this conference agreement do to our children? First off, it slashes the safety net for poor children and their families. It removes the entitlement—the guarantee that some modest assistance will be there for those families whose desperate circumstances make them eligible. If Federal funds run out in a recession, what recourse will these wretched families have?

Then, although neither House nor Senate voted for this, the agreement repeals the current eligibility link between AFDC and Medicaid. It throws health care onto the list of necessities families must choose among when they cannot pay for all.

The agreement risks increasing the number of babies born too small to thrive. It punishes the neediest children, whose parents' conduct we don't approve of. It leaves neglected and abused children in grave danger for lack of child protection resources. It cuts benefits to hundreds of thousands of poor children disabled by Down syndrome, cystic fibrosis, AIDS, and the like. It puts even healthy children's nutrition at risk, threatening their ability to learn and grow into healthy adults and productive participants in our economy.

The conference agreement attempts to force more mothers into the work force but shortchanges funding for both work programs and child care. States will be forced to choose between funding child care for welfare recipients in work programs and child care for the working poor. Imagine. One welfare family moves into a work program with child care, and a working poor family loses its child care and falls onto welfare. Talk about a vicious cycle.

Mr. Speaker, the conference agreement's immigrant provisions are unfair and mean-spirited. We know immigrants do not come here for public assistance; they come to join family members and to make a better life for their children. The work, they pay taxes, they participate in community life, and they play by the rules. Why should they be denied assistance by this bill? It is certainly not fair to the immigrants or to their families and sponsors. The only possible reason is to save money.

If this applied only to future immigrants, who would know the rules before they sought to immigrate, I would disagree with the policy but it would be fairer. But this conference agreement cuts off people who are already here and who face long backlogs when they try to naturalize. Again, this makes sense only as a means of saving money to offset tax breaks for the rich.

Mr. Speaker, the Republicans elected in November 1994 never told voters that they intended to bring pain to the poor children of our country. Yet, these mean-spirited Republicans continue to come up with new ways to hurt helpless little children, who are least able to fight back. Are children a special interest group Republicans want to muzzle, defund, do away with?

This time, in the middle of this season of family holidays, they have gone too far and the American people are aware of the all-out

assault on children. The Republicans are not going to be able to hide their attacks on our children. The voices of the American people are being heard. Do not hurt the children.

Mr. Speaker, this bill is only one part of a Republican assault on ordinary Americans that also includes the reconciliation bill and the appropriations bills. Poor families, low- and moderate-income working families, middle-income families are all being made to pay and pay again, so the richest and most powerful corporations and individuals can receive large and unnecessary tax breaks.

Mr. Speaker, this is just wrong. I urge every Member to oppose this conference agreement.

Mr. CONYERS. Mr. Speaker, I rise in opposition to the conference report on welfare reform which disregards the health and welfare of children, the elderly and victims of domestic violence. Amazingly, at a time when Republicans claim to be pro-family this conference report denies innocent poor children health care and food. And while Republicans purport to be pro-work they offer us legislation which provides no funding whatsoever for job creation.

As ranking member of the Judiciary Committee, I also strongly oppose the conference report provisions dealing with immigration matters. These issues clearly fall within the purview of the Judiciary Committee and should be dealt with in the context of the immigration bill, not welfare legislation.

The conference report imposes harsh restrictions on legal immigrants by barring them from the Food Stamp Programs and SSI programs until they become citizens. Those denied benefits would include legal immigrants who have no sponsors to help support them, those who have paid taxes for many years, and poor immigrant families with children.

The conference report also changes the definition of illegal immigrants. Under this definition individuals who have temporary protective status and are in the United States legally, would be barred from receiving any public assistance. This means that individuals who have been given permission to stay in this country by the INS would be denied assistance. This is mean-spirited immigration bashing and has no place in a bill being considered by this body.

The Members know full well the administration will veto this bill. What we have is more partisan grandstanding by the majority, rather than a good-faith effort to genuinely reform and improve the Nation's welfare system.

I urge my colleagues to vote against this conference report and to send this bill back to conference.

Mr. POSHARD. Mr. Speaker, I rise in strong opposition to the conference report on welfare reform.

In our debate today, we will universally agree on the need to reform the system. However, the question is not whether to reform but how to reform the system, to be more efficient with tax dollars and more effective in caring for children and moving adults into the work force.

I supported what was known as the Deal bill earlier this year because of its more acceptable approach to a very difficult problem. The bill before us today is unacceptable in a number of key instances:

The bill lacks categorical Medicaid coverage for low-income families with children on cash assistance as well as the aged, blind, and disabled. This could result in millions of Americans losing their guarantee of Medicaid coverage.

The optional block grant approach for nutrition and feeding programs puts millions of children at risk of losing access to healthy meals.

This bill does not fund the work activities and child care provisions mandated in the legislation.

The bill Democrats supported earlier this year was much better in terms of moving people from welfare to work, eliminating abuses in the SSI program, making sure that abused and neglected children will receive foster care and adoption services, and fundamentally changing the welfare system.

This bill is tough on children and families in ways it need not be. I oppose the bill and urge a Presidential veto so that we may reach a more bipartisan solution to this very critical challenge.

Mr. HASTINGS of Washington. Mr. Speaker, I rise today to strongly support H.R. 4, the welfare reform conference report. I believe this legislation is a critical first step in overhauling our bloated and destructive welfare system. The current welfare system has failed the people it was created to help and worse—it has created an unfortunate cycle of dependency. The American taxpayer can no longer afford to foot the bill for people unwilling to accept responsibility for themselves.

Congress has no intention of turning its back on the most needy in society. Instead, we want to offer a new approach to welfare that gives recipients a hand up—not a hand out. By implementing strict work requirements, emphasizing personal responsibility, and returning power to the States, we will not only provide great benefits to society and taxpayers, but most importantly, to welfare recipients themselves.

The most important change Congress can make in reforming our welfare system is to return power to the States and local communities. This legislation does just that by reducing the amount of control over welfare programs here in Washington, DC, and restoring authority and responsibility to where it belongs—to the people.

H.R. 4 was designed after working with Governors to address their concerns of unnecessary Federal regulation and micromanaged bureaucratic programs. States have proven to be more successful and innovative than the Federal Government in fixing our failed welfare system. I want to give States and local communities the opportunity to experiment, not shackle them with excessive regulations and costly paperwork. It is at the State and local level where welfare program managers deal with welfare recipients—and that is where decisions should be made. And in order for this to happen, States need flexibility.

This legislation will let the people know we have heard their cry for welfare reform. We have listened to welfare recipients and provided them opportunities to get off welfare and into work. We have listened to the taxpayers and are watching out for their hard-earned tax dollars. And, we have listened to the Governors and given them the flexibility they need to truly end welfare as we know it.

Mr. POMEROY. Mr. Speaker, I strongly support welfare reform—but we must not implement policies that hurt children. I am deeply disappointed that the final conference report did not incorporate more of the provisions that were included in the House substitute bill sponsored by Representative DEAL.

Kids do not have the life choices that parents and other adults do. Kids are not responsibile for our flawed welfare system and kids should not bear the brunt of the impact of this welfare reform package.

The welfare reform bill on the floor today fails in two areas I believe are critical in welfare reform: work and protecting children.

Welfare must become focused on work. Everyone needs to understand that public assistance is a temporary arrangement while steps are taken to obtain employment and independence.

I favor a work requirement which places upon welfare recipients the expectation that they find work or begin the training necessary to allow them to work. Those who are not willing to make this commitment should not be eligible for benefits.

While H.R. 4 does require recipients to work, the bill does not provide adequate funding for job training and child care. Job training is crucial in placing parents into jobs that will lift them out of poverty and keep them out of poverty. The bill lacks adequate child care that must be available to parents and the bill does not meet the needs of those who must work. It simple does not provide the necessary resources to move from welfare to work.

The second clear principle of welfare reform is a cautionary one: Changes must not hurt the young children. Not even the most irate constituent has suggested that the kids of welfare recipients deserve to be punished or can simply be forgotten. It's not the kids' fault. Unfortunately, the proposals in this bill will hurt millions of children.

To begin, H.R. 4 significantly reduces funding for food stamps and other child nutrition programs. These reductions will have a profound consequences for the nutrition, health, and well-being of children. The optional food stamp block grant in the bill would weaken the national nutrition safety net and eliminate the program's ability to expand in times of recessions and guarantee displaced workers and their families a minimum level of nutrition. These changes will jeopardize the long-term health of America's children.

Second, the child protections programs are lumped into block grants, and abused and neglected children lose their entitlement to protection. Instead, basic emergency services would be forced to compete for limited dollars with other less critical programs. When we all can recite story after story of how the system has failed abused and neglected children, now is not the time to weaken these programs.

Protecting children from abuse has nothing to do with welfare reform and the minuscule savings as a result of block granting these programs does not warrant the inherent risk that thousands of kids will be facing.

While these block grants significantly limit funding for child protections, they would also limit funding for adoptions services. The result would be a significant reduction in adoptions throughout this country, denying thousands of

children safe, permanent and loving families. In particular, special needs and medically fragile children will disproportionately suffer.

As an adoptive parent, I believe I can speak to the importance of encouraging our communities to find permanent loving homes for all children in need—especially those who might languish in the foster care system.

While the bill would maintain the adoption subsidy as an open ended entitlement, this is not enough. The subsidy which helps place special needs and medically fragile children will not be worth much if adoption staff is not available and well-trained to place children in appropriate homes.

As more children enter the child protection system and are in need of adoptive homes, a block grant will prevent many of them from getting what they need and deserve—a family of their own. Most children affected have special needs: they suffered abuse and neglect, they are older, they are prenatally drug exposed or suffer from severe medical needs like cerebral palsy or are in need of a respirator.

The churches throughout our Nation help find adoptive homes for these children through an innovative program called One Church-One Child and as Rev. Wayne Thompson, the national president explained to me yesterday, their work will be severely impeded if there are not sufficient adoption staff to assist in this crusade.

Let us not penalize our children. They deserve what we all hope for our own children—a safe and loving home, full of support to allow them to become independent and productive citizens. Because of the drastic cuts and changes made in these programs, I can not support the final version of H.R. 4.

Mr. SKAGGS. Mr. Speaker, I oppose this conference report. It has many serious shortcomings, most of which have been discussed by other Members. I won't repeat those criticisms.

Instead, I would like to highlight a little noticed section in the bill, section 112. Section 112 would require any organization described in section 501(c) of the Internal Revenue Code receiving any funds under the act or amendments made by the act to make a confession as part of any public communication intended to affect the debate on public issue. That confession would have to state:

This was prepared and paid for by an organization that accepts taxpayer dollars.

If a nonprofit group violates this regulation, it will be rendered ineligible, apparently forever, to receive any funds under the act, or the amendments to it.

Mr. Speaker, this is just another in a long line of assaults by the new Republican majority on the first amendment rights of Americans who express views on public policy issues through the organizations they join or support. This year the new majority has attempted to restrict free speech in America by trying to attach various provisions to regulate or suppress political expression to two appropriations bills, a continuing resolution short-term funding measure, the lobbying reform bill, and now the welfare reform bill.

While this provision, section 112, is not as far-reaching as some of the previous Republican efforts, it is equally misguided. As I understand section 112, if the YMCA or some other group receiving funds to provide child care, or a veterans group receiving funds to provide job training, issues a press release or published an op-ed piece designed to influence the public debate on any Federal, State, or local government issue fails to include the required disclaimer, it will be ineligible to continue its work on programs funded under the act or amendments made by the Act.

Mr. Speaker, the communications, that would be regulated under section 112 need not have anything to with any program or policy associated with this act; they need not have anything to do with any program or policy of the Federal Government at all.

Mr. Speaker, one such regulated communication regarding any government policy that inadvertently goes not without the confession statement and a child care or job training provider would be cut off, presumably forever, from any participation in the national effort to reform this Nation's welfare assistance system.

This is sheer idiocy—both practically, and constitutionally. Section 112 unfairly discriminates against nonprofit groups and creates another unnecessary regulation that will, if anything, impede the effort to provide the services necessary to help Americans move from welfare to work.

Thank you, Mr. Speaker.

Mr. FIELDS of Louisiana. Mr. Speaker, today I rise to state my opposition to the GOP welfare reform conference report on which we are about to vote. I am appalled at the way we have addressed welfare reform without consideration for the health and well-being of our children.

Welfare reform should be about getting people off welfare and into jobs.

Welfare reform should not be about punishing our children for the mistakes and misfortunes of their parents.

Welfare reform is not about mothers.

It is about children and making sure they do not go hungry. It is about helping the less fortunate.

Mr. Chairman, I though you would want to know it is estimated in the March 5, 1995, Parade magazine cover story: "Who are Americans in Need?" that over 5 million children already go hungry each month. This story further reported that 24 percent of our children live in poverty and that almost 46 percent of American children who are hungry live in one-wage-earner households.

This welfare reform conference report should not be about allowing children to go hungry if their mother is under 18 years of age.

This welfare reform conference report should not be about telling a child that his mother cannot receive money to feed, cloth, or house him because he was born while his mother was already on welfare.

This welfare reform conference report should not be about denying benefits to children if their parents don't have a job after 2 years, especially if we are not going to provide desperately needed job training.

How can we reform welfare when we intend to deny 46,000 Louisiana children benefits because the were born to current welfare recipients?

How can we talk about reforming welfare when we are proposing to deny 100,000 Louisiana children benefits because their parents have been on welfare for more than 5 years?

How can we reform welfare when we expect our children to care for themselves while we mandate their parents must work? This bill decreases child care services for 400,000 Louisiana children, but simultaneously requires their parents to work in order to receive benefits.

We cannot afford to let our children go unsupervised. In today's society our children need all the care they can get. Yet, this plan denies them that care.

It is an absolute shame that today we seek to punish mothers and fathers by punishing their children.

Welfare reform must not be about taking food out of the mouths of our children. Capping funds for recipients and offering bonuses to States for reaching quotas will only lower the quality of life for our children.

With this welfare reform conference report our children are hit from every angle. The first hit comes at home and the second comes in their schools. Capping the amount of money our school lunch programs receive is going to jeopardize the health of our next generation.

How many children are we going to let go hungry and unsupervised before we realize welfare reform is not about forcing children to suffer? When is this body going to realize welfare reform is about assisting the less fortunate families in our communities in their quest to become productive members of our society?

I urge my fellow Members to vote "no" on the welfare reform conference report before us today.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today to speak out against a great injustice—an injustice that is being committed against our Nation's children—defenseless, nonvoting, children. I am referring of course to the Republican welfare conference agreement to H.R. 4, the Personal Responsibility Act. I do this because I have already voted for welfare reform sponsored by the Democrats that was strong on work, strong on children, strong on providing a safety net, and strong on personal responsibility.

We speak so often in this House about family values and protecting children. At the same time, however, my colleagues on the other side of the aisle have presented a welfare reform bill that will effectively eliminate the Federal guarantee of assistance for poor children in this country for the first time in 60 years and will push at least 1.2 million more children into poverty, without the entitlement safety net that keeps a roof over their head and meager food on the table. In addition, at least one-third of children who are already poor would fall deeper into poverty under the Republican plan.

This agreement is antifamily and antichild. It calls for unprecedented cuts in programs serving children and would remove the basic protections for hungry, abused, disabled, and poor children while using the savings to offset tax breaks for wealthy individuals and corporations.

The Republican plan would leave millions of American children without health coverage and would eliminate transitional Medicaid benefits for parents and their children as they move from welfare to work.

The agreement cuts $35 billion from the Food Stamp Program and allows States to block grant the program. It also includes a cap that cuts food stamp benefits across the board if poverty deepens. In my States, Texas, the State leadership has said this Republican plan will not work in some very important areas—the incentive to work.

The Republican plan repeals the protections that guarantee an abused or neglected child a safe, clean foster care facility and services that can promptly resolve a family crisis. Furthermore, the Republican plan makes no adjustments in funding if the number of abused children increases—or decreases—in a State. This means abused children may be left in danger.

Under the Republican plan, 330,000 low-income, disabled children—who would qualify for benefits under current law—would be denied SSI benefits. For most children who remain eligible for SSI, benefits would be cut by 25 percent—more than 650,000 children. This includes children with disabilities such as cerebral palsy, Down syndrome, muscular dystrophy, cystic fibrosis, and AIDS. These children would lose, on average, $1,374 per year, with their benefits falling to 55 percent of the poverty line for one person.

The conference agreement fails to provide adequate resources for work programs and child care which are critical to effectuate a transition from welfare to work. The conference agreement significantly increases the need for child care while reducing the resources for child care services as well as the funds available to States to improve the quality of care.

This strategy of welfare-to-work is doomed to fail. Mandatory welfare-to-work programs can get parents off welfare and into jobs, but only if the program is well designed and is given the resources to be successful. The GOP plan is punitive and wrong-headed. It will not put people to work, it will put them on the street. Any restructuring of the welfare system must move people away from dependency toward self-sufficiency. Facilitating the transition off welfare requires job training, guaranteed child care, and health insurance at an affordable price.

We cannot expect to reduce our welfare rolls if we do not provide the women of this Nation the opportunity to better themselves and their families through job training and education, if we do not provide them with good quality child care and, most importantly, if we do not provide them with a job.

Together, welfare programs make up the safety net that poor children and their families rely on in times of need. We must not allow the safety net to be shredded. We must keep our promises to the children of this Nation. We must ensure that in times of need they receive the health care, food, and general services they need to survive. I urge my colleagues in this, the "Season of Giving," to oppose this dangerous and heartless legislation. Let us formulate a welfare plan that will last—job training, children, and real work incentives.

Mrs. COLLINS of Illinois. Mr. Speaker, the spirit of Christmas may be alive and well in the rest of America but it is clearly nonexistent here in the Nation's Capital. Today, 4 days before Christmas, the House is about to pass H.R. 4, the Personal Responsibility Act, which means a colder, bleaker, and meaner holiday season and new year for children across the country and poor Americans who are struggling to survive.

Proponents of this bill will stand up today, praise each other and congratulate themselves for reforming the welfare system. Well, if throwing children and low-income Americans onto the streets is successful reform, then I guess the meaning of good will toward men has really become just a trite expression that is uttered at this time of year. In reality, H.R. 4 provides funding for the tax cut for the wealthy that Republicans are so eager to give.

The fundamental flaw of H.R. 4 is that it ignores the basic reason that most adult Americans become welfare recipients in the first place and second, why some stay on welfare for longer periods than they'd like to, and that is because there aren't enough jobs available that pay a living wage. So instead of improving job training programs, increasing the minimum wage, providing affordable health or child care, or offering positive alternatives to poverty, H.R. 4 punishes poor folk for being poor. It punishes children who are unfortunate enough to be born into a needy family. This so-called Personal Responsibility Act fails to create a single job and instead creates a whole list of irrational reasons to cut financially strapped Americans and their kids off the welfare rolls.

H.R. 4 rips the bottom out of our current Federal safety net for the least fortunate among us. It abolishes the entitlement status of Aid to Families with Dependent Children [AFDC] and other programs which for the past 60 years have ensured that poor kids in America are provided with at least a basic source of survival. By block granting most of our current welfare programs, with no quality assurances attached, there is no guarantee that these youngsters will receive the basic protections of shelter, clothing, and nourishment.

Mr. Speaker, despite tired, old erroneous sterotypes about lazy welfare recipients who wouldn't take a job if you handed it to them, the truth is that the vast majority of Americans don't want to be on welfare and are struggling to support themselves and their families. H.R. 4 does nothing for these millions of Americans. It offers no jobs, no minimum wage increase, no affordable child care, no job training, no education opportunities, no guarantee of affordable health care, and worst of all, no hope.

I urge my colleagues to reject this bill and force the GINGRICH Republicans to come up with another target for their tax cut for the wealthy. Let's make sure that we care for America's children and protect them in 1996 and beyond.

Mr. COYNE. Mr. Speaker, I rise today in strong opposition to this legislation.

H.R. 4 would end the Federal guarantee of a safety net for poor children that has existed in this country for over 60 years. This legislation would end the entitlement status of Federal assistance to the poor—and replace it with fixed payments to the States to deal with their poor as best as they can.

Funding for these Federal antipoverty programs will be reduced from current program levels by more than $60 billion over the next 7 years. The Congressional Budget Office estimates that by the year 2002, Federal and State spending on these programs will drop to only 85 percent of what we spent last year, when the economy was relatively healthy. Assistance to the poor under this legislation could not possibly meet the level of need that can be reasonably anticipated.

The policies linked to these funding levels are distressing as well. States would be given greater freedom to set certain eligibility and benefit standards. This legislation would cut off AFDC assistance to adult beneficiaries after an arbitrary period of time without providing a level of child care funding that would be necessary for these single parents to go to work. It would, in most cases, deny benefits for children born to women on welfare. The bill would eliminate the guarantee of health care coverage for millions of low-income children, as well as aged, blind, and disabled individuals.

This legislation may be marketed by the Republicans as reform that is targeted at welfare queens and lazy good-for-nothings who don't want to work, but such characterizations are at best inaccurate. This legislation would cut foster care funding, child care assistance, and food stamps for the working poor, the elderly, abused children, and the disabled by more than $35 billion. These people deserve our help. It is both inhumane and irresponsible to support such cuts.

Some people see the changes contained in this bill as improvements over the current system. Others with longer memories remember both the inability and unwillingness of some State governments to provide even minimal support for their own citizens and neighbors. Supporters of this bill may be right in suggesting that this legislation will result in reduced dependence, reduced illegitimacy, and increased administrative efficiency in some States. But at what price? Clearly, some of the most vulnerable members of our society will bear the burden of these cuts. This legislation would punish innocent children for situations over which they have no control. How much suffering, uncertainty, homelessness, malnutrition, and abuse are we willing to risk?

The current system is clearly in need of serious reform. This legislation, however, does not provide the type of reform that is needed. Democrats unanimously supported a better alternative for welfare reform this spring. On March 23, I joined my Democratic House colleagues in voting for an alternative welfare reform bill that would have gotten families off the welfare rolls and into the workplace. It would have addressed fraud and abuse in the SSI Program without denying benefits to individuals with serious disabilities. It would have provided States with greater flexibility and more resources to undertake welfare reform initiatives. And it maintained a reliable safety net for all Americans.

It is still not too late to adopt such welfare reform. As a first step, I urge my colleagues to reject this conference report and to begin an earnest, nonpartisan dialog on welfare reform.

Mr. KLECZKA. Mr. Speaker, I would like to take this opportunity to express my support for the conference report on H.R. 4, welfare reform legislation. While this bill is not perfect, it

represents a reasonable resolve toward addressing a complex problem.

Congress must act now to overhaul our troubled welfare system before another generation enters a culture of dependency. Though well-intentioned, our current welfare system encourages a cycle of poverty, hopelessness, and despair. At the same time, it discourages family cohesiveness and self-reliance.

I have found it unrealistic to hold out for a perfect welfare reform bill, especially in light of the partisan makeup of Congress today. More importantly, it is likely that changes will need to be made as States begin to implement their programs and fine-tuning becomes necessary.

This welfare reform package contains a number of provisions critical to transforming the welfare system. Welfare recipients must work in exchange for benefits. Education and job training will be required, with the emphasis on building a work record. This is a key requirement in helping people become self-sufficient.

A 5-year lifetime limit on assistance is put in place, unless States, due to their circumstances, decide to do otherwise.

The compromise agreement maintains the safety net for child nutrition. Last March, I voted against the House welfare reform bill because it would have block granted child nutrition programs, eliminating the assurance that every poor child has at least one nutritious meal per day. In my judgment, good nutrition is essential for all American children, and this investment is extremely important.

The proposed changes to the Supplemental Security Income [SSI] program are also necessary. Over 2 years ago, I began receiving reports from my constituents of abuse taking place in SSI. There were cases where children with mild behavioral problems qualified for SSI cash benefits. One family then used the money to take a vacation to Florida. Taxpayers have a right to expect an end to fraud and abuse in this program.

We must reform SSI to ensure the program serves the truly disabled. This welfare bill makes strides in the right direction. One of the most important changes is in the definition of disabled. No longer will Individualized Functional Assessments [IFA] be used. The IFA is a subjective gauge to determine whether or not children can engage in "age-appropriate" activities effectively. This left a lot of room for potential abuse. While tightening eligibility criteria, it is important to note that this compromise ensures that those children who most need assistance will receive it. For example, children with cystic fibrosis, cerebral palsy, or Down Syndrome requiring full-time care will get the same payment they do now. Those with conditions that are less severe and that do not demand round-the-clock attention will be eligible for 75 percent of benefits.

However, I am concerned that the resources for States to put welfare recipients to work may be inadequate. Many people will require services before they are able to enter the workplace. States will also have to make reasonable exceptions for cases where people are willing to work, but no jobs are available. By most estimates, several thousand entry-level jobs will have to be created in Wisconsin to accommodate welfare beneficiaries entering the job market. States must have the flexibility to support welfare recipients who are willing to work, but unable to do so.

Another of my major concerns is that the bill ends the obligation to provide health care benefits to families on welfare. Without this guarantee, thousands of children and adults could be denied medical care unless the States continue services using Medicaid block grant funds provided under separate legislation. In my estimation, H.R. 4 would be a much stronger bill if this linkage has been left intact. If States are unable or unwilling to provide adequate health care to needy families, this issue will have to be revisited.

I am voting for welfare reform today, trusting the word of State governors who sought control of welfare. The Republican Governors Association pledged its support for this agreement, saying, "We can do better, and for our children's sake, we must do better." They must live up to their promises and do the right thing. Members of Congress, including myself, will be watching them closely to ensure that this is indeed the case.

Mrs. MORELLA. Mr. Speaker, I rise in strong support of this motion to recommit the welfare reform bill to the conference committee to make five specific changes. These improvements would ensure an adequate safety net protects our most vulnerable populations while States design new programs to move welfare recipients into the workforce.

I voted against the House-passed bill because the cuts were too draconian. The bipartisan Senate-passed bill was a tremendous improvement, and I am pleased that this conference report adopted many of the Senate's provisions. The conference report, however, fails to fully fund improvement programs, and I urge my colleagues to join me in voting to recommit the bill to conference to make these changes.

I support bold welfare reform that moves recipients from welfare to work and encourages personal responsibility. This legislation does that, allowing States to try new approaches that meet the needs of their recipients. States are already experimenting with welfare reform. Nearly 40 waivers have been given to States by the Department of Health and Human Services, and the results are encouraging. In giving leeway and dollars to States, however, we must continue to protect children and the disabled. I strongly support the child support enforcement provisions contained in this legislation. We are finally cracking down on deadbeat parents by enacting penalties with real teeth and establishing Federal registries to help track deadbeats.

Mr. Speaker, I am pleased that this bill contains substantial improvements over the House-passed bill. Unlike the House bill, its maintenance-of-effort provision requires States to maintain 75 percent of their welfare expenditures, it retains the entitlement status of foster care and adoption assistance, it increases child care money from the House bill, and it offers States the opportunity to design welfare programs that move women into work and encourage responsibility. It does not impose a child nutrition block grant on States.

The conference report, however, contains cuts in critical programs that protect children and the disabled. This motion would add a total of $14 billion in funding to child care, Supplemental Security Income [SSI], child welfare and foster care programs, and programs for immigrants. The conference report also severs the link between Medicaid eligibility and welfare, a provision I strongly oppose. This motion restores Medicaid eligibility for welfare recipients.

Without adequate child care funding, many women will not be able to enter the workforce, and States will be unable to meet their workforce participation requirements. The motion to recommit adds child care funds to better meet the needs of the States and women entering the workforce. The Senate welfare reform bill included $3 billion in matching child care funds for States over 5 years. Unfortunately, the conference agreement stretched this money over 7 years, resulting in a $1.2 billion shortfall in the first 5 years. I urge my colleagues to include the entire $3 billion over the first 5 years to provide child care for women entering the workforce.

Current Medicaid law guarantees health coverage to children and families receiving welfare, and both the House and Senate-passed bills continued this linkage. Despite the House and Senate language, the conference agreement severs this linkage, jeopardizing the health of women and their children as they are trying to get off welfare and take responsibility for their lives. Without Medicaid, one illness could force them back into the cycle of dependency.

While the Senate bill included cuts in the Supplemental Security Income program, the conference agreement goes much further. It creates a new two-tiered system of eligibility which would reduce SSI benefits for 65 percent of the children on the SSI program. This motion to recommit contains the Senate's language that would preserve this important program. The motion to recommit also maintains the entitlement-status of foster care and adoption assistance, a critical safety net for our most vulnerable children. As States enter a recession and their caseloads increase, we cannot afford to cut these programs.

Please join me in voting for the motion to recommit the welfare reform bill to the conference committee. Let's take this opportunity to make changes that will protect our children and allow us to pass this important legislation to move families off welfare.

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in opposition to the Republicans' welfare reform proposal. Welfare reform should promote self-sufficiency in a way that does not compromise human dignity and self-respect, the cornerstones of the American tradition.

Tragically, the Republican proposal does little to promote self-sufficiency. It fails to provide specific resources for job training and placement which are necessary to help recipients become productive members of the work force. Yet it punishes those who, although willing, are unable to find work.

The Republican plan violates the basic principles of human dignity and self respect. It punishes poor families, especially our children, by eliminating the guarantee of health services for poor families and denying critical health care to millions of women and children. In addition it allows States to deny benefits to innocent children who are born into families currently receiving assistance.

Equally as tragic, the Republican bill eliminates our country's long-standing commitment of a guaranteed safety net for people living in poverty. In Los Angeles County alone, thousands of children will join the nearly half a million children who already live below the poverty line.

And it eliminates the safety net for all Americans who experience economic hardship resulting from the loss of their jobs and who depend on this safety net to protect their family until they can find other employment.

The Republican plan does not do what it claims. It does not encourage responsibility and self-sufficiency. It will not help people to help themselves and worse, it severely punishes the most vulnerable among us, our children.

While we can all agree on the need for welfare reform, the American people do not want a plan which violates the basic American principles of fairness, human dignity, and self-respect; the Republican bill violates all of these.

Mr. ABERCROMBIE. Mr. Speaker, I rise in opposition to the welfare reform conference agreement. Instead of addressing the causes of poverty, this bill penalizes people for falling on hard times.

Yes, Mr. Speaker, we do need to change the welfare system; but it is cruel and mean-spirited to dismantle altogether the safety net and basic services for poor families and disadvantaged children.

The Republicans' answer to welfare reform is to deny basic assistance to lawful immigrants who pay Federal taxes, pit foster children against victims of domesitc violence for the same scarce funds, eliminate assistance to disabled kids, and cut programs to reduce child abuse.

The reductions in basic programs for low-income children, families, and elderly and disabled people contained in the conference agreement on welfare reform total nearly $80 billion over 7 years, compared to what the programs would cost under current law.

As a result of these reductions, the legislation would increase poverty among children. An Office of Management and Budget [OMB] analysis found that the welfare conference agreement would add 1.5 million children to the ranks of the poor.

Furthermore, these figures understate the bill's overall impact on child poverty. These figures reflect the legislation's impact just on children whose incomes would exceed the poverty line without the legislation but who would be pushed below the poverty line by the legislation. Yet, the conference report also would have a second major effect on child poverty—it would make large numbers of children who already are poor still poorer. According to the OMB study, the depth of child poverty would be increased by one-third.

The deep benefit reductions in the welfare reform conference report extend far beyond single-parent families on welfare. The large food stamp benefit cuts affect the working poor, the elderly and disabled poor, and welfare recipients alike. The changes in the SSI program adversely affect large numbers of low-income disabled children as well as elderly poor individuals. Changes and reductions in the child protection area will result in fewer services for abused and neglected children. These changes have little to do with reducing out-of-wedlock births or moving welfare families to work.

Unfortunately, certain members of the Republican Party have perpetuated the myth that welfare recipients do not want to go to work, leading to a feeling of resentment toward recipients by the American public. This is simply not true. Forty percent of single mothers combine work and welfare or cycle between these two income sources while on welfare. The majority of people who cycle on and off welfare have substantial work experience—on average about 6.5 years.

However, there are many barriers facing poor American families that prevent them from holding down a permanent job. The primary barriers are lack of medical coverage and lack of adequate child care services. Single-parent families, making up the vast majority of families on AFDC, cannot leave welfare because many jobs do not offer health insurance. AFDC recipients lose their Medicaid benefits when they accept a job and there is no safety net coverage to fill this important need if their new job does not include health insurance. In addition, in every State, including Hawaii, there are waiting lists of up to several years for guaranteed child care for the children of poor families who seek work after welfare. Welfare reform should ensure that these two major barriers are addressed.

Furthermore, many AFDC recipients do not have adequate education or job skills to find a job which would earn them a family wage. Most jobs available to unskilled and uneducated head of households pay the minimum wage, currently $5.25 an hour in Hawaii. With a minimum-wage job, an individual in Hawaii would earn approximately $10,000 each year. This is not adequate for a family to survive. It is also important to remember that our economy does not generate enough jobs for all the people who want them. Today approximately 8 million Americans are currently unemployed and looking for work. Criticizing families on welfare without keeping in mind the limits of the job market condemns them for the failings of the economy.

Many welfare reform advocates have suggested that by eliminating benefits or enacting punitive measures we can solve the problem of welfare dependence. Welfare reform including punitive measure such as cutting off recipients at 2 years or cutting off benefits for additional children would be devastating to poor families in America. According to recent studies, welfare programs are not the reason for rising births to unmarried mothers. Similar studies reveal that welfare recipients are not motivated to have additional children by the prospect of additional benefits. The fact is that, on average, families receive only up to $69 per month for an additional child. This is not even enough to cover the cost of diapers for a new baby. In Hawaii an additional child brings in only $147 in additional cash assistance.

Current AFDC payments are not windfall benefits. In Hawaii, an AFDC family of three receives $712 in cash assistance each month. This amount is reflective of the high cost of living in Hawaii when compared to other States. In Alabama, for example, three-person families receive $164 in cash assistance each month. I challenge any critic of welfare recipients to live comfortably on this income. Furthermore, AFDC benefit levels have declined by 42 percent in the last two decades. The average monthly benefit for a mother of two children with no earnings has shrunk in constant 1992 dollars from $690 in 1972 to $399 in 1992. In addition it is estimated that welfare recipients now lose up to a dollar in benefits for each dollar earned in a new job. Welfare recipients need the same incentives to work that other Americans have. We must end welfare as we know it by crafting a fair and just system to empower recipients to achieve permanent self-sufficiency without punishing them for being poor.

I believe that the people of Hawaii and all Americans recognize that government has a role to play in ensuring that our families maintain an adequate quality of life and have access to basic human needs. We understand that by simply eliminating benefits for poor families we do not eliminate their needs. Most importantly, we cannot forget who is receiving the AFDC benefits. Over 66 percent of all recipients of AFDC are children and 100 percent of the adults receiving AFDC are caring for children. Thirty-five percent of all AFDC families include a child under age 3. If we remove the minimum safety net completely we will be abandoning our children. We know that family poverty harms children significantly and places young children at risk. Ultimately society will suffer for the abandonment of families and States will have to shoulder the burden of homelessness, crime, family violence, substance abuse, and health problems. We should improve the lives of the American poor by changing the welfare system in a positive, not a punitive, effort.

Mr. TORKILDSEN. Mr. Speaker, I rise to strongly support this compromise legislation. I voted against the original House-passed welfare package, and received a fair amount of criticism for it. But that original package needed to be changed, especially in two key areas.

The original bill attempted to turn child nutrition programs, such as school lunch and WIC, into block grants. Additionally, it completely eliminated the social safety net for legal immigrants.

The Senate-House compromise bill addresses these concerns in this final bill. Specifically, the nutrition block-grant proposal has been eliminated: WIC will continue to be a separately funded program, one that works well in providing early childhood nutrition and education for both children and their parents.

The compromise bill will also continue to allow legal immigrants to receive benefits that their tax dollars pay for. While States will have to agree, the language in the compromise bill is a substantial improvement over the original language.

This welfare reform bill also includes the strongest child support enforcement provisions ever enacted by the Federal Government.

Child support checks often mean the difference between self-sufficiency and dependency on welfare. With this bill, we are sending a clear message that it is never acceptable to abandon your children, and if you do, the penalties will be severe.

I am proud to have sponsored a provision in this bill that will prevent parents from hiding

assets in other States, while neglecting to pay the child support payments they are legally, and morally, required to make. My provision will allow a custodial parent to place a lien on a delinquent parent's asset, without having to travel from State to State. In this provision, property liens will be given "full faith and credit" in every State, forcing parents to meet their moral and financial responsibilities.

The Personal Responsibility Act gives States and localities the necessary flexibility to implement innovative approaches to serving those in need. States will have the option to choose from a number of policy suggestions set forth in this bill, including requiring mothers under 18 to attend school and live with an adult, and denying additional cash benefits to those mothers who have children while receiving benefits. The Governor of my home State, Bill Weld, has a bold welfare reform plan which cannot be fully implemented, until this bill becomes law.

This bill represents the end of welfare as we know it. People trapped in the current system will be given encouragement and assistance in obtaining jobs and education. It will prevent abuse of the welfare system, by placing a lifetime limit on benefits. Welfare was never meant to be a way of life. This bill returns welfare to the short-term assistance plan it was always meant to be.

I urge the President to fulfill his campaign pledge to "end welfare as we know it" by signing this bill. Without these reforms, the cycle of poverty that has afflicted so many for the past three decades will only continue. This compromise is a win for children, a win for those trapped in a failed system, and a win for taxpayers.

The SPEAKER pro tempore (Mr. LINDER). Without objection, the previous question is ordered.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. NEAL OF MASSACHUSETTS

Mr. NEAL of Massachusetts. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. NEAL of Massachusetts. Mr. Speaker, I am, in its present form.

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

The Clerk read as follows:

Mr. NEAL of Massachusetts moves to recommit the conference report on the bill H.R. 4 to the committee of conference with instructions to the managers on the part of the House to insist that—

(1) the text of H.R. 1267 be substituted for the conference substitute recommended by the committee of conference; and

(2) the title of H.R. 1267 be substituted for the title of the conference substitute recommended by the committee of conference.

POINT OF ORDER

Mr. SHAW. Mr. Speaker, I raise a point of order that this motion to recommit is outside of the scope of the bill that is immediately before the House.

Mr. NEAL of Massachusetts. Mr. Speaker, on the point of order, this simply would give the Democratic caucus the chance to vote for the bill that they voted for last March.

The SPEAKER pro tempore. The gentleman from Florida [Mr. SHAW] makes a point of order against the motion to recommit offered by the gentleman from Massachusetts [Mr. NEAL]. As discussed in chapter 33, section 26.12 of the Deschler's Procedure, a motion to recommit a conference report may not instruct House conferees to include matter beyond the scope of the differences committed to conference by either House.

The motion offered by the gentleman from Massachusetts instructs the House conferees on H.R. 4 to bring back a conference agreement consisting of the text of the bill H.R. 1267. Since that bill was not committed to conference, the issue is whether the text of that bill includes matter not contained in either the House-passed version of H.R. 4 or the Senate amendment thereto. An examination of H.R. 1267 reveals that is indeed the case. There are a number of provisions in H.R. 1267 which provide for a refundable dependent care tax credit, an issue not committed to conference by either House in H.R. 4. Therefore, the motion to recommit instructs House conferees to include matter beyond the scope of the differences committed to conference by either House and is not in order. The point of order is sustained.

Mr. NEAL of Massachusetts. Mr. Speaker, I appeal the ruling of the Chair.

MOTION TO TABLE OFFERED BY MR. SHAW

Mr. SHAW. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore (Mr. LINDER). The Clerk will report the motion.

The Clerk read as follows:

Mr. SHAW moves to lay the appeal on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. SHAW] to lay on the table the appeal of the ruling of the Chair.

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 240, nays 182, not voting 11, as follows:

[Roll No. 875]

YEAS—240

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bellenson
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Johnston
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—182

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Flake
Foglietta
Ford
Frank (MA)
Frost

Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Johnson (SD)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran
Murtha
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—11

Bryant (TX)
Chapman
Conyers
Edwards
Filner
Harman
Jefferson
Lantos
Myers
Nadler
Quillen

□ 1450

Mr. BROWDER and Mr. MEEHAN changed their vote from "yea" to "nay".

So the motion to table the appeal of the ruling of the Chair was agreed to.

The result of the vote was announced as above recorded.

MOTION TO RECOMMIT OFFERED BY MR. ROSE

Mr. ROSE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. LINDER). Is the gentleman opposed to the conference report?

Mr. ROSE. Yes, I am, Mr. Speaker.

The SPEAKER pro tempore (Mr. LINDER). The Clerk will report the motion to recommit.

The clerk read as follows:

Mr. ROSE moves to recommit the conference report on the bill H.R. 4 to the committee of conference with the following instructions to the managers on the part of the House:

(1) Recede from Title VII (relating to child protection and adoption) in the conference substitute recommended by the committee of conference and agree to Title XI of the Senate amendment relating to child abuse prevention and treatment.

(2) Recede from that portion of section 301 of the House bill that amends subparagraph (E) of section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990 and agree to the portion of section 602 of the Senate amendment that amends such paragraph.

(3) Agree to that portion of section 602 of the Senate amendment (pertaining to the child care quality set aside) that amends subparagraphs (C) of section 658(c)(3) of the Child Care and Development Block Grant Act of 1990.

(4) Recede from that portion of section 301 of the House bill that amends subparagraphs (F) and (G) of section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990.

(5) Recede from that portion of section 301 of the House bill that amends paragraphs (5) and (6) of section 658K(a) of the Child Care and Development Block Grant Act of 1990 and agree to that portion of section 602 of the Senate amendment that amends such paragraphs.

(6) Agree to that portion of section 101(b) of the Senate amendment which establishes a new section 403 of the Social Security Act and relates to State maintenance of effort in lieu of that section of title I of the conference substitute (relating to State maintenance of effort) recommended by the committee of conference.

(7) Recede from section 602(a) and (b) of the House bill (relating to SSI disabled children) and agree to section 211 of the Senate amendment.

(8) Recede from subtitle B of title III of the House bill (relating to family-based and school-based nutrition block grants) and agree to title IV of the Senate amendment (relating to child nutrition programs) insofar as such amendment does not contain such nutrition block grants.

(9) Insist on section 104 of the Senate amendment pertaining to continued application of current standards under the Medicaid program in lieu of that section of the conference substitute (relating to Medicaid) recommended by the committee of conference.

Mr. ROSE (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

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

There was no objection.

PARLIAMENTARY INQUIRY

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

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. ORTON. Mr. Speaker, I have a parliamentary inquiry regarding what it is we are voting on. Am I correct in saying if we adopt this motion that we would be voting to send this back to conference committee with instructions to adopt the changes demanded by the Senate Republicans in the letter just yesterday?

The SPEAKER pro tempore. The Chair advises the gentleman that is not a proper parliamentary inquiry.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

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

RECORDED VOTE

Mr. ROSE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 192, noes 231, not voting 10, as follows:

[Roll No 876]

AYES—192

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—231

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler

Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—10

Bryant (TX)
Chapman
Conyers
Edwards
Filner
Harman
Lantos
Myers
Quillen
Quinn

□ 1513

The Clerk announced the following pairs: On the vote:

Ms. Harman for, with Mr. Quinn against.

Mr. Filner for, with Mr. Quillen against.

Mr. YOUNG of Alaska changed his vote from "aye" to "no."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LINDER). The question is on the conference report.

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

RECORDED VOTE

Mr. ARCHER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 245, noes 178, not voting 11, as follows:

[Roll No. 877]

AYES—245

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pombo
Porter
Portman
Pryce
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—178

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bunn
Campbell
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Costello
Coyne
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Ros-Lehtinen
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—11

Bryant (TX)
Chapman
Conyers
Edwards
English
Filner
Harman
Lantos
Myers
Quillen
Quinn

□ 1529

The Clerk announced the following pairs:

On this vote:

Mr. Quinn for, with Ms. Harman against.

Mr. Quillen for, with Mr. Filner against.

So the conference report 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. ENGLISH of Pennsylvania. Mr. Speaker, on rollcall No. 877, my vote was not recorded because of an apparent mechanical failure of my voting machine. Had I been recorded, I would have voted aye.

GENERAL LEAVE

Mr. SHAW. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on the conference report on the bill, H.R. 4.

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

There was no objection.

RESOLUTION AUTHORIZING THE SPEAKER TO DECLARE RECESSES SUBJECT TO THE CALL OF THE CHAIR FROM DECEMBER 23, 1995, THROUGH DECEMBER 27, 1995

Ms. PRYCE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 320 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 320

Resolved, That the Speaker may declare recesses subject to the call of the Chair on the calendar days of Saturday, December 23, 1995, through Wednesday, December 27, 1995. A recess declared pursuant to this resolution may not extend beyond the calendar day of Wednesday, December 27, 1995.

The SPEAKER pro tempore. The gentlewoman from Ohio [Ms. PRYCE] is recognized for 1 hour.

Ms. PRYCE. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], the distinguished ranking member of the Committee on Rules, pending which I yield myself such time as I may consume.

During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 320 is a simple, straightforward resolution that allows the Speaker of the House to declare recesses subject to the call of the Chair on the calendar days of Saturday, December 23, 1995, through Wednesday, December 27, 1995. The resolution further provides that any such recess may not extend beyond the calendar day of Wednesday, December 27, 1995.

Mr. Speaker, the Rules Committee brings this resolution to the floor today for several important reasons. First, the resolution specifically provides for the Speaker to declare recesses, and not to adjourn the House at the end of business this week. This is an important distinction which will permit the House to be on stand-by should further progress be made in budget and other negotiations between our leadership and the White House.

As our colleagues know, several functions of the Federal Government are not yet operating at this time, and adjourning the House may unnecessarily hamper our ability to consider legislation should a breakthrough be reached in our discussions with the President.

Despite recent news stories to the contrary, we are making progress toward resolving our differences, and Members on this side of the aisle remain just as committed today to a 7-year balanced budget plan as they have been all year. By recessing the House, key committees can swing into action, if necessary, to begin the process of crafting final balanced budget legislation and re-opening the Federal Government.

No less important is the fact that Members and staff would certainly benefit from a brief respite from the legislative program. You don't need to be a veteran Hill watcher to recognize that the intensity of our work here over the past several weeks is taking its toll.

In fact, the Congressional Research Service just recently issued a report on the breakdown of civility and decorum in the House. And that is unfortunate because no matter how controversial the issues are which we debate on this floor, rational, reasonable men and women can agree to disagree, and still remain friends.

I am concerned, Mr. Speaker, that if the House does not take a brief recess in the next few days, at least for the sake of goodwill, "Grumpy Old Men" will end up being more than just the title of a funny movie.

While some Members may prefer to work right through this holiday weekend, I believe the vast majority of our constituents would want us to legislate carefully, thoughtfully, and deliberately, with clear minds as we undertake the serious challenge of finalizing a fair, workable plan to balance the Federal budget in 7 years' time.

Finally, the resolution before us will give Members the opportunity to enjoy a short, but hopefully meaningful and fulfilling Christmas holiday with their friends and family.

And for some of us, it will mean being able to interact, however briefly, with our constituents back home as we continue to gauge the American people's support for fiscal restraint and responsibility.

Now I would just like to add, Mr. Speaker, that there are many Federal employees who reside in my congressional district and throughout each Member's district. Our message to them is that we have not abandoned you, despite the heated rhetoric you might hear.

While the situation facing many Federal workers clearly is uncomfortable in the near-term, especially as we approach the holidays, our goal for the long-term is to give all Americans the best Christmas gift possible, and that is a balanced Federal budget. It is the key to our Nation's future economic prosperity, and I am confident that all those affected by the current budget situation will understand that we have their best interests at heart.

In closing, Mr. Speaker, let me emphasize that with this resolution, we are not abdicating our responsibility to complete the people's business. In fact, the situation is just the opposite.

We on this side of the aisle are hopeful and optimistic that a budget agreement can be reached in the very near future. We encourage the President to continue to participate in the negotiations so that a serious budget agreement can be reached without any further delay.

If that should happen, the terms of this resolution would permit the House to come back into session to respond appropriately. And I know several key Members of the House, including the distinguished chairman of the Rules Committee, Mr. SOLOMON, will be here this weekend working to bridge the budget gap with the President.

Mr. Speaker, under normal circumstances, the House would more than likely have been adjourned by now and everyone would be comfortably at home enjoying friends and family, and the goodwill of the holidays. But as our colleagues know all too well, circumstances regrettably are far from normal. This resolution is appropriate in light of these circumstances. I urge my colleagues to support it.

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

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

Mr. Speaker, I thank the gentlewoman from Ohio [Ms. PRYCE] for yielding me the customary half-hour.

Mr. Speaker, let me make something very clear: We would not be here today if my Republican colleagues had done their job; the Government would not be closed today if my Republican colleagues had done their job; and we would not have to pass this rule giving the Speaker the authority to declare recess if my Republican colleagues had done their job.

Congress' primary responsibility is to pass 13 appropriations bills before October 1, but here it is, December 21 and my Republican colleagues are still bickering among themselves over the remaining bills.

For that reason and that reason alone the Federal Government is shut down for the eighth day this year.

Mr. Speaker, this shut down is unprecedented and so is this rule.

This rule allows Speaker GINGRICH to declare the House in recess so that he doesn't have to adjourn the House.

I want to remind my colleagues, Mr. Speaker, that the Constitution prohibits the House from recessing for more than 3 days—any recess or adjournment longer than 3 days requires the concurrence of the other body.

When the Democrats were in the majority, we never passed a rule making a recess an adjournment. If Congress needed to adjourn, we adjourned.

It appears that my Republican colleagues want to be able to say that they stood by their guns, that they insisted on cutting Medicare and Medicaid to pay for tax breaks for the rich, even if it meant closing down the Government, but they do not want to vote outright to go home.

Mr. Speaker, make no mistake about it. This is just an adjournment in recess clothing. An adjournment by any

other name would still mean Congress is going home.

Anyone who votes for this rules change is voting to adjourn the House. Period.

Without this rule, my Republican colleagues would have to vote to adjourn the House. In other words they would admit that they want to go home for Christmas before they've finished their work. There are 260,000 Federal workers waiting to get back to work, but my Republican colleagues want to call it quits.

Mr. Speaker, Congress should not vote to go home until Federal workers can go back to work and my Democratic colleagues and I are willing to stay until we get the job done.

Finally, Mr. Speaker, let me just say that this is a horrendous way to do business. The resolution just reported out of the Rules Committee moments ago is a sham which will allow the Congress to try and fool the American people into thinking that we are still at work.

Make no mistake about it. The resolution we are considering right now is an adjournment resolution, plain and simple.

We will go home to our families for the holidays while the Government remains closed and thousands of Federal workers remain furloughed, wondering if they will get paid. This is an injustice and a tragedy.

Mr. Speaker, at the appropriate time I will move that the previous question be defeated. If I am successful, I will move that the rule be amended to include language which will not allow the Congress to recess in any way, shape, or form, until a clean continuing resolution is adopted keeping the Government running until January 26.

This is the right thing to do. I urge my colleagues, if you want to be honest with the American people, defeat the previous question and accept my amendment.

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

Ms. PRYCE. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. I say to the gentleman from Massachusetts, my colleague, after that speech, which I would not say that the gentleman was not sincere because I have too much respect for him to do that, but, as my colleague knows, we are going to be back here next Wednesday, I am, and after the gentleman's speech I could almost guarantee him that I am going to have votes on this floor on Wednesday; I want my colleagues all to know that because, as my colleagues are aware, this rhetoric continues to go on. We hear words like, "These are cuts, cuts, cuts for the rich," almost like they could gag when they say "for the rich."

Mr. colleagues, capital gains tax cut. I have got people in my district; Sears Roebuck is one of the major employers, and have got people that have worked for them for very low wages because Sears does not pay high wages, but they have good retirement benefits, and they have things called stock options, and I have got people that have worked all their lives that even now, after 40 years with Sears Roebuck, they may be only making $30,000 a year, but they have accumulated stock over all those years, they have saved it, and now they want to sell it. Well, they are rich because they own some stock.

In addition then we have got people where their spouses have died, and they have the stock and they want to sell it and maintain a decent living even though their income has dropped so much over all those years after they lost their spouse, and now they are rich because they want to sell the stock and they do not want to give all the money to the Government.

Then there is a thing called a marriage tax penalty. As my colleagues know, they get penalized for being married around here. And then there is a question of giving a tax break to people with children so that they can keep a little bit of their take-home pay, and they could afford a mortgage, they could afford a downpayment on a car.

□ 1545

I really get broken-hearted when I hear this "tax cut for the rich" business. It actually turns your stomach.

Let us just talk about something else here. The gentleman from Massachusetts [Mr. MOAKLEY] was saying that the Republicans have not done their job. Let me tell you something; I have a list of all the appropriation bills which provide for the function of all the Government. This Congress has done its job. This Congress has sent this President all of these appropriation bills. We sent one to the President the other day, which is the Interior bill. That is a very, very important bill. It provides for keeping the Smithsonian Institution open, the Washington Monument, and all the national parks back in your district. And the President vetoed it.

Then we sent him another bill dealing with the Department of Veterans Affairs that funds all of the veterans hospitals across this Nation, and all the outpatient clinics, and he vetoed it because there was not enough money in the bill.

I am just going to tell you Members something. Some of us are going to stay around here, and I am going to personally check up on all of you with your rhetoric saying, "We wanted to stay here and work," because I am going to be here, and I am going to call your offices, your district offices back home, your homes, and I am going to find you, track you down, find out where you are, because we are going to stay here and we are going to provide for this recess authority, we are going to provide for this recess authority, so that in case we do reach an agreement and he wants to sign that Department of Veterans Affairs bill, and the gentleman from Virginia, Jim, your people can then go back to work. We are going to be here to give it to him, and we are going to be here to give him all those bills.

Let us be reasonable. If you do not want to be here, go on home, but the rest of us will. This simply provides for recess authority right now so you could get on a plane tomorrow afternoon or evening and go home for Saturday and Sunday and Monday, the holidays, and be back here Tuesday, and there could probably be votes on Wednesday if we reach any kind of an agreement. The same thing holds true on Thursday and Friday, and then if we have not reached an agreement, maybe you can take Saturday and Sunday off, but you are going to be back here on January 3, and I am going to see to it.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. MORAN].

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

Mr. Speaker, I would like to respond to the chairman of the Committee on Rules that the Democrats will be here. We will be here as long as it takes to open up this Government, Mr. Speaker. I want to move over to the Republican microphone here, as my friend, the gentleman from New York, moved to the Democratic microphone, because it is the Republican side of the aisle I would like to address.

The gentlewoman from Ohio [Ms. PRYCE], who introduced this resolution, suggested that she was concerned about us becoming grumpy old men. That may be a concern, but we need to be more concerned about being responsible legislators. We cannot pass this resolution. Let me explain to you why, those Members who are in the body here, and those Members who are watching television.

In the first place, Mr. Speaker, if we do not pass this legislation, on December 26, 13 million welfare recipients cannot get their checks. Many of them can't survive without them. They do not have any assets to tide them over. They live on their monthly checks alone. They will not be able to buy food for their children. Families will not be able to pay their rent which is due on the first of the month. If we do not have a continuing resolution in effect by December 27, the States will not receive $11 billion of Medicaid money. They cannot function without that money. They have to get that money. We have to pass a continuing resolution now. This is too serious a threat to the well-being of this Nation if we

don't get a continuing resolution passed now to reopen the Federal Government.

Mr. Speaker, let me also tell the Members if we go until January 3, Federal employees, and I appreciate the fact that the Speaker signed a letter saying they will get paid, but Federal employees will get paid at that point $1.6 billion for not having performed any work. How can we justify that to the American taxpayer? That is what the bill is running, every day we go on. It was $750 million during the first Government shutdown. I am counting that money. It will be $1.6 billion if we do not have a continuing resolution and those 260,000 nonemergency workers are still out of work by January 3. We cannot let this happen. We cannot pass this resolution. We have to stay here and do our work. We cannot leave when the Government is shut down.

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

Mr. MORAN. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, it is very obvious to me that the majority does not care a bit about what you are saying. They just do not care if all those people suffer. That is fine.

Mr. MORAN. Mr. Speaker, I am not going to reach any conclusions. I am just trying to tell all my colleagues who I very much respect, I do not think we have a choice. I do not think we can pass this. In any good conscience, we cannot go home and leave the Government shut down, no matter how much we would like to be with our families at Christmas. We have to do our job. Please vote against this resolution.

Ms. PRYCE. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, that was useful exercise, I guess, in shouting in the House, but it does not bear much real resemblance to reality. I personally have had a chance to talk to some of the Governors who were just talked about, three of them this morning. It is certainly our understanding at this point that the States intend to go ahead and pay the welfare benefits. The States know that the money is going to be coming later on.

There are largely State-administered programs. The States will in fact get made up and are going to go ahead and pay the welfare checks. All three of the Governors that I met with this morning indicated that that would be the case, so the gentleman's hysterics I think enliven the debate, but the fact is that what he is talking about simply is not going to take place.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. OBEY], the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, every day in every way, this place gets sillier and sillier and sillier. This is a shameful, adolescent abdication of responsibility. You are going to be going home to the comfort and warmth of your families for the next 11 days, and abdicating your responsibility to the public to see to it that they get the public services which they have already paid for. You are going to cost the taxpayers $1 billion for nothing. You are going to pay workers for work they have not performed.

Last night you would not even let workers volunteer to come in to work. Where is your sense of responsibility? Where is your sense of decency? Where is your sense of judgment? Where is your sense of balance?

I have just been informed that families caring for 273,000 foster care children will not receive maintenance payments, and 100,000 adoption assistance children will be affected by delayed grants. Less than half of the second quarter grants for Medicaid could be awarded. If you want to go home to your Christmas under those circumstances, without opening the Government, shame on you.

Ms. PRYCE. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. GANSKE].

Mr. GANSKE. Mr. Speaker, I rise to speak against this resolution. We have work to do. It would be one thing to take Christmas off, or maybe even start it on Christmas Eve, and then come back the next day. The Government is not working, at least part of it is not. There is a lot of work to do. I think this is the wrong thing to do. I would urge a "no" vote on this resolution.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Speaker, it would be very nice here, my grandchildren are in town. I do not have to leave town. All these folks, their grandkids have come in, their children have come in. If someone from this side, if someone can explain to me, people keep saying balance the budget in 7 years. A lot of things can happen between now and 7 years. There can be calamities, a lot of things that change. The assumptions can change.

To guarantee a budget in 7 years, and we have people out there, I will just give Members a personal experience. There is a young lady who saved up her money and she and her fiance want to go to Egypt. They cannot get their visa and passport. She is in tears. It may not be a big deal to folks here or other places, but it is a big deal to her. That is just one of the many that is going to be affected.

My grandkids are in town. Your grandkids are in town. You want to go. Why in the name of God are we keeping 270,000 people out of work when it has absolutely nothing to do with a balanced budget? The people can continue to negotiate and yell at each other on the budget, but this has absolutely nothing to do with balancing the budget.

What leverage does it give you with the President of the United States to keep 270,000 people away from their families, anxious? They have children. They are anxious about the future. If this had some bearing on the budget deliberations and a balanced budget, I could see that. But 7 years? You are keeping 270,000 people out of work for something that is supposedly going to take place in 7 years? I would say to the gentleman from New York, JERRY, for God's sakes, you are a compassionate man; this has nothing to do with a balanced budget. I want to support a 7-year balanced budget, and I am working with a group, but this is ridiculous.

Come on, folks. Let us not be the grinch that stole Christmas. Let us have a good Christmas and go home to our families, our grandchildren, and talk the balanced budget. We have 7 years to talk about it. For God's sakes, let us act in the spirit of Christmas.

Ms. PRYCE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, my colleagues on the other side of the aisle talk about not delaying dollars to Federal workers. A balanced budget, someone with a home mortgage of $90,000, at 8½ fixed over a 30-year period means $38,000 to that individual. You are stealing that money by not balancing the budget. A student loan of $11,000 over a 4-year period is $4,500 back in that person's pocket.

You want to talk about delaying money, you want to talk about being the grinch that stole Christmas, then balance the budget. Mr. Speaker, this is about a principle. It is about a principle whether you want the power here in Washington, DC, so people can disburse money down so they can get reelected, and to do that you need a big bureaucracy, which takes away the dollars. Welfare will only get 30 cents out of a buck down to the welfare recipient. In education we only get 23 cents because of the bureaucracy. We are saying we want to balance the budget, give the money back to the people instead of keeping it here in River City. That is what we are talking about. That is the real grinch that stole Christmas.

Mr. Speaker, if Members really want to help, go along and override the President's veto of a balanced budget in 7 years. You will get more money to those Federal workers, you will give them a brighter future. And guess what? their kids will have something in the future, and the seniors will have something in the future.

Mr. Speaker, if we take a look at those 270,000 workers, the President has

appropriations bills on his desk that would put them back to work. I am not saying Republicans or Democrats are to blame. I am saying if you really want to sit about and talk about this thing with some legitimacy, let us do it, but let us do it now. Let us do it. I ask for support of the resolution.

□ 1600

Mr. MOAKLEY. Mr. Speaker, I yield 10 seconds to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Speaker, I would say to the gentleman, I cannot for the life of me, and I am not the smartest guy, but I did not just fall off of a potato truck, either.

Let me tell the gentleman something. We have to pay them. We have to pay these people to do the job that they ordinarily do. If we are going to pay them, for God's sales, let them do their job.

Mr. CUNNINGHAM. Mr. Speaker, we have done that for years with welfare.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, I have served in this body for 13 years. This is the saddest, cruelest strategy that I have ever witnessed in this Chamber.

I cannot believe that my colleagues on the Republican side of the aisle will go home this Christmas season to be with their loved ones .and their children, will kneel down in church in the Christmas spirit, and be able to erase from their minds for one moment that 270,000 innocent Federal employees who showed up for work prepared to work are being denied that opportunity and left with uncertainty.

I cannot imagine the gentlewoman from Ohio [Ms. PRYCE], who is a good person, I have had the good fortune of meeting her family; they are wonderful people. The gentlewoman must be thinking in her mind over this Christmas season that people who receive AFDC checks who have nothing to live on will have those checks delayed because of the strategy behind this resolution—people who are destitute.

I visited a family in Chicago on Saturday on Madison Street on the west side, four people who, because there is no LIHEAP, have no heat in their apartment. Their pipes burst last month; they have no water, either. A husband and a wife and two small children huddled in a room with a space heater because of our political strategy. In the spirit of Christmas, how can we countenance imposing this suffering on innocent people?

Let me offer this. If you want to stand up for principle, if the Republicans want to show their commitment to principle, here is what I suggest: stay here and work, as the gentleman from Iowa [Mr. GANSKE] suggested; and second, give up your paycheck, say that you will sacrifice your own paycheck in commitment to a balanced budget.

Mr. Speaker, to impose this burden on innocent Federal employees, on innocent poor people across America does not show character, it shows cowardice. Show your character, put your own paycheck on the line, not the paychecks of innocent people. Five different times Speaker GINGRICH has stopped "No-budget, No-pay." If it would pass, this crisis would end.

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

All of the money for the LIHEAP has been sent to the States already. We keep hearing rhetoric from the other side, and all of it is not completely correct. I believe that the seriousness of this is not going unnoticed by anybody, and we have to be attendant to the details of getting this budget balanced.

The responsibility rests with our leadership and with the President. Everyone in this House knows that these negotiations are going on at a level that many of us are not involved in at all, and the fact of the matter is that we should allow those negotiations to proceed, Mr. Speaker. When we are needed, this resolution gives us the maximum flexibility to be called back into action by the Speaker when we need to ratify action that has been taken. However, for us to linger around here for nothing better than to muddy the waters, it is irresponsible.

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

Mr. COX of California. Mr. Speaker, Christmas is only a few days away. A balanced budget may be nearer than that, because as we speak, our budget chairmen from the House and the Senate are conducting negotiations with Mr. Panetta who now works in the White House, and President Clinton, to bring us to a balanced budget. This Congress, of course, not just the House of Representatives, but also the Senate, has passed long since a balanced budget scored by the Congressional Budget Office, as the Clinton administration agreed it should be. We have the document, it is there, it is ready.

The issues that are under discussion could be resolved in a day if the White House is only willing to do so, because the White House has yet to produce a balanced budget. The budget passed by the Congress is the only one balanced 7 years that we can work with.

As long as we are needed to vote on a final budget, I suggest that we not adjourn; I suggest that we be here. The resolution that is proposed is not an adjournment resolution, it just says, recess subject to the call of the Chair. We do that around here all the time. The moment the bells ring, we are back in here and we will vote. If they cut a deal at the White House and the White House says we have not produced a balanced budget yet, but we are willing to agree to the following changes in your balanced budget, then you know we are going to be right here on the floor, and that is as it should be. Balancing the budget is what this is all about.

Yes, it is hard. Yes, we are in session later this year than we had hoped, but we are going to stay here, and the reason we are going to stay here is that it is the first time in 30 years that we are going to have solved this crisis of a generation. It is the first time in 30 years that we will, not cooking the books, but using honest numbers prepared by the CBO as the President has agreed, that we are going to have taxes and revenues equal one another and, for the first time, not increase the national debt.

I would just point out before I yield back to the members of the Committee on Rules who are conducting this debate that interest on the national debt is the cruelest entitlement rip-off of all. It is an entitlement program, because it is completely out of control; there is nothing we can do about it. If we want to appropriate less for interest on the debt, we cannot. We are paying it as the national debt goes up and up and up and every single year of the Clinton unbalanced budget that has been proposed.

Right now, the status quo which everybody is trying to maintain: please, let us open the Government without changing anything; let us just open the Government right now and not do the hard stuff, the people who want to maintain the status quo have to recognize that interest on the national debt right now consumes over half of all of the individual income taxes paid by everybody in America.

Now it is the end of the year and people are starting to think about paying their taxes, just imagine this: everybody in my home State of California, 31 million people, can take all of their 1040's, all of their income tax forms and the checks that they send with them, and everybody west of the Mississippi, every single individual American and all of those income taxes will buy not a single social service. They will not fund a single welfare check, no national security, no education, no environment.

Mr. Speaker, all of that money will go for nothing but interest on the debt: about $300 billion wasted. It is a tragic and cruel thing. That is what we are here finally to stop after 30 years.

For the first time, we are going to produce a balanced budget. I guarantee you as we all sit here, we are not going home. Yes, we will be in recess subject to the call of the Chair because they are negotiating at the White House, not here on the floor of the House of Representatives, but as soon as that deal is ready for us to vote on, as soon as the President agrees: I am going to sign on to a 7-year balanced budget with honest numbers, it is going to be

voted on here in the House, it will sail through the Senate, and the American people will have the best Christmas present of all, and they deserve it.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, I thank the gentleman. The supporters of this measure refer to it as standby authority. That is the whole problem. They have been standing by while we have a governmental crisis here that affects all of America. It should be better termed a take-our-marbles-and-go-home approach, because rather than staying here and doing the job, they propose to go home and, as the sponsor said, interact with their constituents.

Well, perhaps there needs to be a little more interaction right here on the floor of Congress rather than attempting to confuse an adjournment and a recess. This is an attempt to do the very same thing that our Republican colleagues did back in November when we as Democrats stayed here and worked and saved the people of America money by being here, ready to work, when something was finally resolved.

If there has been any recess here, it is a recess from reality, because surely, anyone who looks at what is happening every day in America has got to feel that something has occurred here that is a recess from reality.

Mr. Speaker, $40 million a day. That is what our Republican colleagues are paying Federal workers not to work. Anyone who needs a passport cannot get it. Anyone who wants to close an FHA loan cannot do it. Anyone in the State of Texas or anywhere else in this country come January 1 that gets foster care, that relies on child support enforcement, that relies on emergency family assistance, that needs child care because they have gotten off welfare and they are back into workfare, they are not going to have it as a result of this. All of this as a result of pursuing your approach or no approach.

I read in this morning's paper the self-described description of the Republican freshman class as the purest, most worthy in my lifetime. I thought they were talking about ivory soap. But no, indeed they describe themselves as being so pure and so much better than everyone else in America that they have to have it their way or no way. I think that the American people are calling on us to come together and solve this problem rather than simply to have Republican excellence in the pursuit of error.

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

When the gentleman suggests we return to reality, I suggest that we are about to do just that. Reality does not necessarily exist here in the beltway. Reality is out in our districts with our constituents and with our families, and it is good for us as Members to return to that reality on occasion.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Arizona [Mr. SALMON].

Mr. SALMON. Mr. Speaker, I appreciate this opportunity to address the House.

Let us make no mistake. A lot has been said about this side and that side, the freshman this, the freshman that. Let me make one point perfectly clear. As a freshman, I am perfectly willing to be here and to work as long as there is work worth doing, but this President has made a mockery of this negotiation process. One day he makes an agreement; the next day before the ink is dry on the agreement the previous day, they change their story. It is like playing ping-pong with a person that hides the ball in their pocket or quick-serves while you are not looking.

Frankly, the American people are frustrated. We kept our part of the bargain. The President signed an agreement, a law, 30 days ago that he should abide by a 7-year budget as scored by CBO. Now, the Speaker and the gentleman from Ohio, Mr. KASICH, and the gentleman from New Mexico, Senator DOMENICI, have been in negotiations with the President day in and day out, and it changes every day. He agrees to one thing one day and the next day he says, no, I did not say that yesterday. What does it do to us? We are wasting away precious time when we could be with our families and we are wasting it for a deal that is not going to happen.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK], my dear friend.

Mr. FRANK of Massachusetts. Mr. Speaker, the Republicans have a problem. We are not simply talking about balancing the budget, but how to do it. They want to do it in a very extreme, radical way that does not appeal to most Americans. They want to cut Medicaid drastically, do away with a Federal guarantee for people who are sick and in need; they want to substantially reduce what Medicare would otherwise produce. They do that to increase military spending, to reduce taxes.

They are in this dilemma. Here is the problem: they send the President their bills; they cannot pass the regular legislation, so they load up the appropriations bills. They do that 2 or 3 months late. The President then, as he is constitutionally entitled to do, vetoes them. What do they do? They take the Government hostage. They started out being for a line-item veto for the President, but then they realized Bill Clinton was president.

Now they are not only not for a line-item veto, they are unconstitutionally trying to write the regular veto out of the Constitution. Because what they say is, if you do not accept our extreme procedures about Medicaid, about school lunches, about environmental protection, we will shut the government down.

The problem, of course, is that they know that that is unpopular, and there is one thing we should be very clear about. One reason they are taking this elongated recess, they are afraid to let their own members vote.

The chairman of the Committee on Rules, he announced last week he was very powerful. He said, people ought to be horse whipped if they disagreed with him on the ethics bill. Now what he is saying is that he will see that the Republicans cannot vote, because if we vote on a clean resolution to keep the Government open it might win. So they do not like the Constitution, they do not like democracy, they are not only taking the Government hostage, they are doing it somewhat incompetently.

I wish this was not a game, but watching them, it appears that to them it is my. I am reminded of what Jim Breslin said in the title of his book, "Chronicling the First Year of the Mets," and this is their first year of running the House: Can't anybody here play this game? Can't anybody here run this House? Can't anybody here keep this Government functioning?

Ms. PRYCE. Mr. Speaker, I yield myself such time as I may consume. In response to the gentleman from Massachusetts [Mr. FRANK] I love the Constitution, and I love democracy, and we are learning, we are learning how to play this game, and I think we are playing it pretty darn well.

Mr. Speaker, I yield 2½ minutes to the gentleman from Georgia [Mr. KINGSTON].

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

I wanted to offer this to the previous speaker, my friend from Massachusetts [Mr. FRANK] who said, well, Medicare is being cut. Here is your check. If Medicare is being cut, then you have already established what it takes to receive your $1 million, and all you have to do is go prove it.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. KINGSTON. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Well, first, the gentleman was not listening, because that was addressed to me. I said cutting Medicaid and I said reducing Medicare from what it would otherwise produce. I agree it is more, but it would be a lot less than it would have been if you did not change the law.

□ 1615

Mr. KINGSTON. Reclaiming my time, I am sorry, the gentleman said reducing.

Mr. FRANK of Massachusetts. I said of Medicaid.

Mr. KINGSTON. I understood the gentleman to say cut.

Mr. FRANK of Massachusetts. I said Medicaid. You will reduce it beyond what it would otherwise be.

Mr. KINGSTON. That is OK. Let me talk about some of the radical extreme problems we are seeming to have.

We want to get rid of SSI for people who are in jail. We want to quit giving American jobs and social benefits to illegal aliens. We want to quit the scare tactics and the demagoguery on American seniors.

I think more than anything else we are driven by the fact that this Congress will be leaving and I would say this administration will be leaving the children of America a $5 trillion debt. If a baby is born today, he or she owes over the next 75 years $187,000 as his or her share of interest on the national debt, above and beyond State, local, and Federal taxes. That is not what we want to do to America's children.

I think, Mr. Speaker, my friends on the Democrat and Republican side, that maybe it is time to take a step back. Maybe it is time to say that this budget dilemma is perhaps beyond Democrats and Republicans in Washington. Maybe it is something that the American people need to drive a little bit more, and we need to all cool off a little bit and think about putting America first and trying to do what is best, because Dwight Eisenhower said, and I will paraphrase, that once the American people have made their mind up about something, there is little that can be done to stop it.

I would say to my friends that the American people have made up their mind about balancing the budget. Let us work together as Democrats and Republicans, as elected leaders of this country, to do what the American people want, and that is to balance the budget.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Speaker, we are being asked once again to waive the rules. The highest lawmaking body in this country, probably in the world, is asking to excuse itself from its own rules once again.

This body has a law called Gramm-Rudman that says we have to balance the budget. Yet the budgets proposed by the Democrats and even the budget proposed by the Republicans this year is $270 billion in annual operating deficit for this coming year, because you waived the rules.

They passed tax increases, you are supposed to have a three-fifths vote, but they waived the rule on that, so a simple majority can do it.

I do not think we are in trouble because of the laws of this land. I think we are in trouble because we will not enforce the laws of this land. It has got to start with ourselves.

If the House has a rule saying that we can only recess for 24 hours at a time, let us obey it. If you want to change the rule, then propose a change to the rules. But we are the highest legislative body in the world, as far as I am concerned, and no one is going to respect us if we do not respect our own laws.

Person after person came to the floor and talked about a Republican balanced budget. JERRY, I voted for your 5-year budget because I thought it would truly get us there. The budget you all are proposing has $270 billion in deficit for next year.

And my Democratic colleagues, guys, they really are increasing the money for Medicare and Medicaid. You cannot call it a cut, and we are never going to get there if we are not honest.

We are 3 days from Christmas and there are 300,000 Federal employees out there who are counting on us to keep our word to them. If I was them, since we have had so much trouble keeping our word, I would really wonder if their paycheck was going to be there.

So I think we ought to stick around and make sure we pass something so those people get paid. If they are vital, let us pay them. If they are not so vital, then let us let them go but do not leave them out there in limbo, certainly not 3 days before Christmas.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I do not know how many Members are listening to WTOP. There is some dramatic music that comes on: "Capital Crisis, Shutdown 2, Day 6." This proposes day 7 through 18, shutting down the Government by recessing from 3 days to 3 days. What kind of Alice in Wonderland are we subjecting our Federal employees and the country to?

Does anybody believe that because we recess without a continuing resolution to have the Government workers on the job, that we have somehow put pressure on the President? Or put pressure on the Congress that is going to be, as the gentlewoman said, going to go home to reality?

Believe me, nobody believes that reality is here. That is for sure. And this resolution is as far from reality as it gets. A simple continuing resolution which adopts exactly this premise but puts people back to work. That is the only difference. No greater or lesser pressure. No more balanced budget or less.

I voted for the coalition budget. I voted for the balanced budget amendment. I believe that we need to balance the budget in 7 years with CBO numbers. Period. And I believe we are going to do that.

But why, my friends, do we in that process compound the deficit, destroy the morale of Federal workers, and disrupt the country? It makes no sense. It makes no common sense. As I have said so many times, it is irresponsible. Let us change our minds. Let us do the right thing. Pass a clean continuing resolution.

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

Mr. Speaker, it is obviously very difficult to predict what will happen with the budget negotiations over the next few days. But if there is some sudden movement, make no mistake, we are not adjourning. We are recessing at the call of the Chair. We will all be back here to ratify the actions taken by our leadership and the President. When the President gets serious, we will be here to do what it takes.

You may call that optimistic, Mr. Speaker, but after all it is a season of miracles and perhaps we will see some movement, and I certainly hope that is the case.

Mr. HOYER. Mr. Speaker, will the gentlewoman, for whom I have a great deal of respect, yield?

Ms. PRYCE. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I appreciate what the gentlewoman has just said. Let me suggest if an agreement is reached tomorrow or the next day or the day after, I think everybody in the House, if an agreement is reached, will come here, most of us, and vote to ratify that agreement on January 2 or 3.

It will make no difference that we have recessed or adjourned and put the Government back to work. We will do that. Why? Because our President will have agreed, your Speaker will have agreed, and the majority leader will have agreed. Therefore, my point was, this gets you nothing other than a continuing disruption of the Government and the country.

I agree with the gentlewoman. If an agreement is reached, we will ratify it. I hope that happens, because I share your objective.

Mr. SOLOMON. Mr. Speaker, will the gentlewoman yield?

Ms. PRYCE. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I say to my good friend STENY HOYER, and he is a good friend and I have a lot of respect for him because he has a lot of common sense, but if you read the resolution, it was constructed this way for the very purpose that you have just stated. It says the Speaker may declare recesses subject to the call of the Chair now, subject to the call of the Chair on calendar days of Saturday—that is day after tomorrow, because we are going to be in here and voting on legislation all day tomorrow, that is Friday—but it will be subject to the call of the Chair on the days of Saturday, December 23 through Wednesday, December 27.

That means we could be back on Sunday. We can be back here on Monday, or Tuesday. And we are going to be

here. The only day we probably will not really be here is Sunday itself. But many of us are going to be here and we are going to continue our negotiations.

There are a lot of things that we are going to be working on. We are going to be working on the Balanced Budget Act. There is a lot that has to be done to put that together. We are going to give it back to the President, in a effort to be sincere and to compromise and to work, and we are going to be here, STENY. So it is not as if we are adjourning.

The gentleman from Massachusetts [Mr. MOAKLEY], my good friend up in the Rules Committee, wanted to have a resolution to adjourn, and I said no, we are not going to adjourn. We are going to continue to work and try to get the job done. That is sincerity from this part of the aisle.

Mr. HOYER. If the gentlewoman will continue to yield, I think my friend is sincere, but I say to the gentleman, the construct you have discussed can be accomplished while at the same time putting the Government back to work until January 2 or 3, whichever date you choose, that Monday or Tuesday, without the disruption to the country, and with much less angst to Federal employees that both you and I have supported very strongly through the years.

I say to my friend that I am going to be here. As you know, I live close by, so it is easy for me. I have been here for the last 12 days in a row. I was here last Saturday and Sunday working on this budget, at the White House. You were as well. I do not know whether the gentlewoman from Ohio [Ms. PRYCE] was, but we are all dedicated to doing this.

What I am saying is, common sense, it seems to me, would dictate that we simply tell the Government, "You are going to operate until January 2 and we are going to continue to stay here and work." You do not need to recess from day to day to do that. You can adjourn, or recess, if we have a CR to accomplish that objective.

Mr. SOLOMON. STENY, if I could just reclaim my time, if the gentlewoman has a little extra time, if we had made some progress the last time and if we felt there was really sincerity at the other end of Pennsylvania Avenue, I would be up here fighting for you for that CR. But the trouble is, you know the President the other day met with the Republican leaders, President DOLE—he will be in in about a year—but Senator DOLE and Speaker GINGRICH, and when he came out of that meeting we were all excited because we really thought we had made some progress.

Then Vice President AL GORE comes out and refutes almost everything that was said there. Then the Speaker's press secretary about an hour later came out and even changed what Vice President GORE was saying. Then on top of that, our former colleague, Mr. Panetta, the Chief of Staff of the President, comes out and says something else.

STENY, it is so frustrating and confusing. It is hard to have faith that there is going to be anything there. That is why we cannot gamble. We have to hold their nose to the grindstone and see if we cannot make some progress. I am trying.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The Chair would make an observation to the body. The Chair would request that all Members address each other through the Chair and not use first names.

Mr. MOAKLEY. Mr. Speaker, I yield 30 seconds to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Speaker, all over the State of Vermont our Federal employees are extremely anxious. Those who are furloughed, those who are working. Our Federal employees should not be held hostage because the Republican Party has a 7-year disastrous budget that they want to push through the White House and this Congress. We have the moral obliation to reopen Government today, put our Federal employees back to work, and then we can debate the 7-year balanced budget.

Mr. MOAKLEY. Mr. Speaker, I yield 1½ minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Speaker, the resolution before the body today asks us to convey to the Speaker of this House extraordinary powers, beyond those which he normally possesses. It would be irresponsible for me to vote for such a resolution, and I think for any Member of this House to do so, simply because the Speaker has not exercised those powers which he possesses now in a responsible way.

We are in the process of trying to establish a budget to meet the needs, the health, safety, and welfare of the people of this country. In the absence of that budget, the Speaker has the responsibility and the authority to put before the House a continuing resolution which would allow the Government to continue to operate in the interim period, to keep Federal Government workers at their post and to ensure that the 14 million children of families who are dependent upon checks that come from this Government in one way or another do not have a black coal in their stocking this Christmas.

□ 1630

So do not ask me to give the Speaker of this House additional power when he is not doing the responsible thing with the power that he has.

Let us get a continuing resolution out here. Let us keep this Government running while we negotiate a budget. If we do that, then we are doing the right thing, and I am prepared to do that.

I am prepared to stay here every minute. I am prepared.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The gentleman did not yield.

Mr. VOLKMER. Regular order. We do not permit that.

Mr. HINCHEY. Mr. Speaker, excuse the interruption. I want to answer my dear colleague and friend from New York who asked that question. I am prepared to stay here every minute. If we get whatever it takes, I am prepared to stay here every minute of every day until we get this Government back working again, whatever it takes, right here. Whatever it takes, I am prepared to be here. And I think to do anything else is irresponsible. Let us get a continuing resolution out here.

PARLIAMENTARY INQUIRY

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

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. VOLKMER. The rules of the House, do they not require that the person who has the time be permitted to exercise that time without interruption by other Members?

The SPEAKER pro tempore. The gentleman is correct.

Mr. VOLKMER. Then why did the Speaker not attempt at least to make sure that the gentleman from New York did not interrupt the other gentleman from New York?

The SPEAKER pro tempore. The Chair did use the gavel.

Mr. VOLKMER. Pardon?

The SPEAKER pro tempore. The Chair did use the gavel in an attempt to prevent that interrogation.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Speaker, I do not really think there is a Member in this body who would not like to go home for Christmas. So this is really not about whether we want a recess or do not want a recess. It really is about whether it is responsible to recess without having a continuing resolution, and we believe it is not.

So let me talk about this continuing resolution thing for just a second so that people understand.

Without a continuing resolution, we are going to have 270,000 Federal employees out of work, but the Speaker has committed to pay those employees. That makes absolutely no sense. Without a continuing resolution passed either today or tomorrow, 4.7 million families will not get aid to families with dependent children. That is 14 million children.

Listen to what I am saying: 14 million children who do not have any say in this budget fight, who do not have a

dog in this fight, the most vulnerable, the poorest people in this country these people would leave exposed without the benefit of their AFDC benefits.

Now, one of them got up and said, well, that is not a problem because the States are going to step into this void. There are 30 States that have legislation on their books that prevent them, prohibit them from stepping into this void if the Federal Government does not live up to its responsibility.

Since when did we start telling States you have got to fulfill the responsibilities that the Federal Government has undertaken already? An unfunded mandate if I have ever heard of one, and we have spent 3 weeks, 4 weeks, 5 weeks talking about how unfair unfunded mandates were.

This is ridiculous. It is irresponsible. And we ought to defeat this resolution.

Ms. PRYCE. Mr. Speaker, I yield 1 minute to my friend, the gentleman from Virginia [Mr. DAVIS].

Mr. DAVIS. Mr. Speaker, my colleague from North Carolina just made a statement that made me come out of my seat.

Do you believe then Federal employees should not be paid for the time? You just criticized the Speaker for saying the Federal employees, who, through no fault of their own——

Mr. WATT of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. If you are going to shut the Government down, then shut it down.

Mr. DAVIS. Should they be paid?

Mr. WATT of North Carolina. You are responsible for shutting the Government down while you stand here and go home and enjoy Christmas. You are irresponsible.

Mr. DAVIS. Should they be paid? Reclaiming my time, the gentleman did not answer my question. I think it was a cheap shot at Federal employees. They are the innocent victims in this. I applaud the Speaker and the leadership of both parties. I applaud the leadership of both parties for recognizing that this budget impasse continues if the President has refused to sign some of the bills.

Mr. KENNEDY of Rhode Island. Mr. Speaker, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Rhode Island.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I think your question was should the Federal workers still be paid, and yet not be able to do the work that they are mandated to do under the laws of this country.

Mr. DAVIS. We are talking about retroactively. I would love to put them back to work today.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, from the other side earlier I heard a lot of talk about balanced budget. I heard talk about Medicare. I saw checks for a million dollars. I saw lots of things. What I did not hear was discussion about whether or not you ought to recess, and that is what is on the floor today: Should you recess for 3 days at a time when the Federal Government is in the crisis that it is in? This is about a recess authority.

But this really is not about recess. This is about having a recess to avoid a process, and the process is the honest debate that has to take place and the honest negotiations that have to take place. This is about a recess to avoid a process of debate, to avoid the Constitution, of avoiding a vote whether or not to adjourn.

Make no mistake, when you vote for this recess, which I will not be voting for, when you vote for this recess, you sign the warrant for continued Government shutdown. You sign a warrant for continued furlough of hundreds of thousands of Federal employees who cannot do the job they want to do. You sign the warrant, for instance, for State Department personnel who have to be called off of furlough to go identify bodies in Colombia or to get visas for people in the former Russian States. You sign a warrant for the 66,000 students who need to apply for Pell grants but are unable to do that paperwork, for the millions of AFDC children. At Christmastime? This is the kind of warrant you want to sign.

Taxpayers are not getting what they paid for. This is the 6th day now of cumulative 12th day of a Nation held hostage. With this recess, this hostage-taking process only continues. When you vote for this, you know you may be voting to go home, but make no mistake about it, Federal workers will not be working, and constituents will not be buying what you are trying to sell. That is what this is about. It is about a recess. It is the wrong time. And it is about a recess to avoid the process.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Speaker, Members of the House, and especially earlier, one of the gentlemen from North Carolina and the gentleman from Maryland [Mr. HOYER], the gentleman from Virginia [Mr. MORAN], talked about the Federal workers. We also heard about the AFDC recipients and the children out there.

Folks, remember, these guys do not care about those people. That is what it is all about. They do not care. To them, the whole idea is something up here in Utopia. We are going to have a balanced budget in 7 years, and anything can happen in that 7 years. In the meantime, children can starve, old folks can go hungry, Federal workers can have no Christmas, none whatsoever, with their kids.

They are still going to get their paychecks. They are going to put it in their pocket. They are going to be under this resolution, which I urge Members strongly to oppose. They are going to be able to be with their families. They already have their Christmas gifts I am sure, already bought because they have plenty of money.

They do not really care about the downtrodden. You can tell that. Just look at the welfare bill we just voted on. They would just as soon do away completely with AFDC. They do not want any AFDC. They would just as soon do away with the Federal Government except defense.

I had one of them once tell me, one of these people, these radicals, tell me all the Federal Government should do is defend our shores, deliver the mail, and get out of our pocketbook. That is what I am hearing over here. That is all they want to do. Anything else can go to pot.

You think they worry about employees at EPA? They want to do away with EPA. They do not want EPA. You name it, all Federal regulatory bodies. What did we see in the 100 days? Look at the legislation. And now they are saying their platitudes, "We are going to have an agreement in these next few days." Baloney.

I say to the President, no CR, no budget negotiations.

Mr. MOAKLEY. Mr. Speaker, I yield 30 seconds to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Speaker, just like the veteran that left the message last night, he did not want his interests being put ahead of the American public's interests, we cannot put our interests ahead of the American public's interests. We cannot go home and enjoy Christmas with our families if we have not done our job, if the Government is still shut down.

Consider these 13 million welfare families. They cannot get payments at the beginning of the month. We know they have no disposable income. They have spent all of their money on Christmas presents at the beginning of the month. They have to pay their monthly rent. They are not going to have money for food, never mind monthly rent.

How can we go and enjoy our families when they cannot even survive because we have not done our job?

Ms. PRYCE. Mr. Speaker, I yield 1½ minutes to the distinguished majority leader, the gentleman from Texas [Mr. ARMEY].

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

I want to thank all of my colleagues for what has been a scintillating debate.

This is a very difficult time for all of us, and certainly we can acknowledge that. Let me just say very quickly what this is about. This is very likely to be the last vote we have today. We

have a few items that are important that we will be able to act on tomorrow, and then, quite frankly, even though we have two or three other items that are of consequence to the country, important to us, they would not be ready to be brought to the floor for a while.

That being the case, while the negotiations proceed, beginning with a 9 o'clock meeting at the White House tomorrow on the budget, we feel that it is prudent for us to have a recess authority that would allow us to recess the Chair and, during that period of recess, allow those Members who are able to spend time with their families at Christmastime to do so and, in the process of their doing so, they can do so with a good deal of confidence that the negotiations will continue at the White House and that, in fact, that that work which can be continuing to prepare legislation to bring back to the floor as soon as possible can be in those final stages of preparation. And at that point, when we have important work that is available to the floor, the Members will get a call so that within the day they can get back and deal with any important work that must be dealt with.

That strikes me as an opportunity for us to, on one hand, continue the work on those few remaining items that need to have progress continue on them, while, on the other hand put us in the kind of recess that would enable Members to spend time with their families.

I must say that seems to me to be a reasonable move for us to take on behalf of all of the Members and all of the work that is before the Congress.

Ms. FURSE. Mr. Speaker, will the gentleman yield?

Mr. ARMEY. I yield to the gentlewoman from Oregon.

Ms. FURSE. You know, I think that this is just not very truthful, because I cannot get here from the west coast in anything less than 8 hours. So I have to tell you, Mr. Majority Leader, that it is not true that, if you recess, that I can be back at the call of your office.

Mr. ARMEY. If I may reclaim my time, no Member would have anything less than 12 hours' notice under the most rigorous of circumstances, and there is no doubt that we understand the very large number of our Members who would be traveling from the west coast.

Certainly, we would understand it would be impossible to reconvene the House without giving them ample time.

These things are not that difficult to figure out.

□ 1645

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

Mr. ARMEY. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I would like to inquire of the majority leader, in the negotiations that hopefully will take place, do they not have to negotiate not just Medicare, not just Medicaid, but in that reconciliation package do you not also have such things as school lunches, do you not have food stamps, do you not have big tax cuts? All of these things are in there.

I have been here a little while. Is the gentleman trying to tell me there is a possibility that he is going to have this done by next Wednesday?

Mr. ARMEY. Mr. Speaker, reclaiming my time, we will work as hard as we can. As long as we can make good progress, we will continue working. I cannot promise the gentleman anything. As we know, these are troubled times. We will do our best.

In the meantime, I would say to my colleagues in the House on both sides of the aisle, if they will vote for an opportunity to give us the flexibility to respond to both the legislative needs of the country and the very real and heartfelt family needs of our Members, we will exercise that with judicious responsibility on behalf of both needs.

Mr. ABERCROMBIE. Mr. Speaker, would the majority leader kindly yield for one question?

Mr. WALKER. Mr. Speaker, time is controlled.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Does the gentleman from Massachusetts yield to the gentleman from Hawaii?

Mr. MOAKLEY. Mr. Speaker, I yield 10 seconds to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Speaker, in that context, can you inform me then if this resolution passes, does that mean that all codels will be canceled?

The SPEAKER pro tempore. The gentleman has not stated a parliamentary inquiry to which the Chair can respond.

Mr. ABERCROMBIE. Mr. Speaker, I did not ask a parliamentary inquiry. The Speaker admonished everybody to address questions through him. I asked, Mr. Speaker, whether the maker of the resolution could advise me whether or not that means that all codels will be canceled? I think that is a fair question.

Mr. THOMAS. Are you going somewhere?

Mr. ABERCROMBIE. Mr. Speaker, most respectfully, I thought I was obeying your admonition to speak through you.

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

Mr. Speaker, I urge my colleagues to vote "no" on the previous question. If the previous question is defeated, I will offer an amendment so that this House does not recess until we adopt a clean continuing resolution keeping the Government running until January 26.

I include for the RECORD my proposed amendment.

PREVIOUS QUESTION AMENDMENT TO RECESS RESOLUTION

At the end of the resolution, add the following:

"SEC. . Immediately upon the adoption of this resolution the House shall without intervention of any point of order consider in the House the joint resolution (H.J. Res. 131) making further continuing appropriations for the fiscal year 1996, and for other purposes. The joint resolution shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. . The recess authority provided in the previous sections of this resolution shall be effective only on or after the date on which H.J. Res. 131 is presented to the President for approval."

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

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

Mr. Speaker, House Resolution 320 was reported by the Committee on Rules last night by voice vote authorizing the Speaker to declare recesses subject to the call of the Chair.

The amendment I will offer would authorize the Speaker to declare recesses subject to the call of the Chair on calendar day Thursday, December 28, through Saturday, December 30.

The amendment would further provide that after the House has been in session on calendar day Saturday, December 30, the Speaker may declare recesses subject to the call of the Chair on calendar day Saturday, December 30, through Wednesday, January 3.

Mr. Speaker, the Speaker needs this authority to keep the House in recess next week subject to the call of the Chair, pending the ongoing negotiations over the budget.

Members should be aware that the House will not be adjourned, but rather in recess on standby, should budget negotiations prove successful.

AMENDMENT OFFERED BY MS. PRYCE

Ms. PRYCE. Mr. Speaker, I offer an amendment authorized by the Committee on Rules.

The Clerk read as follows:

Amendment offered by Ms. PRYCE of Ohio: Strike all after the Resolved clause and insert:

That the Speaker may declare recesses subject to the call of the Chair on the calendar days of Saturday, December 23, 1995, through Wednesday, December 27, 1995.

SEC. 2. The Speaker may declare recesses subject to the call of the Chair on the calendar days of Thursday, December 28, 1995, through Saturday, December 30, 1995.

SEC. 3. After the House has been in session on the calendar day of Saturday, December 30, 1995, the Speaker may declare recesses subject to the call of the Chair on the calendar days of Saturday, December 30, 1995, through Wednesday, January 3, 1996.

SEC. 4.(a) A recess declared pursuant to the first section of this resolution may not extend beyond the calendar day of Wednesday, December 27, 1995.

(b) A recess declared pursuant to section 2 of this resolution may not extend beyond the calendar day of Saturday, December 30, 1995.

(c) A recess declared pursuant to section 3 of this resolution may not extend beyond 11:55 a.m. on the calendar day of Wednesday, January 3, 1996.

Ms. PRYCE. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 228, nays 179, not voting 26, as follows:

[Roll No. 878]

YEAS—228

Allard
Archer
Armey
Bachus
Baker (CA)
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—179

Abercrombie
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Costello
Coyne
Cramer
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Flake
Foglietta
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gonzalez
Gordon
Green
Gutierrez
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Markey
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—26

Ackerman
Baker (LA)
Barton
Bryant (TX)
Callahan
Calvert
Chapman
Conyers
Edwards
Filner
Ford
Gibbons
Hall (OH)
Harman
Jacobs
LaFalce
Lantos
Manton
Martinez
Meek
Myers
Owens
Quillen
Quinn
Serrano
Williams

□ 1711

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the amendment offered by the gentlewoman from Ohio [Ms. PRYCE].

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

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

RECORDED VOTE

Ms. PRYCE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 224, noes 186, not voting 24, as follows:

[Roll No. 879]

AYES—224

Allard
Archer
Armey
Bachus
Baker (CA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Camp
Campbell
Canady
Castle
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cubin
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Porter
Portman
Pryce
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump

Talent	Vucanovich	White
Tate	Waldholtz	Whitfield
Tauzin	Walker	Wicker
Taylor (NC)	Walsh	Wolf
Thomas	Wamp	Young (AK)
Thornberry	Watts (OK)	Young (FL)
Tiahrt	Weldon (FL)	Zeliff
Torkildsen	Weldon (PA)	Zimmer
Upton	Weller	

NOES—186

Abercrombie	Geren	Ortiz
Andrews	Gonzalez	Orton
Baesler	Gordon	Pallone
Baldacci	Green	Pastor
Barcia	Gutierrez	Payne (NJ)
Barrett (WI)	Hall (TX)	Payne (VA)
Becerra	Hamilton	Pelosi
Beilenson	Hastings (FL)	Peterson (FL)
Bentsen	Hefner	Peterson (MN)
Berman	Hilliard	Pickett
Bevill	Hinchey	Pomeroy
Bishop	Holden	Poshard
Bonior	Hoyer	Rahall
Bono	Jackson (IL)	Rangel
Borski	Jackson-Lee (TX)	Reed
Boucher	Jefferson	Richardson
Browder	Johnson (SD)	Rivers
Brown (CA)	Johnson, E. B.	Roemer
Brown (FL)	Johnston	Rose
Brown (OH)	Kanjorski	Roybal-Allard
Cardin	Kaptur	Rush
Chabot	Kennedy (MA)	Sabo
Clay	Kennedy (RI)	Sanders
Clayton	Kennelly	Sawyer
Clement	Kildee	Schroeder
Clyburn	Kleczka	Schumer
Coleman	Klink	Scott
Collins (IL)	Levin	Sisisky
Collins (MI)	Lewis (GA)	Skaggs
Condit	Lincoln	Skelton
Costello	Lipinski	Slaughter
Coyne	LoBiondo	Spratt
Cramer	Lofgren	Stark
Cremeans	Lowey	Stenholm
Danner	Luther	Stokes
Davis	Maloney	Studds
de la Garza	Markey	Stupak
DeFazio	Mascara	Tanner
DeLauro	Matsui	Taylor (MS)
Dellums	McCarthy	Tejeda
Deutsch	McDermott	Thompson
Dicks	McHale	Thornton
Dingell	McKinney	Thurman
Dixon	McNulty	Torres
Doggett	Meehan	Torricelli
Dooley	Meek	Towns
Doyle	Menendez	Traficant
Durbin	Mfume	Velazquez
Engel	Miller (CA)	Vento
Eshoo	Minge	Visclosky
Evans	Mink	Volkmer
Farr	Moakley	Ward
Fattah	Mollohan	Waters
Fazio	Montgomery	Watt (NC)
Fields (LA)	Moran	Waxman
Flake	Morella	Wilson
Foglietta	Murtha	Wise
Frank (MA)	Nadler	Woolsey
Frost	Neal	Wyden
Furse	Oberstar	Wynn
Ganske	Obey	Yates
Gejdenson	Olver	
Gephardt		

NOT VOTING—24

Ackerman	Filner	Manton
Baker (LA)	Ford	Martinez
Bryant (TX)	Gibbons	Myers
Callahan	Hall (OH)	Owens
Calvert	Harman	Quillen
Chapman	Jacobs	Quinn
Conyers	LaFalce	Serrano
Edwards	Lantos	Williams

□ 1728

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REQUEST THAT COMMITTEE ON APPROPRIATIONS BE DISCHARGED FROM FURTHER CONSIDERATION OF HOUSE JOINT RESOLUTION 131, FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 1996

Mr. OBEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations be discharged from further consideration of House Joint Resolution 131, a clean continuing resolution extending the date of the existing CR to January 26, authorizing a 2.4 percent military pay raise effective January 1, and eliminating the 6-month disparity between COLA payment dates for military and civilian retirees in fiscal 1996, and ask for its immediate consideration in the House.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Under the guidelines issued consistently by successive Speakers, as recorded on page 534 of the House rules manual, the Chair is constrained not to entertain the gentleman's request until it has been cleared by the bipartisan floor and committee leadership.

NOTICE OF INTENTION TO OFFER PRIVILEGED RESOLUTION PROVIDING DEFICIT REDUCTION AND ACHIEVE A BALANCED BUDGET BY FISCAL YEAR 2002

Mr. TAYLOR of Mississippi. Mr. Speaker, pursuant to rule IX, I rise to give notice that I will seek recognition as a question of the privileges of the House to offer a resolution in the following form. The resolution is at the desk.

The SPEAKER pro tempore. The Clerk will read the resolution for the gentleman from Mississippi.

The Clerk read the resolution, as follows:

H. RES. —

Whereas clause 1 of rule IX of the Rules of the House of Representatives states that "Questions of privilege shall be, first, those affecting the rights of the House collectively";

Whereas article 1, section 9, clause 7 of the Constitution states that: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by law;

Whereas today, December 21, 1995, marks the 81st day that this Congress has been delinquent in fulfilling its statutory responsibility of enacting a budget into law; and

Whereas by failing to enact a budget into law this body has failed to fulfill one of its most basic constitutionally mandated duties, that of appropriating the necessary funds to allow the Government to operate: Now, therefore, be it

Resolved, That the Committee on Rules is authorized and directed to forthwith report a resolution providing for the consideration of H.R. 2530 (a bill to provide for deficit reduction and achieve a balanced budget by fiscal year 2002).

The SPEAKER pro tempore. The Chair advises the gentleman from Mississippi that under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time or a place designated by the Speaker in the legislative schedule within 2 legislative days, its being properly noticed. That designation will be announced at a later time. In the meantime, the form of the resolution proffered by the gentleman from Mississippi will appear in the RECORD at this point.

The Chair is not at this point making a determination as to whether the resolution constitutes a question of privilege. The determination will be made at the time designated for consideration of the resolution.

Mr. TAYLOR of Mississippi. Mr. Speaker, would the Chair be kind enough to give me some indication of how much warning that I would receive as a Member as to when this would be brought before the House?

The SPEAKER pro tempore. The Chair will give adequate notice, as has always been the case.

Mr. TAYLOR of Mississippi. Could the Chair give a better definition of "adequate notice"?

The SPEAKER pro tempore. Not at this time.

Mr. TAYLOR of Mississippi. I thank the Chair.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE CONCURRENT RESOLUTION 119

Mrs. KELLY. Mr. Speaker, I ask unanimous consent to have my name removed as cosponsor of House Concurrent Resolution 119.

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

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. FAZIO of California. Mr. Speaker, I rise to speak to the majority leader about the schedule.

I yield to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Speaker, first of all let me express my appreciation for the patience of the Members over these days leading up to the holidays. I know that it has been difficult for Members and their families, but today I am more hopeful that the end is in sight.

I am pleased to announced that today there were very productive discussions between senior White House officials and Members of the House and Senate leadership. I am also pleased to announce that starting tomorrow morning budget negotiations will begin between the congressional leadership and the President on balancing the budget.

It is our hope that these negotiations will be successful and expeditious. We believe that these negotiations, if conducted seriously, could be completed very quickly, perhaps in only a few days. It is our intention to bring to the floor as quickly as possible any agreement that balances the budget in 7 years using CBO numbers. At the same time, I do not want to keep Members in town unnecessarily. I will be announcing tomorrow a more definitive schedule for the next several days, but my expectation is to have the House in recess pending word of an agreement.

Depending on how the negotiations go tomorrow morning, the recess could be only for a day or two or it could last until Wednesday. I will recommend that the Members make plane reservations for sometime after 3 tomorrow afternoon, but understand that, if negotiations are moving quickly, we may stay to complete a balanced budget. I am sorry I cannot be more specific at this time.

Mr. Speaker, if the gentleman will continue to yield, I would like to advise our Members that we have had the last vote of the evening, but we will have important work in the morning. I will be, in a moment, asking unanimous consent for a 9 a.m. time to commence work in the morning. But if that is granted, we would be dealing with House Resolution 299, a proposal for House royalty changes, possibly the ICC conference report. If we can work out all the details related to it, it may be possible tomorrow that we may be able to take up legislation that would affect D.C. government funding and AFDC.

So we still have important work for us to do tomorrow. We hope to be able to conclude it expeditiously and get Members on their way. Again, let me remind Members, we would be in under those conditions, under recess. We would continue to work, and, as soon as something of import were available, we would give Members ample notice and then bring them back as quickly as possible to reconvene the House and complete that work.

Mr. FAZIO of California. Mr. Speaker, the other day the gentleman assured us that we would have a 24-hour notice on any return during the recess, the one we had prior. Is that still the standard that we could all be able to live with so that we could come from wherever we may be with family?

Mr. ARMEY. Mr. Speaker, I appreciate the gentleman's point. Mr. Speaker, I should say that I believe, in fact, I assured 12 hours.

Mr. FAZIO of California. Mr. Speaker, 12 hours did the gentleman say?

Mr. ARMEY. Mr. Speaker, that was the position I took before. I do understand the problems of travel. I can assure that there would be definitely a 12-hour notice before we would convene business. I will try to be as considerate as I possibly can to make sure Members from the most remote locations have an opportunity to get back.

I understand how difficult it is. I would like to be, I would like to guarantee a 24-hour. I am just not sure that I could make such a guarantee and make it stick. But I think I can say with total confidence Members would have a 12-hour notice.

Mr. FAZIO of California. The problem, of course, is going to be that Members are going to be perhaps at greater than normal distance. Their staff is unlikely to be at post here. It may be more difficult for Members to get reservations during the holiday season. All of these things complicate the ability to do a short-time turnaround, and therefore I think, more than last week, we probably will need at least 24 hours for Members to be able to be here for what could be among the most important votes of this session.

Mr. ARMEY. Mr. Speaker, I think the gentleman's point is well taken. Let me just say that I will address the issue with all the generosity and advance notice that I am able to give.

Mr. FAZIO of California. Mr. Speaker, if I could ask the gentleman about the schedule that he has outlined for tomorrow. I have been told that the State of California, that I represent, has a billion and a quarter dollars in Medicaid payments that are needed for us to be able to make our commitments to all the providers and to the people who are beneficiaries of the MediCal Program in our State.

I noticed and I think there is tremendous relief on this side of the aisle that we will be dealing with the AFDC issue that just yesterday we were told was not an issue. Is there any possibility that we could deal with the Medicaid problem in terms of meeting the requirements? At least several of our States, I think, are up against a cash flow crisis.

Mr. ARMEY. Mr. Speaker, if the gentleman will continue to yield, let me say I share the gentleman's optimism with respect to D.C. funding and AFDC funding. It is only fair for me to say that it is not clear that we will be able to deal with those two issues. We are working with a good many people and, assuming we get the appropriate agreements, we are hopeful to deal with those two issues. As far as the other issue the gentleman raised, I can only say I will take it under consideration at this time.

Mr. FAZIO of California. Could the gentleman tell me, is there any possibility that the telecommunications conference report would be completed? I know that many were hoping that that issue could be dealt with before the first of the new year?

Mr. ARMEY. Mr. Speaker, I could just say to the gentleman that it is unlikely that the issue will be available to be brought to the floor prior to the 27th or 28th of this month.

Mr. FAZIO of California. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, if I could inquire of the majority leader, when does he intend to be going to the Committee on Rules to obtain a rule for whatever action would be contemplated taken with D.C., AFDC, Medicaid, or, I understand now that the gentleman has several other significant problems which he was not aware of last night.

Mr. ARMEY. Mr. Speaker, if the gentleman will continue to yield, I can only say to the gentleman from Wisconsin it is my hope that it will be unnecessary to go to the Committee on Rules with respect to these issues. We are hoping to do them by unanimous consent. I must say in all seriousness it is very difficult for me to see how we could do them unless we do them that way.

Mr. OBEY. Mr. Speaker, if the gentleman will continue to yield, I do not think that it is appropriate for this House to deal with considerations such as that under unanimous consent because it would preclude our opportunity to discuss in any meaningful way whatsoever the issues that are before us. It would also preclude us from trying to amend it in any way to deal with other legitimate concerns and needs. I would urge the gentleman, if he wants this considered on the square, to do it the way it ought to be done, which is to go to the Committee on Rules.

Mr. ARMEY. Mr. Speaker, let me remind the gentleman, I understand the gentleman from Wisconsin makes a point, and that is to be taken seriously. Obviously we understand the need for Members to speak. We would hope in the interest of being expeditious in these matters that the debate time would not be lengthy. But certainly there would be an opportunity for Members to express their points of view.

Mr. OBEY. Mr. Speaker, if the gentleman would continue to yield, will the gentleman assure us that there will be an opportunity for us—let me put it this way. If there are certain specific programs which are to receive the favored attention of the House, I would like to know how we might also get into play several other crucial programs that also ought to be brought to the attention of the House. We cannot do that under unanimous consent unless we have an initial request which makes it possible to do so. That is why I think it would be preferable to go to the Committee on Rules if the gentleman is looking for cooperation from those who have other legitimate concerns.

Mr. ARMEY. Mr. Speaker, if I may respond at this point, I would say that we have had serious discussions that

have lasted most of the day on the two issues I have mentioned. We feel confident we have an opportunity to act.

We think it is a very narrow and a very necessary effort to be made. The opportunity to do so is very limited. We want to exercise that, and we will pursue it the best we can. But I must say to the gentleman that I would be constrained to believe that, if we could in fact achieve what we have hoped to achieve in the two areas before mentioned, we would have achieved all that is possible at this time.

□ 1745

Mr. OBEY. If the gentleman would continue to yield, I want to make it clear to the gentleman that, if he expects to put us in a box tomorrow in which we are asked to provide for the opening of the Government only for a few narrow categories, we expect to have the right to try to expand that opportunity to open the Government, and if he expects us to cooperate on any unanimous-consent agreement, I think then he needs to understands right now that we need some cooperation in that respect.

Mr. ARMEY. If the gentleman from California would continue to yield, I would only say to the gentleman from Wisconsin we are responding to concerns that were raised to us by Members from the gentleman's side of the aisle, we are trying to do so behalf of their genuine concern, and if the gentleman from Wisconsin objects to our efforts, I regret that. I will continue to work with those people with whom I have been working, making every effort I can to respond to the needs we have been discussing, and I hope that it is possible for us to conclude these efforts we have been making satisfactorily.

Mr. OBEY. If the gentleman would continue to yield, I think a number of Members would be very disturbed if they are asked to provider an opportunity to only open the District of Columbia Government without also having an opportunity to try to open up the Government for all taxpayers.

Mr. ARMEY. If the gentleman would continue to yield, I would just say that the body is always, of course, prepared to deal with disturbed Members.

Mr. FAZIO of California. If I could ask the gentleman to give us a little more finite response about tomorrow's schedule, my understanding is the only issue that is absolutely certain to be before us is the royalty rule change; is that correct? The others are all hopeful, but not necessarily definite, items; is that correct?

Mr. ARMEY. Mr. Speaker, if the gentleman would yield?

Mr. FAZIO of California. I am happy to.

Mr. ARMEY. Mr. Speaker, I have grown to be accustomed to attaching probabilities. Absolute certainty, I think, is a good characterization of probability for House Resolution 299, extremely high probability for ICC conference report. I am very optimistic, and until a few minutes ago I was optimistic about the other two matters as well.

Mr. FAZIO of California. May I ask how long the gentleman expects us to be here? I have heard from 9 to 3. Is it possible that the bulk of that time would be taken up with the debate on the rule change? That is, I understood, a 3-hour debate potential.

Mr. ARMEY. If the gentleman would yield, I do not think it will be that long. The Committee on Rules, I am just told, has not in fact met yet, but I do not believe it will be that much time. We are sensitive to having had a year's experience, if the gentleman would continue to yield, and we are sensitive to the nature of schedules of our airlines, and it is our hope and we believe that we can be maximumly responsible for the needs of the maximum number of Members if we can have a target for 3 o'clock because of just the rigors of the airline schedules.

Mr. FAZIO of California. Finally, let me wrap up with this one, Mr. Leader.

Is it the gentleman's position that the only thing that would call us back would be an issue related to a continuing resolution or a balanced-budget proposal? There would be no other legislation that would be considered during this proposed recess period; is that correct?

Mr. ARMEY. If the gentleman would yield, the recess period authority I think takes us until Wednesday evening, Wednesday. Certainly within that framework the only thing that would interrupt the recess would be the balanced budget, and, if I might, obviously we would have to come to terms with the end of that recess authority on Wednesday, but it would be a useful thing, I think in the interests of all our Members on Monday or Tuesday, Tuesday at least, to check their whip phone. We will try, if there is any information to share, we will try to get it over the whip phones for our colleagues.

Mr. FAZIO of California. Mr. Speaker, I thank the majority leader.

HOUR OF MEETING ON TOMORROW

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 9 a.m. tomorrow.

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

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment a joint resolution of the House of the following title:

H.J. Res. 132. Joint resolution affirming that budget negotiations shall be based on the most recent technical and economic assumptions of the Congressional Budget Office and shall achieve a balanced budget by fiscal year 2002 based on those assumptions.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2539) "An Act to abolish the Interstate Commerce Commission, to amend subtitle VI of title 49, United States Code, to reform economic regulation of transportation, and for other purposes."

The message also announced that the Senate had passed a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 37. Concurrent resolution directing the Clerk of the House of Representatives to make technical changes in the enrollment of the bill (H.R. 2539) entitled "An Act to abolish the Interstate Commerce Commission, to amend subtitle IV of title 49, United States Code, to reform economic regulation of transportation, and for other purposes".

SPECIAL ORDERS

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

BALANCE THE BUDGET BEFORE IT IS TOO LATE

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

Mr. DUNCAN. Mr. Speaker, this past Friday night, "Nightline" had a special program entitled "Mr. Longley Goes to Washington."

This program was about our colleague, the gentleman from Maine [Mr. LONGLEY], and the very strong commitment by him and the other House Republican freshmen to balance our budget.

Mr. LONGLEY said at one point that if we do not get our fiscal house in order, "we are going to have a crash that will make the Great Depression look like a party at the beach."

I thought his was a very strong but very appropriate and accurate way of describing the situation we are in now.

There is hardly anyone today, on either side who disagrees with the goal of balancing our budget.

We simply cannot go on like we have without causing very serious economic problems.

Yet some people just pay lip service to this goal. They say, yes, we need to balance the budget, but—

And it is this "but" that has gotten us $5 trillion into debt—so deeply into debt that many people think we will never get out without greatly inflating our money.

I take the floor at this time, Mr. Speaker, because I am sure there are many people who think—well it would be good to balance the budget, but it really does not make that much difference to them.

Let me try to explain why this does make a difference, and a very big difference to everyone, even those making minimum wage, and those receiving food stamps or other Federal benefits, and students, and everyone else.

First, as Mr. LONGLEY said, we could very easily have a major economic crash in a few years if we do not straighten this mess out.

That may be hard to believe when the stock market is at record highs, but the stock market was at record highs just before the Great Depression of the 1930's.

Second, times are good now for some, but they could and should be good for everyone.

People making $5 or $6 an hour could and should be making two or three times what they are if we did not have a national debt of $5 trillion holding us back economically.

Third, anyone who is receiving any type of Federal check should be insisting that we balance this budget.

If we don't, it won't be long at all before we will no longer be able to meet our obligations to veterans, Social Security recipients, Federal retirees, and others.

Fourth, buried in the fine print of our last budget, and something that was picked up and written about by former Senator Paul Tsongas, is the fact that young people of today will have to pay average lifetime tax rates of an incredible 82 percent if we don't get things under control.

If we keep going like we have been, we will absolutely destroy the standard of living of our children and grandchildren. They won't be able to buy a tenth of what we do now.

Fifth, no one—young or old, should be misled into believing that balancing the budget in 7 years requires anything radical or extreme.

All we seem to hear about are cuts—cuts—cuts. But the Washington Post columnist James K. Glasman called the Republican budget the "No Cut Budget."

All we are trying to do is to slow spending increases down to about 3 percent each year, about where inflation has been for the last 10 to 12 years.

Federal spending right now is almost three times what the first Reagan budget was—an almost 300 percent increase in 15 years.

Almost no private businesses are spending three times what they were 15 years ago. Very few employees in the private sector are receiving salaries three times higher than they were 15 years ago.

And that brings us one more very important point, Mr. Speaker. The middle class is being wiped out, and the gap between the rich and the poor is growing rapidly.

Why? Because of big government, that's why. Our Federal Government has become too big, and very few have received the benefits from this, at the expense of the very many.

Federal bureaucrats have benefited, because they pay and retirement benefits have gone way up.

Federal contractors have benefited, because they have been allowed to reap exorbitant profits, because even with exorbitant profits, they can still do things more cheaply and efficiently than our Federal bureaucracy can.

Extremely big business has benefited because they get most of the big Federal contracts, most of the favorable regulatory rulings, and favorable tax breaks.

Federal rules and regulations have a much greater impact and a much more harmful effect on small business than on large ones. In fact, big government has forced many small business out of existence or into merging with other larger companies.

Thus, the big get bigger, and the small go by the wayside. This is not a conspiracy, but simply an inevitable consequence of big government.

The only really fair system, Mr. Speaker, the only system where an average person without great capital or great political influence really has a chance, is a true free enterprise, free market system.

What we have today is a free enterprise system that has been greatly and unfairly distorted by a big government that favors big, well-connected companies.

If we are going to save this Nation from fiscal disaster—if we are going to give someone without great wealth or political connections, a real chance, once again, we have got to get our Federal Government under control.

And we do not have much time left—we must do it now, before it is simply too late.

CORPORATE INTEREST IN THE REPUBLICAN BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I rise to call attention to the sanctimonious advertisements in favor of the Gingrich budget that have been taken out in major newspapers across our country signed by some of the richest, most powerful chief executive officers in this Nation representing large multinational corporations like Boeing, IBM, Eastman Kodak, Zenith, Sarah Lee, and General Motors.

Did you ever stop to wonder why these corporations are spending a small fortune lobbying for the Gingrich budget? In fact it costs $60,000—double the salary of an average worker in my district—just to buy one page, much less two, in major dailies like the Washington Post, USA Today, the Wall Street Journal, and many of the other ones in which they have been advertising. In fact, they spent over a half a million dollars just in four of these papers over the last couple days.

Now do you believe what they say in the ads, that they really have a common concern for America's future? You know, I was trying to put this together as I was reading various articles, and I came upon the Time magazine special, the Christmas issue.

□ 1800

It talks a lot about Speaker GINGRICH in this issue. I turned to page 65 of the Christmas issue of Time. I read down here where it says, "The Speaker invited a small group of chief executive officers" from these very same companies to meetings here in the Capitol on the first floor, and it names names: Jack Welch of General Electric, Jack Smith of General Motors, Business Round Table, Chairman John Snow of CSX, who by the way has a very large signature in this ad, and they talked about how they could work together on this problem. I thought to myself, "Why would the Speaker invite them, but he does not invite people from my district?" In fact, the senior citizens of this country did not even get 1 day of hearings on the Medicare changes that are proposed.

Mr. Speaker, how did they get that much access? Bingo: money. For example, CSX Corp.—one of the organizers, chief organizers of this advertising effort, and part of the group calling itself the Business Round Table—contributed nearly $100,000—to the Republican Party in the first 6 months of this year alone. Another signatory, Prudential, contributed over $90,000; AT&T over $150,000; Chevron contributed over $125,000. Listen to these numbers. This is not a new few pennies, this is not a hundred dollars, these are not a thousand dollars, these are hundreds of thousands of dollars by these very same interests.

You might ask yourself, what did these corporations get in this access with the Speaker for all of their money? How about this: The Gingrich budget includes a $64 billion set of tax breaks for wealthy individuals like these very same CEO's, many of whom make up to $12 million a year. They include a $36 billion capital gains tax cut which they will all benefit from, a $16 billion cut in the corporate alternative minimum tax, $12 billion in other tax cuts, such as estate tax exemptions,

which of course they personally are all interested in.

It used to be in 1945, not so many years ago, that corporations paid about a third of the taxes that flowed into the Government of the United States. Today they pay about 10 percent. So we hear them crying these crocodile tears when their profits and Wall Street, the profits are going through the roof, and Wall Street has never been happier. At the same time as we see this, we see the Gingrich budget allowing these very same companies to withdraw over $20 billion of our workers' money from their pension funds to use it any way they well please.

Mr. Speaker, we see pharmaceutical companies like Abbott Laboratories, American Home Products, by the way, they are listed in this very same ad, Baxter International, Johnson & Johnson enjoy multimillion dollar tax breaks through the 936 program, a subsidy that is included in the Gingrich budget; energy corporations like Amoco, Exxon, Chevron, benefit from provisions in the Gingrich budget that allow them to extract oil and gas from the Gulf of Mexico without paying any royalty to the public coffers for that privilege, making their profits at the expense of the United States of America and its people; companies like AT&T, Exxon, Ford Motor, and GTE have enjoyed millions of dollars of foreign sales assistance through the Overseas Private Investment Corporation [OPIC], and those benefits are retained in the Gingrich budget.

What is interesting is these very same companies that want all these benefits and are paying all this money for access here in Washington have not created a single job in this country for the last decade and a half. For the RECORD, Mr. Speaker, I submit some of these names, like IBM, that has laid off over 23,000 workers in this country just over the last few years.

I would like to say to Mr. Fisher, their CEO, what a merry Christmas you have given to the American people.

Mr. Speaker, I include for the RECORD the following:

WITHOUT A BALANCED BUDGET, THE PARTY'S OVER—NO MATTER WHICH PARTY YOU'RE IN

A bipartisan appeal from business leaders to the President of the United States Bill Clinton, House Speaker Newt Gingrich, Senate Majority Leader Bob Dole, Senate Minority Leader Tom Daschle, House Majority Leader Dick Armey, House Minority Leader Dick Gephardt, and all Members of Congress:

There are moments in history when a single choice can mean the difference between vastly differing futures—one bright, the other dark. We believe that you, the political leaders of this country, are now confronting such a choice in your deliberations over a plan to balance the federal budget.

We are convinced that the health of our economy rests on your ability to avoid political gridlock and give the American people what leaders of both parties say they favor and, indeed, have agreed to—a credible plan to balance the budget. By "credible" we mean that such a plan should:

Use realistic projections that assume the fiscal and economic scenario developed by the Congressional Budget Office and reviewed by objective third parties;

Take no longer than seven years as the maximum time period by which a balanced budget would be achieved;

Ensure that the process of deficit reduction is achieved in roughly equal steps throughout these seven years, rather than "backloading" the politically difficult decisions into the next century; and

Have everything on the table, including long-term entitlement programs as well as the size and shape of any tax cuts.

Included among us are Democrats and Republicans, Liberals and Conservatives. What unites us in this appeal is our common concern for America's future.

All of us are leaders of institutions keenly sensitive to interest rates and the short- and long-term outlook for the U.S. economy. We believe that the recent decline in long-term interest rates and much of the boom in the stock market is directly predicated on the financial markets' expectation that a successful bipartisan budget-balancing compromise will be reached quickly, and that a credible long-term plan will be put in place in short order.

Federal Reserve Board Chairman Alan Greenspan recently observed: "If there is a shattering of expectations that leads to the conclusion that there is indeed an inability to ultimately redress the corrosive forces of deficit, I think the reaction would be quite negative—that is, a sharp increase in long-term interest rates . . . I think we would find that with mortgage rates higher and other related rates moving up, interest-sensitive areas of the economy would begin to run into trouble."

As you continue your negotiations, we ask you to reflect on the full consequences of success or failure. However Americans ultimately resolve our honest and principled disagreements over the size and scope of government, America must begin to live within it means.

The time for good economics as well as good politics is NOW.

America is waiting.

Respectfully yours,

Paul Allaire, Chairman and CEO, Xerox Corp.; Richard H. Jenrette, Chairman and CEO, The Equitable Companies, Inc.; Jon Corzine, Chairman and Senior Partner, Goldman, Sachs & Co.; Peter G. Peterson, Chairman, the Blackstone Group, President, The Concord Coalition; M.R. Greenberg, Chairman and CEO, American International Group, Inc.; John Snow, Chairman and CEO, CSX Corp., Chairman, The Business Roundtable.

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TRAGEDIES OCCURRING AMONG AMERICA'S CHILDREN

The SPEAKER pro tempore (Mr. CAMP). Under a previous order of the House, the gentleman from Florida [Mr. FOLEY] is recognized for 5 minutes.

Mr. FOLEY. Standing in this Chamber, I wonder if anybody appreciates business at all. The statements made by the last speaker would indicate that all of those national corporations are just terribly money-grubbing corporations, seeking only profit, with no concern for employees. A lot of those companies have made major contributions, not only to their employees, but to the communities in which they reside, to the arts and other things that they have paid for and benefited from.

There was a statement made that the gentleman from Georgia [Mr. GINGRICH] obviously only holds meetings with corporate executives. Nobody has gone by his office when he has had Habitat for Humanity in his office, and groups that do not give any campaign contributions but care about the inner cities and developing homes for families.

I guess some of the speakers today were not in the office when the gentleman from Georgia entertained several that were physically challenged, that were working on strengthening the Americans with Disabilities Act. These are people that were concerned about access to public buildings. They are handicapped. They were there, not contributors, but they were concerned about how government functions. Mr. GINGRICH met with them as well.

Schoolchildren from the District of Columbia certainly do not have any money for campaign contributions. The gentleman from Georgia [Mr. GINGRICH] did not have them in his office; he went out to their schools and into their community forums to talk about that.

So I think the record needs to reflect that. You hold up an article and suggest corporations in America are all bad. I commend corporations in America for employing people, for giving people jobs, for giving people hope. The stock market is moving forward. That is great for all America. Small investors from Main Street to Wall Street are benefiting from the rise in the stock market.

Let us talk about some other things today. One thing I want to focus on is the tragedies occurring among our children. I want to put in a special word for the National Center for Missing and Exploited Children. Jimmy Ryce died a tragic death at the hands of a molester who sexually assaulted Jimmy and then dismembered his body. That person has been caught. Of course, the first thing that happened was the defenders, the public defenders, rushed to the aid of the perpetrator of the crime and suggested that maybe the officials had interrogated him too long, and possibly they should try and seek to get the charges dismissed against a person who readily admitted he raped and brutally assaulted young Jimmy Ryce. Now they are thinking of ways to get him off those charges. The tragedy is that it is happening far too many times in America where children are taken advantage of, children are assaulted, children are molested, and it has to stop.

We are all familiar with the Susan Smith case in South Carolina, where a mother tragically put two of her own children in a car seat, strapped them down, and sunk the car in a lake, killed two children.

I stressed before on this floor that if people are not comfortable or happy with their children, put them up for adoption, seek other alternatives, seek psychiatric counseling. But the kind of tragedies that are occurring to our children are just that, they are tragedies.

I had a chance to talk to John Walsh. One of the things that was most frightening to me was the fact in 35 States you have to have a license to sell real estate, you have to have a license to sell mortgages, you have to have a license to be a hairdresser. Yet in over 35 States, you can be in child care without any background checks or verifications.

Tragedies are occurring to our children in the most private of settings, in child care and other things. This is not to malign the child care industry, believe me, it is not at all. But the fact remains that our children are in deep jeopardy. If this is truly a spirit of thanksgiving and holiday renewal and Christmas spirit, then we must turn to the children in our communities and figure out a way, not necessarily by government action only, but by community spirit, that we reach out and save those lost young souls who are at the mercy of some very, very sick individuals.

It is also important at this time that we all accept responsibility for our actions. It is about time that we stop trying to place the blame on other people. Oftentimes, in fact there was a killing of five young people in Gainesville, and the person who went before the judge said, "I was abused as a child so you should let me off of these charges. I know I killed five people, but it was due to the torment that my father provided me as a youngster that I committed this heinous crime." Far too often people are looking to blame others in society. "It is something else. It is something I watched on TV. It is a movie I saw." People have to accept responsibility for their actions. We in government have to.

I also want to suggest that none of us take any pride or pleasure in the closing of Government. Some suggest that the freshmen are gleefully celebrating the fact that the Government shut down and that is the way it should be. We grieve for those Federal employees that are wondering what is happening to their job.

The gentlewoman from Maryland, Mrs. MORELLA, the gentlemen from Virginia, Mr. DAVIS and Mr. WOLF, and others, are very critically concerned with the work force in this Capital, and so are the entirety of the Congress. We are not looking to make anybody's holidays miserable. We are not looking to keep people out of work, but some of us feel honor-bound to the commitment to balance the budget. We are anxious to work with the President. We are anxious to encourage the Speaker of the House to move forward with deliberation and discussion with the White House. There is not one person that sits in a back room and chuckles at the thought that Federal employees are not working and we are doing it in a malicious fashion.

EARLY RETIREMENT INCENTIVE ACT AND STRATEGIC AND REEMPLOYMENT TRAINING ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. MORELLA] is recognized for 5 minutes.

Mrs. MORELLA. Mr. Speaker, in light of the streamlining goals of the administration and the additional budget cuts proposed by this Congress, Federal workers are bracing themselves for difficult times. I recently read in the Washington Post that one out of every four Federal workers believes that budget cuts will affect him/her.

In the Washington area alone, studies have indicated that over 60,000 Federal jobs will be lost over the next 5 years. And the simple truth is that retirement and attrition will not help Congress and the administration reach the goal of 272,000 job cuts mandated by the Workforce Restructuring Act of 1994. RIF's will be needed. This fact further increases the anxiety of Federal workers, reduces agency productivity, and sends a chilling message to local economies with a strong Federal workforce base.

Today, I am introducing two bills that will help offset the negative effects of RIF's and restructuring. These bills will provide executives and managers with humane options for streamlining the workforce and assisting displaced employees, while controlling the disruption in agencies and assuring that they can continue to meet their missions.

I am a firm believer that loyalty must be repaid with loyalty. The Federal work force has provided outstanding service to the Nation. They have helped build, protect and preserve this land, and now this workforce needs Congress' help. It is time take on this responsibility and devise strategies that will help them through this tough period.

I believe the strategies must center around two fundamental concepts: First, creating incentives for retirement, and Second, retraining displaced workers for jobs in the private sector.

THE 2-PERCENT SOLUTION

As a member of the Civil Service Subcommittee, I have sat through a number of hearings where the 2-percent penalty associated with early retirement has been called a deterrent to early-out initiatives. Clearly, a waiver of the 2-percent penalty would cause a significant number of individuals to leave the workforce, but it would also have tremendous financial implications for the government.

The bill that I will introduce will bridge these two concerns by redefining the "2-percent" penalty. The bill would reduce the penalty for federal retirees by 2 percent for each birthday celebrated toward age 55. The end result would be that the individuals would be entitled to the annuity they would have received had they been age 55 when they retired.

For example, an employee who is 48 years old with 25 years of Federal service will suffer a 14-percent penalty under the current law. Under my bill, when this retiree reached age 49, the penalty would be reduced to 12 percent; when the retiree reached age 50, the penalty would be reduced to 10 percent. This would continue until the retiree reached age 55.

To assure that this is a cost-effective measure, agencies would establish a 90-day period to offer this incentive to employees. The agencies also would not be allowed to fill positions vacated by employees. This would reduce salary and other related expenses.

In addition, employees who receive buyouts under the "Federal Workforce Restructuring Act" or under the proposed, "Federal Employee Separation Incentive and Reemployment Act" could not participate in this program.

REEMPLOYMENT TRAINING

In a report entitled, "Improving Transition Assistance for Federal Employees Affected by Downsizing," OPM found "* * * that placement of RIF-ed workers within the Government will not be a realistic option for many employees affected by downsizing." It goes on to say that "* * * any new program to help displaced workers find jobs must logically focus on private sector as well as public sector opportunities."

I, too, believe that the partnerships must be forged with the private sector to assure that displaced workers are successfully placed. Part of this partnership will hinge on our ability to retrain Federal employees for private sector jobs.

In a study prepared by the Greater Washington Research Center for the Greater Washington Board of Trade, it concluded that the private sector—Washington area—is projected to add 322,500 jobs during the 1995–99 period.

However, many of these jobs will require strong technical and computer skills. The potential exists for skill mismatches between the Federal workers who lose their jobs and the skill requirements of jobs created in the private sector.

My bill, which I call the Strategic and Reemployment Act of 1995 will amend the current law governing employee training to allow the head of an agency to pay for retraining for placement outside of Government. This simple, but very important change to the law will help Federal agencies be more proactive in the retraining of their employees and assure their retraining and downsizing objectives are in concert with their strategic plan and mission. In most cases, the Federal agency is in the best position to assess the skills of their workers and arrange reemployment training and outplacement assistance.

Mr. Speaker, I feel these bills make an important statement to the Federal workforce—this Congress appreciates their hard work and dedication in serving this country, and during this time of downsizing, we are committed to assuring that there is stability in their lives too.

WHAT HAVE THE GINGRICH REPUBLICANS DONE FOR AMERICA?

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

Mr. VOLKMER. Mr. Speaker, as this year comes to a close the American people should be aware of some facts about the new GINGRICH-controlled mean-spirited radical Republican Congress. The list of achievements of this Congress will go down in history as the worst since the beginning of this country. What have the Gingrich Republicans done for America? Well for one they have closed down the Government twice. No other Congress ever achieved that. They have threatened senior citizens with reductions in their health care. No other Congress has ever done that. They have offered the most wealthy in this country a huge tax break while raising taxes of poor working Americans. No other Congress has ever done that. They have removed the word compromise from Government. No other Congress has ever done that. They have threatened to turn back environmental gains over the last 20 years. No other Congress has ever done that. They have cut school lunches and food for the poor. No other Congress has ever done that. And finally, they have called themselves the family-friendly Congress while putting hundreds of thousands of Federal workers on furlough at Christmas time. No other Congress has ever done that. What a sad record of achievement, but certainly one no other Congress has ever had.

Mr. Speaker, people who knowingly break rules are cheaters. People who write the rules and then blatantly break them for their own benefit are even worse. The new Gingrich House passed new rules for this House last January which limited committee membership to two committees, and four subcommittees. Every Democrat in this House is abiding by those rules. How about the majority. Twenty-nine members of the majority are serving on more than four subcommittees. Nineteen Republicans are serving on more than two full committees. You wrote the rules and all year you have blatantly broken the rules. Perhaps this Christmas Eve you can go home to your families and instead of reading the "Night Before Christmas" you can instead tell your children how breaking rules for their own benefit is good. Be sure and tell them that rules are for

everyone else not them. Nearly 30 percent of the new Republican Members that came here in January are violating the rules, they pushed for. So much for honesty and fairness in the House of Representatives as controlled by the Gingrich radical Republicans.

□ 1815

PROPOSED RULE CHANGE ON BOOK ROYALTIES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, last week the bipartisan House Committee on Standards of Official Conduct unanimously passed a resolution in response to a complaint involving Speaker GINGRICH'S $4.5 million book deal with Harper Collins. Together, five Republicans and five Democrats agreed that the Speaker's book deal gave the appearance of capitalizing on public office. The committee has proposed changing the rules of this House to avoid any future allegations of Members cashing in on public office in this manner.

The rule change would limit outside royalty income to $20,400 a year, and the Committee on Standards of Official Conduct promised that that proposal would come up on to the floor before Christmas. I might add that the $20,400 is the amount of outside earned income that Members cannot earn from a variety of different kinds of professions that they might be in.

The only exception has been the book royalty exemption, and what this resolution is about is to try to close that loophole which was heightened by the fact that the Speaker was in the process of a $4.5 million book deal with Harper Collins last year.

The Committee on Standards of Official Conduct is charged with establishing the bounds of acceptable behavior for Members of this institution. That bipartisan committee has made a unanimous decision that accepting millions of dollars of outside income in the form of book royalties is beyond the bounds of acceptable behavior. I might add that after weeks and weeks of delay in this effort of bringing this resolution to the floor, that I understand from the colloquy that was held on the floor tonight with the majority leader, that in fact the resolution will come up tomorrow, and I applaud that decision. There had been a fair amount of stonewalling on this issue, despite the work of the Committee on Standards of Official Conduct and the work of the chairperson of the Committee on Standards of Official Conduct.

It is time to allow this Committee on Standards of Official Conduct to do its job. Bring this rule change to the floor of the House for a vote, and I know that I will follow the recommendations of the Committee on Standards of Official Conduct members, and I suspect that most Members of this House, of the people's House, will follow the lead of Committee on Standards of Official Conduct members.

My hope is that that resolution will be on the floor tomorrow morning before we depart here for the holidays. We must deal with this issue; we must remove any cloud or anything that puts into question whether or not a Member is using his or her office for personal gain. That is not why people in our districts give us the faith and trust that they do to come here and vote on their behalf. Our time, our effort, has to be focused on their interests, what their concerns are in their lives. That is why we hold these offices.

So I am pleased that this will come up tomorrow. We do not need any more delays. Finally, I do believe that the majority of this house will vote and follow the lead of the Committee on Standards of Official Conduct members.

ONE TRAGEDY AFTER ANOTHER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I awakened this morning, as many Americans did, absolutely riveted and saddened by hearing about the great airline tragedy that had happened in Colombia. I think every one of us identifies with that and thinks of what a horror this is during the holiday period, and we all send great condolences to the families. There is just nothing anyone can say.

And the news got worse. Here we are in this body where all of our pay is being taken care of, where we have just voted a recess until January 3, and the next bit of news made me feel terrible, because to deal with this awful crash they called on Americans, Americans representing this great flag of ours in Colombia who had been furloughed, who had been furloughed in our Embassy during the shutdown. They called them out of being furloughed to send them to the crash scene, which is in an area that is not secure, there are all sorts of guerrillas around there. They risked their lives, even though they are furloughed, coming back on, to go search for these crash victims, hoping to find someone alive, and to start doing all of the grisly work that we just shudder as we even imagine it. Then, of course, when they are done, because of the inaction of this body, they can go back to being furloughed.

Now, is that the vision this Congress has for how we treat people who deal with taxpayers and our problems all over this world? Do we just call them when we need them and then furlough them all of the rest of the time? I do not think so.

I must say, I am terribly saddened to see us in this mode right now where we are going to go have Christmas and we are going to get our pay. We now hear that Medicaid checks probably are not going to go out to most states to people who really need them for their children; that Aid to Families With Dependent Children is not going to get out in time, because that has all been shut down, and we can go on and on and on. I have students calling from Colorado saying that they are trying to make plans for their next term in college, but they cannot get in to get their loans. Small businesses needing money to get through the season, they cannot get in. I mean we could go on and on.

How can we take off and leave this Government shut down? It has never been shut down for more than 48 hours before. How can anybody think this is a great idea? Only Scrooge could go along with this. This is Scrooge. Yes, let Tiny Tim suffer. Who cares if he does not get his medical checks? Let people go without food. Let Federal employees who have given their life, who are always willing to come out, whether it is in the Colombian mountains or whatever, too bad.

Mr. Speaker, I think this is a horrendous way to treat people, and I am ashamed. If there was ever a week where I must say I felt good about my retirement, this has been one. It is like I do not want to be a part of this body.

But then I got to thinking, how did we get here? First we have had this hassle that the gentlewoman from Connecticut was talking about, that we might not even bring the Committee on Standards of Official Conduct thing. Hopefully we are going to do that tomorrow. It is on the schedule now; I hope we see it. Because I think the taint in this place about people selling their offices and all of that is really awful. So hopefully we get that behind us before we go home.

Then I came across a profile in the New Yorker of the Speaker in which I suddenly began to understand what has happened in this body to split us apart like this. In this profile of the Speaker, they are talking about how GOPAC, the Speaker's PAC, sent all of this information to Republican candidates, many of whom are now Members of this body, and here are some of the things that they said you should do if you wanted to speak like NEWT. That is the quote: "So if you want to speak like NEWT about Democrats, you are to call Democrats sick, traders, corrupt, bizarre, cheaters, stealers; that they are devouring the taxpayers; that they are self-serving; that they are criminal."

Well, no wonder we have some extremists here. No wonder. I mean, how could you call people those names and then sit down and deal with them decently?

Now, I must say, until I read this article I had no ideal this went on. GOPAC did not send me any tapes. But if that is how the Speaker is speaking about us as Democrats, what a great tragedy this is, and it certainly is not in the Christmas or the holiday or the human spirit or the great spirit of this country.

CONGRESS GOES HOME WHILE FEDERAL WORKERS SUFFER

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

Mr. PALLONE. Mr. Speaker, I never cease to be amazed at what the Republican majority does, and what they have been doing, in the last few days with regard to the Government shutdown and not moving forward in a positive way on the budget.

This I guess is the sixth day now for the second shutdown that we have had of the Government, and amazingly, rather than coming forward with a continuing resolution today in some form that would allow the Government to continue to operate, but what we received instead was a motion or a resolution that was recently voted on, which I voted against, and which most Democrats voted against, that would allow the Speaker to recess the House of Representatives throughout all of next week.

Let us not kid ourselves. Regardless of what rhetoric was on the floor before by the Republican leadership, the authority has been given now to the Speaker, to Speaker GINGRICH, to basically go into recess, beginning tomorrow, into January 3.

If that happens, and I fully expect it to happen, we will not only to through the sixth day, today, of the Government shutdown and the seventh day tomorrow, but by my calculations probably another dozen days with the Government being shut down.

Basically, we, the Congress, goes home for Christmas and the Federal employees who do not know whether or not they are going to get a check; although they have been promised it, how can they presume that there is any guarantee of that, and they have to worry over the Christmas holiday about whether or not they are going to be able to make ends meet, whether their children are going to be provided for while we in Congress go home.

□ 1830

I find it totally objectionable. I was particularly amazed today with the continued onslaught, if you will, against children that is taking place in this Congress by the Republican majority.

There was a brief dialog with the Republican leadership an hour ago about whether or not AFDC payments or SSI payments or Medicaid payments, much of which goes to children, were going to be made within the next couple of weeks without a continuing resolution. I do not know if the Republican leadership is even aware of it.

The suggestion was, "Well, maybe tomorrow we'll take up AFDC. We don't know if we'll take up Medicaid, we don't know if we'll take up SSI" or some of these other things. They do not even seem to know whether or not with the Government shut down these benefits are going to be paid. And if we do shut down and then we find out next week that some of these benefits are not going to be paid to children or to other people who are disadvantaged in some way, how are we going to be in a position to make those benefits payable? What are we going to do when we are not even here?

Additionally, today a welfare reform bill came up and amazingly, even though the House of Representatives and the Senate a few weeks ago voted for welfare reform that still guaranteed Medicaid or health care coverage for all children who are now receiving Medicaid payments, all of a sudden the conference report comes back and eliminates that guarantee.

So when we talk about the Nation's children at Christmastime, whether it is the Government employees, whether it is the unfortunate children who may not receive cash benefits during the holiday season, or whether it is the ongoing concern over whether or not children in this country will receive health care, I do not see any real concern on the part of the Republican leadership or the Republican Representatives that make up this majority. They just do not seem to care.

I have said over and over again that my biggest concern in this whole budget debate is what is going to happen with Medicare and Medicaid. There were two things that happened today on those two fronts, so to speak, that were particularly disturbing.

It was indicated in several newspaper reports today that we should expect large increases in MediGap premiums, as much as 30 percent on the average, over the next year. The reason for that is because of what is happening here with Medicare.

Right now many senior citizens who do not feel that Medicare covers them sufficiently, because they have to make copayments or pay a lot of money out of pocket for things that are not covered by Medicare, purchase supplemental insurance called MediGap insurance. MediGap premiums are going up as much as 30 percent. Why? Because increasingly the Medicare program does not cover what is necessary for health care for seniors.

So if we cut back, as the Republican majority is proposing, on the amount of money that is available for Medicare for seniors, it is inevitable that that supplemental MediGap insurance will go up and continue to rise.

The other thing that happened today, and this is the last thing I wanted to say in the time that was allotted to me, is that we had an event with a number of people who are taking care of elderly parents who are covered by Medicaid. They are terribly concerned, and I listened to their stories today, over the Republican budget and what it is going to mean for Medicaid.

Under the Republican budget, Medicaid is no longer guaranteed for anybody, and many people who are children or care givers, whatever, are concerned that without the guaranteed eligibility for Medicaid there will not be nursing homes available for their loved ones or there will not be payments under Medicaid for their loved ones.

Again, the process continues, the Government shutdown, the Republicans do not do anything to move toward these budget priorities on Medicare and Medicaid, and it is truly tragic that we are not going to be here next week to try to address these concerns.

REPUBLICANS TO HANG FIRM TO BALANCE BUDGET

The SPEAKER pro tempore (Mr. TIAHRT). Under a previous order of the House, the gentleman from Indiana [Mr. BUYER] is recognized for 5 minutes.

Mr. BUYER. Mr. Speaker, it is with a strong heart I come here. I am really surprised that Members would even take the well and somehow try to claim ownership to issues of children and demagoguery. It is completely unfortunate, and to say that somehow because I am a Republican in this body that I do not care about children is incredibly insulting.

Let me also say that even to say words about assault upon children shows poor judgment. We get that kind of language here on the floor. I do enjoy and I am one who advocates the opening up, and I love the dialog that happens in this body, but perhaps because we are moving into the Christmas season and many of us are upset that we still have to be in this town, we get some of those words come about.

I have no regrets being here in this town at this moment. I have no regrets, because the Reserve unit which I went to the gulf war with has been called up and is on their way to Bosnia. So when I think of them, I remember what that deployment was like, and I think of them now being in the snow of the mountains of Bosnia away from their families.

But I also view that, yes, what they face, the cowardly acts of terror and the threats to the force, we also have the same cowardly acts of terror that face those of us who seek to balance the budget. The acts of terror come in

the form of words. You see, I am one who believes that words have meaning. So when you say, "Oh, I want to balance the budget," then you ought to really mean you want to balance the budget. Do not say, "I want to balance the budget, oh, sometime in the future but I am unwilling to make tough choices."

Let me share that when I returned from the gulf, I was one that was extraordinarily upset with regard to the direction of our country. When you are touched by the experience of war, you begin to understand that there are many people throughout our society who have sacrificed, sacrificed for future generations and recognized the obligations that we have to take care of our parents and our grandparents, at the same time our obligation to see that our children have it better than what we had.

My fear when I look at our children is, are they going to have it better than what we have had? When I look at economic stagnation and the effects upon the wages, there are a lot of issues out there. But when I look at the national debt, I look at that and say that is the greatest threat to our security.

Serving on the Committee on National Security, we have briefings all the time about threats abroad to national security. But what about the threat from within? The threat from within when we have Members of Congress who are unwilling to act responsibly, and only want to reach into their wallets and pull out the credit card and keep stealing from future generations so they can continue to come back here. Then they wrap themselves in the cloak as if they are compassionate and they have ownership of sincerity, and that if you want to act responsibly, then you are cold, callous and uncaring.

That is wrong. That is wrong. But that is kind of the words that are used in this body and it is extraordinarily unfortunate. What it does is, it seeks to divide this body instead of unite the body.

So you have the far left and you have the far right and they seek to pull, and those in the middle when we seek to bridge an agreement, we scratch our heads and say, "What is going on?" When I go back home to Indiana, they scratch their heads and say, "Jeez, put NEWT and BOB DOLE and Bill Clinton in the same room so they can solve it." Come on.

Coming to this body and saying that the national debt is the greatest threat to this country, and then finally to be able to do something about it. You see, for the longest time conservatives, we advocated freezing the budget. Then when we got control of the Congress, we no longer advocated freezing the budget, because now we have an opportunity to change systems. So when over the years we work hard to change systems, streamline and make government more effective, we get attacked.

Well, we are going to hang firm and balance the Nation's budget because this is about the future of the country.

REPUBLICANS VOTE TO GO HOME IN FACE OF SHUTDOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. WATERS] is recognized for 5 minutes.

Ms. WATERS. Mr. Speaker, this has been a strange day, and these are strange times. We have my colleagues on the other side of the aisle, the Republicans, who claim they have kept us here because they want to negotiate. They have literally caused people to change their plans, change their lives, caused so much uncertainty with the families they claim to care about.

Do not forget, these are the family values people. These are the folks who say they know more about family values than most of us. But yet when they had an opportunity to be sensible, to be credible, to make sure that we operate in a way that respects our families, they have done some strange things.

After all of this, when they had an opportunity to negotiate, the President called them up, met with them, and their leader, NEWT GINGRICH, went back to them and said, "We have an agreement. We can get a continuing resolution to keep Government open."

Mind you, Government is not really operating. We do not have the authority. We have a lot of Federal employees that have been told to go home. This is Christmastime. They do not know what is happening. They do not know when they are going to be returned. We have parks that are closed down. We have people who cannot get passports.

Then my friends on the other side of the aisle got cute and they decided, "Oh, let's strike a blow for veterans. That's a great constituency. They vote. When we say we're doing something for veterans, we really look good. These are the person who have defended our country, so if we go on the floor and we make sure we said they should get paid, it's going to make us look good with the American public."

And so we did that. In all of this, we failed to negotiate, we don't have a continuing resolution for everybody, but we struck this little blow for veterans.

And after NEWT GINGRICH went to them and said they could have a deal with the President to have a continuing resolution, they said, "No, we don't want to do it. We don't care what you say, NEWT GINGRICH." The new Members, the freshmen, said, "No, we don't want a deal."

After not having a deal, they said the reason they did not want to do it is because the President had not committed to a 7-year balanced budget, nor did he want to accept the Congressional Budget Office projections and their understanding of how the economy would be working over the next 7 years. That is what they said.

Well, that has been cleared up, so you would think they would have negotiated today. But no, they have not done that. They took a vote, led by the Republicans on the other side of the aisle, to just go home. Just go home. Go home to their families, to our families.

And, yes, most of us would like to do that. But what about the Federal employees and the others that do not know what is going to happen to them? We could have passed a continuing resolution. They did something strange called a recess, an adjournment that is called a recess, and they kind of said, "and we have the opportunity to call you back at some given point in time."

And so this adjournment fashioned as a recess has taken place. But before they left, a lot of damage was done. A lot of damage was done because we passed out a conference report on welfare.

This conference report on welfare basically cuts about $60 billion out of welfare and, oh, that is easy to do, because welfare has become kind of the political football of politics. If you get up and rant and rave against worthless people who are getting the taxpayers' dollars, oh, you can get some votes. You can get some votes, and you can have people believe that somehow you are protecting the taxpayers.

It is easy to beat up on children. It is easy to beat up on poor people.

"They don't have any power. They can't do anything. And I can get get some votes."

Well, they struck a blow against the children, $60 billion in cuts. Oh, they took the safety net from under the children. You should see the havoc that was wreaked upon these children and their families, because protective services will be hurt.

□ 1845

A lot of things will be done to children that I do not think any of us can be proud of. So I stand here this evening to say, it is shameful what has taken place over the last few days. None of us should be proud of it. None of us should want to go home and face our constituents or our families because it is not honorable what we have done here.

BALANCING THE BUDGET IS FOR THE CHILDREN

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

Mr. KINGSTON. Mr. Speaker, as I listened to the debate today and this

week, and I think many of the Members in the House and across the country have listened to it, there is a lot of blame going on. Some people are blaming Mr. DOLE; others are blaming Speaker GINGRICH. Some are blaming the freshman class. Others are blaming the President. Others are blaming—and I understand the President actually got mad at the moderates tonight—and then there is a Democrat coalition that is getting some of the blame. And so there seems to be plenty of blame and plenty of theories as to who is the problem here. But whatever the excuse is, whatever group you blame it on, the fact is we still have not resolved this budget impasse.

There is an old World War II saying of the veterans that said that the difficult we do immediately; the impossible takes a little bit longer. And it would appear that it is impossible right now in 1995 America for us to settle this budget quickly or easily. But I am confident, Mr. Speaker, that we will be able to resolve it. I say that because of a great confidence and belief in the American people, in the American system. Sure, we are having a very difficult debate. It is extremely hard. Democrats are coming, every day they are saying the Republicans hate children, the Republicans hate the elderly, it is the book deal, it is one thing or the other.

I know on their side that the Republicans are accusing Democrats of wanting to spend all the money in the world and yet, when you look at it, Democrats have something to say in this argument. When you look at it, the Republicans have something to say.

I think what the American people really want is a balanced budget and we are the folks who have been elected to do the job. I believe that we can get together and resolve this. Dwight D. Eisenhower said, I am paraphrasing, that once the American people have made up their mind to do something, there is little that can be done to stop it from happening. I think the American people have made up their mind about the balanced budget and I believe in that context this debate is, I say, fortunately beyond Washington. We will get a balanced budget.

What is it that we are fighting about? The Republican plan, for all the cries about the deep cuts, the Republican plan does not even freeze spending. It increases it $3 trillion over the next 7 years. The President wants to increase it $4 trillion over the next 7 years.

As I talk one to one to my Democrat friends and Republican friends, we are all confident that we could resolve it. People from urban areas, people from rural areas, people from the West Coast, East Coast, it does not matter, we believe on an individual basis we can resolve it.

I am seeing a little bit more movement this last week in that direction, informal talks, nothing big, nothing that has picked up in the media, nothing that some of the leadership has even recognized. Yet there is a lot more talking going on than the media would have the American people believe.

So I say with a great optimism, yes, it is too bad we are going to be going home and folks are still out of work and so forth. I think it is important for us to all realize, these are real people, real paychecks, real jobs. They want to be working. They want to know that the security of that paycheck coming in twice a month is going to be there. At the same time, though, I am confident that we are going to get this thing resolved because, and to quote another great leader, Ronald Reagan, we are Americans. We will do the right thing. We will get this thing done, Democrats and Republicans alike.

People are using the children as their shield a lot around here. We are doing this for the kids. What if kids could vote? What if the American children, what if that average 10-year old out there could suddenly vote and, realizing the issues as the rest of us do, and that 10-year old, like my son John, would look up and say, wait a minute, Dad, you mean to tell me that all that spending that you are doing today, all that money that you act like it is yours when it is not, you mean to tell me that you are borrowing money that I am going to have to be paying back and my friends are going to be paying back. Dad, I think you all better so some serious cutting or do some serious spending reductions or do whatever it takes so that my generation is not strapped hopelessly with this $5 trillion debt that you are bumping against right now.

I would say, we bring kids in the argument, what would happen, Mr. Speaker, if children were allowed to vote? I think this whole formula would change and I can promise you, we could balance that budget in a hurry because it is not fair what we are leaving our children in the way of debt.

A TEST FOR DEMOCRATS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, I come to the floor this evening to appeal to good sense and good government and accommodation consistent with principle on my side and on the other side. Today there have been requests to the GOP leadership to consider that AFDC checks are due to go out with no one to send them out, to consider that the District of Columbia Government is up and running without the necessary authority. One of the leaders offered that in the State of California it was not clear that Medicaid bills could be paid.

On the Democratic side, occasionally I have heard what the other side has become more closely identified with. That is a kind of all or nothing response. I must tell you, Mr. Speaker, my heart is with the all or nothing response, because my largest employer is the Federal Government and its Federal employees in my own district who are being penalized as they sit home waiting to be called back to work on an involuntary furlough. But at least my Federal employees have been promised by the majority that they will be paid.

What promise has been made to children on AFDC that they will be paid before Christmas or that those on Medicaid will be paid before Christmas and, God help us, that the Nation's Capital will be standing before Christmas?

It is time for cool and mature heads to consider what is at stake. This is a real test for my side of the aisle, I must say, for we have gotten up consistently this year to speak for the poor, to speak for those who cannot speak for themselves. I do not see how it would be possible for us to go home for Christmas and tell people that we had said that, if it all does not come through, then no way AFDC will come through, no D.C. will come through, no Medicaid will come through. In that case we have adopted the tactics of the other side.

Both sides need to step back. I appreciate, frankly, that the majority is willing to consider relieving those most in need of relief by some kind of special CR and have only said that this should not be the subject of great contention. This is a test for my side. Do you mean it or not, or is it only the Members of Congressional Black Caucus who mean it or the Hispanic Caucus who mean it, or the women who mean it, or do all the Democrats mean it? Do the Republicans mean it? Can we put aside as Christmas dawns our rancor to say we do not want to go home, and say to poor children on welfare, I am sorry, your check will come sometime in the future?

For us, a missed check may get us over. For people on welfare, a missed check means no food and no shelter for far too many. For the District of Columbia, it is a shameful day when we have abandoned our constitutional responsibility and said to the District, well, we will reach out and get you when we can. Meanwhile, you are on your own.

Eighty-five percent of the money up here that we cannot get out because no appropriation has been passed is money raised in the District of Columbia from District taxpayers. There is a moral obligation, especially on these three issues, not to say all or nothing, not to get up and make some kind of vain motion knowing it will lose and, therefore, toss us all out.

There is a moral obligation on this side and this side to say, at the very

least, we will call a truce when it comes to poor children on welfare who will not be fed and might be put out on the street before Christmas. We will call a truce when it comes to whether or not 600,000 people in the District of Columbia will have a government that is open and collecting trash and doing what government must do for people to keep going. We will call a truce when it comes to Medicaid. Is that what we want? It is not what we want. But if we have gotten the majority to understand that they must consider that, how can we pull back now?

It is a test and we must look at each and every one of us to see whether any of us causes this test to be failed. We must take it into account. If, after all, we have had to say about children and about the poor, we are willing, we are willing to stand here and allow checks to be missed for them, it is a test. Either we mean it or we do not. Whose principles are these? Who do we speak for? Can we pass the test?

BUDGET NEGOTIATIONS

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

Mr. GEKAS. Mr. Speaker, there is not a dime's difference between the two major political parties, was the observation of a political writer some years ago. I think that that description can be in a broader sense applied to the negotiations that are now taking place even as we speak and which have so much to do with the eventual outcome of the cherished balanced budget.

Why do I say there is very little difference in applying it to the current negotiations? If we would recall only in a brief recent history, the President of the United States, when he was candidate Clinton, offered a tax cut and said that, when he became President, he would make certain that the middle class would at his hands receive a middle class tax cut, much needed tax cut.

When the current negotiations began, one of the big issues was whether or not we should have a tax cut. So it seems that both parties, the Republicans, who want this tax cut and who have promised it in the Contract with America, have matched the President, who offered it when he was candidate Clinton in the 1992 elections. So has not the issue of tax cuts been resolved once and for all? Should not the American people expect a tax cut?

If they have agreed on that, what are they arguing about with respect to whether or not there should be a tax cut? President Clinton, after he became the Chief Executive, criticized the Republican tax cut as being unworthy of consideration for one reason or another. Yet he has proposed a tax cut. Now let us skip over to the other big element in the negotiations: Medicare reform.

The Republicans are being excoriated on an hourly basis by the opposition on their daring to try to slow the growth of Medicare. Will we not recall, Mr. Speaker, that it was the President and the President's people who first brought that consideration before the public by offering, in the 1993 session, 1993, the first year of that session, a plan to slow the growth of Medicare? So now the second largest issue which is on the table in these present negotiations is also one on which the major parties show that there is not a dime's worth of difference between them.

The President's people want the Medicare growth to slow. The Republicans offer as part of the balanced budget the slowing of the growth of Medicare. What is left to negotiate? It seems to me that all that is left is proportions of those two elements. We ought to be able to settle it.

My gosh, I would be willing to do anything to have the President actually agree to the balanced budget. Maybe we could offer the President, look, Mr. President, perhaps we, the Republicans, would offer you, you take your choice. Take the Medicare proposals that are offered by the Republicans, and we will give you your tax cut. That way both parties, both sides of the table will have earned something on which they both agree.

□ 1900

They both want a tax cut, they both want Medicare reform. The President now takes the Republican version of Medicare, and we give him his version of a tax cut.

I know that that will not work, but the point should be made clear to the American people that both sides are saying the same thing in different ways and that neither side should be accorded more credibility than the older.

I hope that the President begins to reduce his rhetoric against the Republicans who want the same thing he does, and I hope that the Republicans will understand that a tax cut that is offered by the President is not out of consideration altogether. Someplace we should have both a tax cut and Medicare reform.

One final point, Mr. Speaker, I acknowledge here and now that we Republicans have failed the public-relations war to make clear to the American people why we seek a balanced budget, because every time we say we want this cold steel unattractive item called the balanced budget, we are met by the opposition who say, "What are you doing to the children, the orphans, to the disabled," and all of that. They win that battle, but the balanced budget that we seek will bring an era of prosperity in which all the needs of the American people will be met, and the balanced budget that the Republicans seek here and to which the President has agreed over 7 years will reduce the chaos that we have in this country and all the segments of the society.

BASING THE BUDGET ON ITS MERITS

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

Mr. VENTO. Mr. Speaker, I take this time to comment on the events concerning the budget and the controversy that has engulfed the Congress and the Nation concerning it.

First and foremost I must say that I think that the contributions, the focus this year and the focus in the past campaign, which was largely due to efforts in 1994 on the part of the Clinton, the Bush, and the Perot factors to focus on a balanced budget, was a good focus for our Nation. I think that that is a desirable goal. In fact I think that in 2 years in the programs that were passed have actually moved us in that direction, probably not as dramatically as some would want, but they have moved us in that direction. But I think that it is very important, as we move toward trying to resolve the budget deficits on an annual basis, and in the long range we hopefully can get there, and I hope and I think that that is possible, I think we have to look also at the fact of what happens in terms of the balance of the programs that we have. Achieving a balance in terms of no annual deficits is important, but we also have to recognize that there is a human deficit that could develop and that is developing in our Nation today as we look at the disparities in incomes and wages that people earn and the unwillingness today in this Congress, largely by the majority party, the Republican majority, my friends, that they are not willing to move on the minimum wage. I think that we ought to do that, try to address that. More importantly, I think we ought to be working to empower workers and to give them the skills, and the education and the ability in training and skills they need, as I said, so that they can be more productive workers, so that they can earn better wages.

But, Mr. Speaker, as we look at the events that have happened here, the controversy that is going on with regards to plans and schemes to try and achieve a balanced budget, I would just want to remind my colleagues that, having served here through the 1980's, this is not the first plan that we have had with good intentions to balance the budget, no, not at all. In fact I think, as has been mentioned on the floor by both Republicans and Democrats, both President Bush and President Reagan had sought and, of course, pledged their fidelity to a balanced budget, that they were going to attain it sometime in the future. In spite of the fact that that was the goal, and I

think many in Congress, some in Congress, with regards to the Gramm-Rudman I, Gramm-Rudman II, they all had plans to achieve a balanced budget. So I think that they had 4-year plans, 5-year plans, but the fact is that what happened is that events in the economy overtook those plans. I think sometimes they were premised on unrealistic tax and unrealistic policy and program changes that did not achieve that, but, too, notwithstanding that, the other major factors, I think, are some of the unforeseen things that happened in the economy.

I note that one of the—throughout this week one of the accomplishments, or goals, or the basis for the balanced budget and the achievement of it is the suggestion that somehow interest rates are going to go down, that that is going to be a big accomplishment. Well, I would suggest modestly to my friends that the Congress of this country does not completely control the economy. We do have a free economy and a global basis. We do not control that economy, nor should we. I do not think that we should. I think we can have an impact on it. Whether it is going to be as dramatic and positive as what my colleagues believe I would very much question. So I think that most of us that have served in this body understand that we are going to have to address this issue of trying to achieve a balance each year. Each year we are going to have to take incremental steps.

Having a plan; well, that is very good. Trying to do this within a certain period of time, 4 years, 5 years, 7 years I think is probably more realistic than trying to do it all at once where we would cause a catastrophic impact on our economy in terms of its performance. But I must say that while we strongly disagree, I strongly disagree with many of the elements that have been put into the reconciliation bill, which is this year's, this 7-year program to in fact try to achieve a balance, because I think while it might indeed balance the budget at the end of that given the—if the economic predictions were to hold out, which I think would not hold out, not because of any bad faith, but simply because of the nature of our economy; but I think the programs inherent in that, that make the cuts, that make the changes, are inherently, are inherently unfair.

I think the premise of a balanced budget that is going to work, the programs that are going to work, is going to have to be shared sacrifice. When you start out with half of the reductions taking place in Medicare and Medicaid, and start out with putting in a large tax cut, distributed in an unusual way to those that have higher incomes, I think you start out with a bad premise.

Now the fact is that—the fact is with regard to that type of budget—it simply is not going to do it, it is not fair, it is not going to get the support of the President, and it should not receive the support of the President.

So I would hope that this week we—if you cannot solve it on the merits, I think it is wrong to try to push this down the thoats of the American people based in terms of the annual appropriations bills. You have to sell it on the merits. It has failed on the merits, so now we are trying something different, and that is trying to cut off the appropriations in November, and again now in December and through the new year.

So I would hope my colleagues would consider that and consider my words in terms of the decisions they make in the weeks ahead.

COMMENTARY ON BOOKS AND MOVIES IS IMPORTANT

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

Mr. HUNTER. Mr. Speaker, before I get into my subject, let me just comment briefly on what my colleague just stated in respect to the balanced-budget negotiations. He mentioned, the last thing he mentioned, were the tax cuts, and you know I have looked at the tax cuts, the $500-per-child tax credits, and I do not think that is a strange tax cut, and that is, by far, the biggest amount of money that is manifest in the Republican package. That says that you get $500 credit per child.

Now that means, if you are a person who is a working person who only pays today $1,500 in tax liability, you have three children, at $500 apiece your tax liability is erased. A person who has a $50,000 tax liability, an upper-income person, and you have three children, your children count just as much as anybody else's, and you get $1,500 off your $50,000 liability, and you still pay $48,500 in taxes, and I just do not understand why that—I would be happy to yield.

Mr. VENTO. I appreciate it.

I would suggest that there are two factors here that are inherent in this bill that weigh in against workers, low-income workers specifically. First are the changes prospectively in the earned income tax credit, which is reduced in the plans that have come from the House and Senate out of conference, and second of all is that, if you do not pay a Federal income tax, then you are not entitled to any type of credit, and of course I am talking about income tax because those same individuals of course pay Social Security taxes on a regular basis, so those children that are about a third of the children in this country come from families that are affected, where they would not get the benefit because—the fact that their wages—of the parent are so low that the child is denied the benefit.

I thank the gentleman for yielding.

Mr. HUNTER. Mr. Speaker, let me just answer my friend.

That is a long—what the gentleman has just described is a far cry from saying this is a tax cut for the rich. I do not consider a person who makes, who has only a $1,500-per-year tax liability, as being a wealthy individual, and yet that person, if that person has three children, he get to multiply that by $500 per child, and that totally eliminates his tax liability. That takes it from $1,500 to zero. Now that is hardly a tax break for the Rockefellers.

So the gentleman was arguing in favor of having a balanced discussion, using not pejorative terms in trying to find a middle ground somewhere, and I would suggest that there is a lot of merit to a child-based credit—you know the tax credit we started with that we had in 1948, if you adjust it for inflation, is much lower in real dollars than it was back in the 1940's.

I think the gentleman——

Mr. VENTO. If the gentleman would yield, I would acknowledge that, but I think that, if you look at the broad array of taxes here over a 7-year or even a 10-year period, you find that the majority of these taxes do go to those that have investment income and to corporations. You know, the way we get to some of these adjustments is first looking at the individuals and not treating the corporations——

Mr. HUNTER. Reclaiming my time, I just take my time back for a second. The difference that I have seen in the amount of money of income that is derived or the amount of money that is attributed to the child-based tax cut is roughly, if the last figures I looked at were correct, was about five times as much the amount of income that is considered to be given up, if you will, by the capital gains tax cut.

Mr. VENTO. If the gentleman would yield back——

Mr. HUNTER. Child-based tax cut is by far the big——

Mr. VENTO. I think the issue here gets to be how long you run that, so first of all the Senate—the example you use, usually use a 5-year time frame. This is a 7-year program, but, if you run it to 10 years. You find that about three-quarters of the tax benefits in this go to investors, some, of course, small capital-gains beneficiaries, but a lot of it to corporations. You know in this measure that you have, Some of it will take the corporate tax down to zero.

Mr. HUNTER. I appreciate the gentleman's commentary. I would be happy to discuss this with him further but, Mr. Speaker, I would like——

Mr. VENTO. I thank the gentleman for yielding.

Mr. HUNTER. I thank my friend.

Let me say, Mr. Speaker, that sometimes it is important to comment on books and movies because those books

and movies reflect history, presume to reflect history, and that history is drawn upon by leaders in government when we make further decisions, and one movie that is currently playing in this country is called "Nixon." It is a movie by Oliver Stone, and I think that commentary is always an important thing, and it is important to have a commentary that is delivered by an honest broker.

There is no more honest broker in this area and no person more qualified to comment on the movie "Nixon" than Herbert Klein, who first met Nixon in 1946 when he was first running for Congress, and ultimately became the Communications Director of the White House in 1969, and was the director until 1973, and I would offer for the RECORD this article in the San Diego Union entitled "Truth Subjected to Oliver's Twist" in which Mr. Klein tries hard to find a grain in truth in the movie "Nixon," but finds it very difficult to achieve.

So I would ask, Mr. Speaker, that this article by Herbert Klein be put in the RECORD.

The article referred to is as follows:

[From the San Diego Union-Tribune, Dec. 19, 1995]

TRUTH SUBJECTED TO OLIVER'S TWIST

(By Herbert G. Klein)

The Richard Nixon portrayed by Oliver Stone in the new movie "Nixon" comes nowhere close to the realities in the complex life of the late former president.

In its article on the highly publicized new film (which opens tomorrow), Newsweek saw Stone as having discovered "complexity, ambiguity and even a measure of restraint."

For those who knew Nixon well, that description of this picture is difficult to comprehend. Stone has created few movies that were not controversial, and "Nixon"—like "JFK"—is sure to create controversy.

For "Nixon," Stone recruited outstanding actors, including Sir Anthony Hopkins (who plays the president) and Joan Allen (the first lady). But given the script, which jumps without warning from fact to fiction, acting alone falls far short of reality.

I watched the movie at a private screening last week at Mann's Hazard Center, where I was alone to analyze my feelings as I recalled the highs and lows, the wins and losses, that I had experienced with Richard Nixon.

The film appropriately showed the warts of the president and then went beyond. The happier, high points were largely ignored.

It gave me a bewildered feeling to watch actors who never have known the sill-living people nor the issues they portray, and who miss true characterization.

This is a movie mainly tuned to Watergate and parts of Vietnam, but it is interspersed with scenes of Nixon's childhood and, finally, his disgraced departure from power.

Even the early family moments are inaccurate, particularly when they portray Nixon's brother as a renegade who died after suffering from tuberculosis for 10 years.

Scenes featuring Nixon's mother, Hannah (played by Mary Steenburgen), depict her as an "angel" who had tremendous impact on her son Richard. That was true. The scenes brought back memories to me of her Quaker funeral. Such memories included the Rev. Billy Graham, who later presided over the funerals of both Pat and Dick Nixon.

The early family depictions surprised me. I didn't expect to see shots of the happy days with kings, presidents and prime ministers in the state dining room, or other shots of congressmen crowding around the president for pictures of bill signings on major issues, such as school desegregation.

I did expect less Watergate and more of the international events that shaped Nixon's policies and that are a part of history.

Fortunately, I never met the Watergate burglars or its masterminds, G. Gordon Liddy and E. Howard Hunt, but most of the reallife persons portrayed in the film were men and women with whom I worked closely sometime during the time I knew Dick and Pat Nixon, from 1946 until he died in April of 1994.

Even with that background, I had difficulty determining which actor was which Nixon deputy or which parts of the movie were based on fact and which were part of a screenwriter's imagination.

RUBINEK AS KLEIN

The greatest surprise for me came when I discovered Saul Rubinek playing Herb Klein in scenes from the 1960 and 1962 elections. I didn't recognize myself or my role until someone on the screen called out, "Herb." Among other things, Rubinek appears to be short, dumpy, wears suspenders, swears frequently and smokes cigarettes. I'm not Beau Brummel, but none of those things applies to me.

In a more important way, the actor playing me on the screen was arguing a point that was directly opposite my point of view.

The debate was over whether Nixon should take legal action to protest the results of the close 1960 election against John Kennedy. In the movie, I am arguing with Nixon's early campaign manager, Murray Chotiner, on the night of the election.

In fact, the historic question was not seriously considered by Nixon until days after the election, when we were in Key Biscayne, Fla., and my position—along with that of Chotiner and (the late longtime Nixon confidant) of Bob Finch—was that Nixon should not contest the election because such action could endanger national stability.

Nixon listened to both sides and decided not to challenge the results, and in a historic scene not portrayed in the movie, he and John Kennedy met in a Key Biscayne villa a week after the election. Nixon rejected an offer to serve in the Kennedy Cabinet, declaring himself to be the leader of the "loyal opposition." The two men agreed to try to unite a divided country, while recognizing their differences.

No one ever asked me or any other persons portrayed in the movie what the facts were.

COFFEE HIS BEVERAGE

The Nixon on Stone's screen drinks almost constantly and comes off as an evil, angry buffoon who believes that his problems center on not being understood by anyone including his wife.

Nixon was not a teetotaler, but coffee was his beverage during the day, and I can recall only a half-dozen times in almost 50 years when I saw him bordering on too much to drink during the evening.

Stone touches on Nixon's feelings toward the Kennedys, and at one point Nixon is seen staring at a picture of President Kennedy and asking: "When they look at you they see what they want to be. When they look at me, they see what they are."

That probably portrays Nixon's true feelings. He disparged "Eastern intellectuals" and yet he knew that, in truth, he was an "intellectual" who liked to feel he was outside the Eastern elite community. Some of those he admired most were eliteist. He resented the fact that the Kennedys "got away with everything" and that the news media and Congress looked for faults where he could be criticized. At one time, (chief domestic-policy adviser) John Ehrlichman Persuaded Nixon to set up a Camelot-like "royal guard" for the White House. That lasted only a few days.

The most dramatic parts of the film come in conversations between Dick and Pat Nixon. Those obviously are fabrications since no one witnessed them. Allen plays Pat Nixon's role well and shows her to be family-oriented, warm and intelligent. The Pat Nixon I knew also was a strong and caring "first lady." The film wrongly portrays her as a chain smoker. She smoked occasionally in private.

Nixon used to say everyone loves Pat. He was right.

During the scenes between the president and his wife, Nixon refers to her with the nickname "Buddy." I had never heard that, Nixon's daughter, Tricia Cox, whose White House wedding is portrayed tastefully, told me she never heard her father use the name Buddy, but she does recall that Buddy was a childhood nickname for her mother.

Julie Nixon Eisenhower also is shown pleading with her father not to quit. That was a plea Julie made, but the passion of the real Julie was far greater than that of the actress (Annabeth Gish) who portrays her.

STONE OBSESSION

As I watched the film unfold, the most surprising innuendoes concerned Castro, the Bay of Pigs and a mysterious attempt by Stone to insinuate that there was some type of plot involving Nixon, Howard Hunt, the CIA, J. Edgar Hoover, the Mafia and the Kennedy assassination.

Over the years, I have heard discredited theories involving the CIA or the FBI, Kennedy and the Mafia and attempts to assassinate Castro. Stone seems to attach these long repudiated stories to Nixon as if the former president had some part in the death of John Kennedy. That, of course, is pure Stone obsession on Kennedy assassination plots.

The vagaries of the Cuban-plot theories did stir within me memories of some of the most tense moments of the Nixon campaign against Kennedy in 1960.

Just prior to the fourth and final debate between the two candidates, both men addressed an American Legion convention in Miami, Kennedy got major applause with comments about organizing a force to attack Castro. Nixon knew that such Cuban refugee troops were being trained secretly by the CIA under President Eisenhower's direction. Nixon felt that for him to take this hard line, as had Kennedy would break the code of secrecy he held as vice president. He, therefore, was made to look weak with a suggestion urging a blockade.

The encounter made Nixon so angry that it was difficult to prepare him for the all-important final debate. He had me call CIA Director Allen Dulles to see if Dulles had told Kennedy about the secret training exercise. Dulles denied this, but Nixon did not believe him. This exercise later became the Bay of Pigs.

In the final days of the 1960 campaign, Nixon was forced during the debate to take a weaker position than he believed in, and Kennedy scored points.

None of this was in the movie, but I recall taking reporters to Club 21 for a drink, hoping that would distract them from what was going on.

I became angry during the movie when Nixon was portrayed in sinister fashion as ready to bomb civilians in Hanoi, North Vietnam. Stone goes to the trouble of showing Nixon turning back a steak that was so raw that blood covered his plate. This bloody scene was supposed to be symbolic, but it almost made me sick.

The fact is that Hanoi was bombed, and nearby Haiphong was mined, a bold move that forced the North Vietnamese to agree to a cease-fire. I recalled that Henery Kissinger and I were in Hanoi immediately afterward, and I saw with my own eyes that Hanoi civilians were spared, but military targets such as bridges and airfields were hit with precision. This was not in the movie.

Among those who will resent this film most will be Henry Kissinger. Only recently, he was unfairly depicted as being evil in Turner Broadcasting's TV movie, "Kissinger and Nixon." In the Stone movie, Kissinger appears to be a devious fat, sycophant who was almost ousted from the White House staff by (White House chief of staff) Bob Haldeman and aide Chuck Colson.

One of Kissinger's happiest moments was when he won the Nobel Peace Prize in 1973. The disparaging movies may provide Kissinger with some new low points in life.

When, in "Nixon," I saw the Kissinger character having lunch or dinner with reporters at Washington's Sans Souci restaurant, I recalled dining in the same cafe and often wondering what Kissinger was leaking. This did become a White House controversy, and he may have wondered the same thing about me.

But the movie's implication that Kissinger was about to lose his job was the opposite of truth. The film reminded me of times when I was in Haldeman's office or on an airplane and heard Kissinger—then the frustrated national security adviser—seek to displace Secretary of State Bill Rogers. No one effectively threatened Kissinger.

For me, the saddest moments of the movie came near the end, when Nixon finally begins to comprehend that he has lost the battle, that he is about to be forced from office. I had left the staff a year earlier.

Stone is more sympathetic in these scenes and allows Nixon to ask why no one remembers what he did in ending the war, in opening relations with China and what he did in the SALT treaty agreements with the Soviet Union.

I left the theater wondering why the movie was made and seeking quiet where I could again sort out fact and fiction.

I also pondered the coincidence that within less than two years after Nixon's death, we suddenly see a flurry of shows reviving the Vietnam War and Watergate—TNT's "Kissinger and Nixon," Stone's "Nixon" and a forthcoming History Channel program titled "'The Real Richard Nixon' 3½ documentary hours of Tricky Dick."

The A&E Channel also has scheduled a two-hour presentation of Nixon on "Biography," to air in january. Its producers say it is a true documentary.

FEDERAL EMPLOYEES, VETERANS, AND CHILDREN BEING HURT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Georgia [Ms. MCKINNEY] is recognized for 5 minutes.

Ms. MCKINNEY. Mr. Speaker, I have come to the floor this evening to voice my utter dismay at how our Federal employees, our veterans, and children are being treated by this GINGRICH-led farce called leadership. Republicans are hurting those who do not deserve it. We have dedicated employees in the State, Justice, and Commerce Departments who are being manipulated by those who claim that they care about the American people. We have Medicare recipients and children who will not receive benefits because the Republicans simply do not care. We have devoted State Department employees who were called in from furlough to cope with an airplane disaster in the dangerous hills of Bogota, Colombia. There are individuals who were deemed nonessential and are not being paid but are risking their lives to travel into the guerrilla-controlled hills of Colombia to insure that Americans' lives are protected.

□ 1915

This is the Christmas season. This is the season where good will toward men should be the order of the day. However, we appear to have many Members of this body who have a personal agenda that not only casts a scrooge-like haze over this season and the lives of Americans, but demonstrates a cold-hearted callousness for the well-being of our elderly, our children, our most vulnerable citizens.

I am here this evening because it is a sad day for America and this Congress. We have a few Members of this body holding the entire country hostage, and behaving as if they are, in fact, involved in a guerrilla war themselves, high up in the hills of the Sierra Madre. It is unfortunate that my colleagues on the other side of the aisle have truly made this a season not to be jolly.

I also have a lot of constituents who are undergoing quite a bit of concern right now as it relates to the 11th Congressional District and the recent ruling from the judges that really turns the entire congressional map upside down, topsy-turvy, and places incumbent Members of Congress in the same district, and generally creates havoc on the congressional election plain, just a few short months away.

While we are here trying to protect the rights of average, ordinary Americans who are going to be hurt by this shutdown of government services, we also need to note that, particularly to my constituents who are concerned, that also the Department of Justice is shut down. That means that if there are some who are interested in the timely filing of an appeal to the Supreme Court for the drastic measures that were taken by the lower court in Georgia, we are just out of luck, because the Department of Justice is among those whose Federal employees have been called off of the job.

We have definitely got to do something to put our Federal employees back to work. The work of our government employees is necessary, it is essential, it is valuable, and it is critical. To deny our Federal employees paychecks just a few days before Christmas is about the most cold-hearted kind of treatment that I have ever, ever thought that anybody could visit upon other people.

FRESHMAN REPUBLICANS DEDICATE THEMSELVES TO GETTING AMERICA'S FINANCIAL HOUSE IN ORDER

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

Mr. SHAYS. Mr. Speaker, it is one of the greatest privileges in the world to serve in Congress and represent constituents who have sent you to Washington. I have had the pleasure as well to represent a smaller constituency in the State House in Hartford, and it never ceased to amaze me, as a State legislator, how I as a State legislator had to make sure that our State had its financial house in order, and yet the Federal Government could deficit spend. I often wondered how those men and women in Congress could do such a terrible thing to our country, to burden future generations with horrific debt, on which we have to pay annual interest payments which are in excess of over $235 billion annually.

Mr. Speaker, when I got down to Washington I vowed that getting our financial house in order would be my first and highest priority, making sure that we balanced our Federal budget. I have seen during the past 8 years that there has been here a greater awareness that we needed to do this and more and more Members willing to put their, candidly, political lives on the line to do that.

I pay special salute to the freshman class that have joined us this year, because this number of 73 Members has given us the opportunity to lead. We have not had an opportunity as a Republican conference to lead in 40 years. What we have done in that short period of time, Mr. Speaker, I think is extraordinary. We passed major reforms in the first day of the session by reducing the size of Congress, reducing the number of committees, reducing the staff on committees, requiring or no longer allowing proxy votes, requiring all committee meetings to be open to the public, requiring that Congress live under all the laws we impose on everyone else. I want to say that again; to require Congress to live by all the laws that we impose on everyone else.

Mr. Speaker, we not only voted during the beginning of the year for a balanced budget amendment, but we did something obviously more important,

we voted to balance the budget. That is what I want to address at this point.

Mr. Speaker, we are going to get our financial house in order and balance our Federal budget. At the same time we are going to save our trust funds, particularly Medicare, from insolvency and then ultimately bankruptcy. Our Medicare fund will go bankrupt if we do not take corrective action to restore funds in the Medicare Part A fund, which will go bankrupt in 7 years. We are looking to transform our caretaking social and corporate welfare state into a caring opportunity society. We are set to do all three of these objectives, and we are working hard to accomplish that task.

Mr. Speaker, Prime Minister Rabin, who was the former prime minister in Israel, made it very clear that he viewed his responsibility this way. He said he was elected by adults to represent the children. That is what I think Members in Congress have to do. We are talking about not having a horrific debt that mortgages our country's future.

We have a plan. The plan is very simple: We balance the budget in 7 years. Admittedly, we have a tax cut. What do we do? We balance it in 7 years. I could forego a tax cut if we balance the budget in 6 years, but I will be darned if I am going to reduce the tax cuts and then take what we had saved to allow for tax cuts and just spend more money. We are allowing this Government to grow. In the past 7 years we spent $9 billion. We are going to spend $12 billion. The issue is should we spend $13 billion in the next 7 years. We say no. The other issue is we say it should be balanced by the seventh year.

Mr. Speaker, I constantly hear about Republican cuts to the budget. They are just not true. At least they are not true when they refer to the earned income tax credit, a very important program to provide proactive financial assistance to individuals who do not pay taxes, but work. The earned income tax credit grows from $19.9 to $25.4 billion. The school lunch program under our plan grows from $5.1 to $6.8 billion. The student loan program grows from $24.5 to $36 billion. That is a 50-percent increase.

Only in this place when you spend 50 percent more do people call it a cut; Medicaid, growing from $9 billion to $127 billion, Medicare from $178 billion in the seventh year to $289 billion. That clearly is an increase in spending.

Mr. Speaker, we are cutting some programs, and maybe some we should not, but we had to make choices. Now it is up to the President. We have spent a whole year working on our budget. We have closed it and advertised it, and have proclaimed it to our constituency and the entire United States. Now it is time for the President to say where his priorities are.

A member of our conference pointed out that we have been authors and the President has been a critic. It is important now that the President be an author of what he favors and show us what he wants, and then compare the two options. I think we can have an agreement on 24 hours, as soon as the President and the leaders in the Democratic side of the aisle, the gentleman from Missouri [Mr. GEPHARDT] and the gentleman from South Dakota [Mr. DASCHLE], determine that the American people want to balance the budget in 7 years and get our financial House in order. We are not asking that they agree to what we are doing with Medicare and Medicaid or the tax program or our discretionary spending. We are asking them to present their plan, see where we agree and, where we agree, case closed. Where we disagree, then iron out our differences.

Ultimately, the President is the President of the United States. He is going to have to pass judgment on what we do. There will have to be an agreement. But rather than compromise, we are looking to find common ground and save this country from bankruptcy. We are determined to get our financial House in order and balance the Federal budget. We are determined to save our trust funds, particularly Medicare, from bankruptcy. We are determined to transform this social and corporate welfare state into an opportunity society and end this cycle of 12-year-olds having babies, 14-year-olds selling drugs, 15-year-olds killing each other, 18-year-olds who cannot read their diplomas, 24-year-olds who have never had a job, and 30-year-old grandparents. That has to end.

We need to transform this society into truly what is an opportunity society. I look forward to doing that, and working with colleagues on both sides of the aisle to accomplish that task. Mr. Speaker, I would just conclude by saying I am proud to serve in this incredible opportunity as a Member of Congress, and to represent the people of the United States.

REEMPHASIZING THE DETERMINATION OF REPUBLICANS TO BALANCE THE FEDERAL BUDGET

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

Mr. MCINNIS. Mr. Speaker, the issue that we have got to address is this deficit. This Government is accumulating a debt of $30 billion an hour more than it brings in. In other words, it is spending $30 million an hour more than it brings in. How, you would ask, is that done? It is done by using a credit card. The most misused credit card in the history of this country is right here in my hands.

What is this misused credit card? It is the congressional voting card. For 40 years this card has been inserted in that slot and additional debt has been put onto the next generation. It is like any other credit card. You can go ahead and charge things without having the cash to pay for it. That is exactly what this country has done. The status quo in this country is not a pay as you go. The status quo is not to act like every other American family has to act; that is, they cannot spend any more than they bring in. The status quo in Washington, DC is to get more taxes and more taxes and spend more money and more money. If the money coming in does not match the money going out, that is okay, just spend more money, and periodically go back and get more taxes.

We cannot continue to allow this society to run on a deficit. It does not work. No country in the history of this world has been able to run their country with deficit spending like some in this body would like this country to run.

Mr. Speaker, we are up against the status quo. Anytime you take on the status quo—and frankly, there are a lot of us who have had enough guts, and there is the momentum this year to take it on—whenever you take on the status quo you are going to be criticized. They are going to blame everything they can on you. Tonight, earlier, I heard one of my colleagues even somehow associating the tragic plane crash last night in Colombia to the Republicans and the balanced budget idea. That is the kind of thing we are being blamed for. We are going to throw seniors out on the street. No more student loans. What a bunch of baloney. No more school lunches for the kids. What a bunch of garbage. That is not going to happen. A year from now the people of this country will be enjoying the fruits of a balanced budget. And you know what? None of these scare tactics being used by the protectors of the status quo will come true.

We can all remember in our own history when Christopher Columbus sailed for the new world. Where was that criticism? "What is the guy, crazy? The world is flat." He had to sail through some rough waters. He had to go through severe criticism, but he did it. Look what happened. He sailed into a new world. In this country, we can do the same thing.

Sure, we get a lot of naysayers around here that say to us, "You cannot balance this budget," or "Let us pretend we have balanced it," and continue to spend more and more and more. We are being criticized for everything you can imagine, but we are determined to sail through those rough waters. We are determined to deliver to the next generation a balanced budget. We are determined to force the Government in Washington, DC to behave just like every other family in America has to behave. That is that they cannot

spend any more money than they bring in.

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

Mr. MCINNIS. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Speaker, the gentleman's analogy of leaving the old world for the new world, I just want to make this point. We have left the old world for the new world, and we are not going back to the old world. We have burned our ships. We are in this new world, and we are determined to save this country from bankruptcy. I thank my colleague for yielding to me.

□ 1930

Mr. MCINNIS. That is what we are going to do. That is the beauty. I know that right now the storm is out. A lot of people like to bring their ships into the harbor when the storm is out there. We are right in the center of it. We are willing and ready to do that, and I think that is the optimistic news for this country.

Mr. Speaker, I will end on an optimistic note. No. 1, the spending and the spending and the spending of this government has to be brought under control. We are going to do it. For those young people in our country, let me tell you, there are so many more things that are going right with this country than are going wrong, and you have a great future. My colleague, the gentleman from Connecticut [Mr. SHAYS], myself, and most of the people, a majority in this body, will deliver to this next generation economic sensibility in the Nation's Capitol. We will deliver to that generation a credit card like the one I have that is not loaded with debt. We are going to do something about it. We are in the new world. We are ready to take the pot shots that people are making at us. We do it for the next generation.

A CHRISTMAS RECITAL

The SPEAKER pro tempore (Mr. TIAHRT). Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN. Mr. Speaker, a Christmas recital. Man does not live by legislative tension alone, and my apologies to Mr. Moore.

The night before Christmas.

T'was the night before Christmas and all through this House, the liberals were playing the cat and the mouse. The budget was hung by threads of despair, while we hoped and we prayed Bill Clinton would care.

The night before nestled all snug in his bed, visions of veto pens danced in his head. He dreamed of Web Hubble all through the night and vowed he would hold out if only for spite.

While out in the land there arose such a clatter, taxpayers demanding, just what is the matter? Balance that budget, shut some Feds down. Our poor Army's in Bosnia, they said with a frown.

The moon on the breast of the new fallen ice gave delusions of grandeur to Hillary; how nice. When what to our wondering eyes should appear, but Willie as Santa, his gang as reindeer, passing out pork in Fed buckets and pales, while frightening the old folks with Medicare tails.

More swooping than vultures his coursers they came, they whistled and shouted and called them by name: Now Al Gore, Panetta, McCurry and Stephie; on Flowers, on Troopers, McDougal and Betsy. From the top of the heap to the top of the Hill, now bash away, bash away, go for the kill.

While back in the House the hurricane rages. The freshmen are busy inspiring the pages. What sad words from ladies, and gentlemen too, who would rather be home with an eggnog or two. Where children and grandchildren snuggle in bed, waiting for Santa, the real one, in red.

But struggle we will until our promise is met, a budget that is balanced; down national debt. A tax break for families with children to raise, a gift to the Nation in conservative days.

And then in a twinkle we heard on this roof the stomping and pawing of each liberal hoof. As the Speaker called order, we all turned around. Bill came through the cloakroom looking smug and quite round. He was dressed all in glitter, because fur is not allowed. He threw Big Macs and french fries all over our crowd. You have won now; it is over, I fear. The budget is signed, my election draws near. But if I should lose, I will still be around. I am heading to Hollywood. It is my kind of town.

He plopped in his sleigh, to his libs gave a yell, and then they were gone like bats out of hell. But we heard him exclaim as they galloped toward heaven. BOB DORNAN impeaching me? Film at eleven.

Mr. Speaker, may I place in the RECORD the update of:

REAL SLEAZE IN THE NOT-SO-GAY NINETIES

I. WITH WHOM DOES ANY THINKING PERSON ASSOCIATE THESE NAMES AND EVENTS?

A. First the good guys & gals

Jean Lewis and other law respecting workers at the Resolution Trust Corporation.

Paula Corbin Jones—victim of criminal flashing—the ultimate sexual harassment, right up there with criminal groping—worse if you are the employer, i.e. the Governor.

Billy Ray Dale and 6 other innocent Travelgate victims.

B. Once "in sin" but now seeking redemption

Sally Perdue, Gennifer Flowers, Mailyn Jenkins, and Arkansas Troopers #1, #2, #3, #4, #5 ("J.D.").

C. Bad guys:

Bimbos IV through XX, maybe higher.

James McDougal, cheating owner of Madison Guaranty.

Susan McDougal, embezzler of Zubin Mehta and wife and partner of James.

Bernard Nussbaum, former White House Counsel.

Current convict Webster Hubbell, former Associate Attorney General (No. 1 fix-it man at Justice).

William Kennedy III, former White House Associate Counsel.

Dan "Cocaine" Lasater, ex-con who laundered drug money through S&L's and paid Roger's $10,000 cocaine debt, was pardoned by Governor.

James Blair of Tysons Chicken, controlling investments for whom?

Margaret Williams, Chief of Staff and Enemy of Truth.

Patsy Thomasson, F.O.B., Enemy of Truth #2.

Morton Halperin, National Security Counsel, he was rejected for Asst. Sec. of Defense by U.S. Senate.

Hazel O'Leary, Energy Secretary, world traveler.

Bruce Babbitt, Interior Secretary, master of babble.

Strobe Talbott, #2 at State Department (Dayton Conference "Greize eminence"—brother-in-law of Derek Shear) Time Magazine lying editor and senior F.O.B. in 1992.

Ira Magaziner, former Health Care Reform Guru, can't add simple financial figures.

Roger Clinton, ex-con and former cocaine addict.

Robert Altman, BCCI.

Clark Clifford, BCCI, avoided justice trial.

Catherine Cornelius, president's 24 year old cousin, the failed nepotistic appointment to run White House travel office.

Robert "Red" Bone, stock broker who dealt cattle futures punished by Chicago Merchantile Exchange.

Convicted Ex Judge David Hale, John Dean of 1995.

Ron Brown, Commerce Secretary, Rich F. of fired F.O.

Kristine Gebbie, former AIDS Czar.

Henry Cisneros, Housing Secretary.

Bruce Lindsey, Former Deputy Counsel (falsely claimed attorney/client privilege in Whitewater hearing on taxpayer payroll).

David Mixner, senior homosexual fundraiser.

Susan Thomases, F.O.H.

Betsey Wright, Bimbo Patrol ultra fixer-upper.

Jack Paladino, personal detective, "fixer" with heavy cash.

Jean Bertrand Aristide, defrocked priest, "I love the smell of burning flesh," anti-Christian, anti-American accessory to multiple murders.

Paula Casey, belated self-recused U.S. attorney in Little Rock—bad memory.

Zoe Baird, botched Attorney General nominee (badly vetted Liberal Victim #1.

Kimba Wood, botched Attorney General nominee (badly vetted Liberal Victim #2).

Lani Guanier (badly vetted Liberal Victim #3).

Henry Foster, sometime Abortionist (badly vetted Liberal Victim #4). Double dipping prior female Surgeon General who wanted to teach self-gratification to grade schoolers. Still does. Ugh.

Charles Ruff, liberal Democrat prosecutor, potential political appointee.

Vincent Foster, Marley's ghost for third Christmas in a row, former inside super fix-it lawyer, either a victim or guilt ridden over WACO children deaths and Travelgate assassination of reputations of 7 innocent working folks.

Christophe and the infamous $200 haircut at LAX.

Ex-Trooper Captain Buddy Young, coverup artist and chief of procurers. Double income payoff at F.E.M.A.

II. EVENTS ASSOCIATED WITH WHOM?

$100,000.00 Cattle Futures "lucky" trading— or was it criminal "donation."

Five "culture of death" executive orders pushing abortion-on-demand for any reason or no reason at all of first working day in office.

Bimbo turf, otherwise known as Astroturf, in pickup truck. Investing in cattle futures for whom?

Normalizing Relations with Vietnam in spite of live sightings and missing heroes (on advice of 'ol Raw Evil MacNamara).

Herb and Lois Shugart, parents of Medal of Honor recipient, refusing to shake President's hand, 25 May '93.

"Loathsome" letter to Bataan Death March survivor, Colonel Gene Holmes, stating we've come to "loathe" the military.

The magnificent but suppressed response from Col. Holmes. Mena Airport.

The return of anti-American, psychotic, defrocked priest to power in Haiti. White House Travel Office worker reputation assassinations. Waco deaths of pregnant women and 20 or more children who were hostages of a cult guru.

Bootlicking by political appointees of Communist Poliburo in Hanoi. Secretive Health Care Task Force of 511 socialists or pointy headed bureaucrats.

Bisexuals and homosexuals in the military.

On MTV: "Is it boxers or briefs?" "Briefs."Ugh. Worn above or below copiuos love handles??

19 heroes cut down in the allies of Mogadishu, then heroes' bodies dragged by crowds, desecrated and burned.

Offensive photo ops: 4 May '93 30 U.S. on White House South Lawn; 19 July '93 Joint chiefs of Staff, four star rank, everyone used as puppets for pro-homosexual charade. Now that is loathing the military.

50th anniversary of D-Day, 4 June '94, Omaha beach loathsome posing. 1 December 1995 Baumholder, Germany, 1st Armored Division, 10 yard "Follow me" march to nowhere with Division staff.

Pornographic, pro-bisexual, pro-homosexual "AIDS in the Workplace Training" for all federal employees—temporarily reduced until January 20, 1997.

Whitewater financing of 1986 Arkansas Governors race, 1990 Arkansas Governors race.

August '93, largest tax increase in the history of our nation—the history of any democracy ever!

Military officers ordered to serve hors d' oeuvres at White House picnic.

Socialized medicine for Americans, doctors and nurses be damned.

Encouraging condom ads in family hour, prime time television programming.

Organizing pro-Hanoi demonstrations in a foreign country in 1969 and 1970.

Triple draft dodging, July 1968, April 1969, and political reversal of induction show-up date of 28 July 1969.

Attempting to disarm the law abiding citizens by unconstitutionally circumventing the 2nd Amendment.

Forcible return of Haitian refugees, breaking promises made during '92 campaign.

"I didn't inhale" vs. "Sure I would, I tried once didn't I?" (MTV television appearance. June 1992).

Middle class tax cut—NOT!

Failed BTU tax.

Nannygate, over and over.

White House senior staff abusing U.S. Marine helicopters to zip over to golf courses.

Sacrilege of appropriating our Messiah's Self-description of "New Covenant," (Jesus Christ is the New and Everlasting Covenant. Amen.)

Daughter to elite Sidwell Friends School.

Desire for U.N. control of U.S. troops, everywhere.

Heber Springs Hideaway, "liaisons dangereuse."

Vadis Bosnia? Whither goest our emperor's whims?

AMERICA DESERVES BALANCED BUDGET

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

Mr. CHRYSLER. Mr. Speaker, let's be serious about this debate. Despite the rhetoric we're hearing from the White House and my colleagues on the other side of the aisle, there is only one man standing between the American people and the benefits of a balanced Federal budget.

The President signed a contract with us that said he agreed that a balanced budget over the next 7 years, as determined by honest Congressional Budget Office numbers, would be enacted before the end of this year.

Yet the President has dodged and diverted attention for the last month since he signed that agreement and refused to negotiate in good faith toward a balanced budget.

By standing in the way of a balanced budget, the President is denying every American family the benefits of a balanced budget.

Mr. Speaker, a balanced budget will mean a tremendous bonus for every American. According to Americans for Tax Reform, if we balance our budget today:

Over 4.25 million more jobs will be created over the next 10 years.

Per capita incomes will increase by over 16 percent.

Families would save as much as $37,000 off the cost of an average 30-year mortgage of $75,000.

Students would save $2,160 on the cost of an $11,000 student loan.

An average family would save $900 on the cost of a $15,000 car loan.

The Chairman of the Federal Reserve Board, in testimony before this Congress, stated that interest rates would come down at least 2 full percentage points.

Mr. Speaker, our balanced budget plan will also save Medicare from bankruptcy, preserving and strengthening this program for our Nation's seniors. In fact, our plan would increase per beneficiary spending on Medicare from $4,800 this year to $7,100 in the year 2002—that's an increase of $2,300. Only in Washington would anyone try to call that a cut.

A balanced budget is good for America. The country deserves a balanced budget. The President should stop standing in the way of a balanced budget and let Americans see the benefits that will result from putting our country back on sound financial footing.

If we do nothing to balance our budget today, we put every Federal program at risk for tomorrow. In just a matter of years, if we do not balance our budget, every dollar paid by every American in taxes will be used just to pay for entitlement programs and interest on the national debt.

That means no money for education, the environment, roads, bridges, the national defense, and countless other programs.

Already, the debt that we have run up will cost every baby born today over $187,000 over the course of her lifetime just to pay for interest. And that number is only getting higher the longer we wait to balance the budget. This year, the interest we pay on the debt is more than we will spend on the Army, the Navy, the Air Force, the Marines, the FBI, the CIA, and the Pentagon combined.

It is not fair to leave our children this crushing burden of debt. I do not want to leave my children Rick, Phil, and Christie, and my grandchildren Chloe and Heather, with this debt on their shoulders. They don't deserve it. They at least deserve the same opportunities many of us have had when its their turn.

We have got to turn this situation around. We have got to stop spending more than we take in and start living within our means. It is only fair for our children and grandchildren.

If we balance our budget today, we will begin reversing the trend of piling up debt that our children will have to pay and begin to create a brighter future for them.

Mr. Speaker, the American people should know that they are being denied these benefits because the President of the United States refuses to negotiate in good faith toward a balanced budget, and created and bought TV ads nationwide the day before he came to the table to allegedly negotiate.

And last, it is an insult to the intelligence of the American people for the President or the Minority Whip to blame 73 freshmen Members of Congress for the budget impasse.

Just this Monday, this House voted for a 7 year, CBO-scored balanced budget. That's not just the freshmen position. That's the position that 351 Members voted for, Republicans and Democrats.

The only way the freshmen are extreme, is that we are extremely in touch with the American people, who want us to keep our word and balance the budget.

HAS UNCLE SAM PROMISED AWAY THE AMERICAN DREAM

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California

[Mr. HORN] is recognized for 60 minutes as the designee of the majority leader.

Mr. HORN. Mr. Speaker, the question is, has Uncle Sam promised away the American dream? The message today is that by any business standard the United States of America is probably bankrupt. We probably have promised away the American dream.

The first step in ending America's possible bankruptcy is to balance the budget. Why is not America's bankruptcy frontpage news? It is not frontpage news because America's bankruptcy can be explained only by pouring through a massive amount of numbers.

I asked a professional staff member on my subcommittee, the Subcommittee on Government Management, Information and Technology, Dr. Harrison Fox to dig into those numbers and let us see how close we are to bankruptcy, if we are not already in it and simply do not realize it.

Usually, when you talk numbers, most people either say, "I do not want to be bothered with those numbers." Perhaps they are afraid of what story the numbers will tell.

So how do we get the message out that America is going bankrupt? As part of this hour, I will put America's bankruptcy in people terms. How much is your share of the debt? What will your children's tax rate be if we keep funding Federal programs at current levels? What are the top 11 Federal promises? By using the David Letterman-style list, tying the numbers to your family and your children, your grandchildren, your grand nieces, your cousins, and all of us as Americans. By doing that, I think we can begin to appreciate the terrible financial shape in which the Federal Government finds itself. We must begin a discussion of how we are going to work our way our of the bankruptcy mess.

I am going to show a series of tables. Table 1 will have a number of components as we look at various aspects of this problem. The year 2045 might seem to be a long way away. But it is not. Some high school and college graduates will be celebrating their 50th wedding anniversary. If current Federal spending we left on automatic pilot, by the year 2045 then, federal tax rates will have to be raised to an average of over 80 percent of annual income. That would be the average for the people making $35,000 a year or $3.5 million a year.

Currently, the highest income tax rate is 36 percent. We will have a very confiscatory tax rate in the year 2045 unless we do something to redirect this Government over the next few years, the next few decades. The result of such a tax rate to pay the obligations of the Federal Government would mean that families would end up having quite a bit less to spend on life's necessities and life's pleasures.

□ 1945

Paying this tax rate, the average family, which today makes approximately $36,000 a year, would have only $346 per month available to spend on housing compared to the $648 currently available. With $648 monthly, you can pay the mortgage on a house. Now you can get at least one bedroom—maybe two, a living room, and a kitchen for that amount of money in most places but California, New York, and Washington, DC. Compared to the $648 the average American currently spends for housing or an apartment. By 2045 that would be barely enough. With the $346 equivalent left available for housing that would just be enough for a one-room efficiency.

The weekly spending on food would be reduced from $108 to $54. There will be no more family meals at McDonald's, at Wendy's, at Mimi's, at Nino's, even L'Opera.

Available yearly personal spending for medical care would fall from the almost $5,200 it is now down to perhaps $2,600.

When it comes to clothing in 2045, available funds for clothing would drop from the current $2,075, almost $2,100, to a little over $1,000.

And then let us think of transportation. If you are a Californian, you drive your car to the 7-Eleven a block away. By 2045, the average family would only have $130 a month for the car, or mass transportation. In 2045, most would not be able to get much more than a used car with a minimal engine.

And then there is recreation. Families would be spending much less for vacations, visits to relatives, and even going to the movies. They would have available much less discretionary funds than they have now. Why? Because the average Federal tax rate would exceed 80 percent in order to pay the bills of this Government. The yearly amount available in 2045 would decrease from the average of $2,600 today to about $1,038 in 2045.

Federal taxes paid by the average family will have to be more than doubled from the current $14,527 that is the average family's tax in this country to an average family tax of over $30,000 yearly by 2045. And we have not even mentioned the State and local taxes.

If we look at table 2, which is the share one has of the Federal debt, liabilities and assets between 1955 and 1995, the year we are just ending, you can look back over the last four decades, from 1955 to 1995, Congress and a succession of Presidents of both parties have taken on debt and made promises, which are liabilities financially on the Federal Government—you, me, we, the taxpayers—that far exceed the ability of you, your children and your grandchildren and other citizens and residents to pay.

Since 1955, dramatic increases in the Federal debt and other liabilities have occurred. The rapid escalation in Federal promises has not been matched by asset accumulation. That is, the Federal Government has not been saving or purchasing land or other assets that have long-term value.

In current dollars, the debt has increased more than 12 times over the last 40 years. Federal promises, as worthy as some are, as I suggested earlier, are financial liabilities. They increased more than 1,000 percent, while hard assets, such as land, property, plant and equipment, have increased less than 400 percent.

The average citizen's share of the national debt has increased from $1,652 in 1955 to over $19,000 today.

If the assets of the United States were sold, a citizen's share would have been $1,361 in 1955, and $5,283 this year.

This sounds like a lot of money, until Federal promises are tallied.

If your grandchild—let us say Jonathan Aaron Yavitz or Jefferson Thomas or Michael Gordon or Raul Gomez or Eddie Komomoto—if your grandchild was born this year or next year, they come with a share of these promise—financial liabilities, if you will—bearing with them a bill to pay nearly $193,000 during their lifetime. That is an increase of $175,000 over what their share would have been if they had been born in 1955 when a number of us were just getting out of college.

We are not talking here about the liquidation of all the assets of the Nation to pay the bills. If we were, each one of us would be left with over $185,000 in promises to pay.

By the way, no one is going to sell Yellowstone or Yosemite or Dwight Eisenhower's home in Abilene, KS or Franklin Delano Roosevelt's home in Hyde Park, NY. But there is something terribly wrong with the financial condition of the United States and it is sure to have consequences for each of us, for our children and our grandchildren.

It will take at least 30 years for the United States to work its way out of the overextended promises that have been made by the big government welfare state.

Think of what we are going through now as we simply try to eliminate the annual deficit. On a $1.6 trillion annual budget, we are spending our time arguing between parties, between this institution—Congress—the House and the Senate—and the President of the United States, about how we deal with eliminating that annual deficit, which is generally $250 million, $200 billion, sometimes less, a year, depending upon the interest rates. And we have not even started the discussion as to how we eliminate the annual public debt that goes up and up and up. We are now nudging that authorized ceiling and about to pass the $5 trillion mark. That discussion has not even started.

We are having great difficulty getting the administration to face up to

what every American knows: You cannot go on forever spending money. The $100 billion budget of Lyndon Johnson would only pay for half of the interest on the national debt. The interest does not retire that $5 trillion debt. We have to face up to retiring it. And even if we retire the current national debt, we have not faced up to what I am discussing tonight, which is the extended liabilities that go beyond the national debt well into the next century.

As we look at table 3, Federal Spending by Category, of course, we look at the Federal budget outlays—spending, if you will—and the priorities have clearly changed over the last four decades.

The big gainers have been interest payments. As I mentioned, Lyndon Johnson ran the whole domestic government, the war in Vietnam, with over a half a million men and women there into the late 1960's and his budget at that time is what it takes us just to pay half of the annual interest charge on the national debt. That interest payment does not enrich our society. It does not help people and meet our domestic commitments and our national security commitments.

The big gainers besides interest payments are, of course, Social Security—which we have a basic commitment to keep that was brought about by both parties in the 1930's—and Medicare.

As I have said before on this floor, in my role as the legislative assistant to the then Republican whip Senator Thomas H. Kuchel of California, I happened to be a member of the drafting team of Medicare, working with the late Wilbur Cohen, who became Secretary of Health, Education, and Welfare under President Johnson. It was a wise group of Republicans and Democrats which framed that legislation in the Senate on a bipartisan basis and enacted it into law.

Every young person, every parent knows that their grandmother, grandfather needed that help. Look at the escalating costs that have confronted us in this country in hospital care and health care generally. So we need to protect Medicare. That is what we are doing in the current budget battle. You would not know it by some of the scurrilous, stupid comments that we hear on the airwaves, but that is what we are doing.

Then of course we have other mandatory spending since the 1960's:

For Medicaid, called MediCal in California where there is a State match as there is in most States; to assistance to Cuban and Haitian immigrants and refugees. The big losers in funding over the last four decades are primarily domestic and some national security defense programs.

Our Federal Government is now a benefits distribution machine. That is the only category I can think into which fit most of the activities I have mentioned.

By 2002, nearly 75 percent of all spending will be directed toward individuals and, of course, interest payments for the $5 trillion national debt. And if we do not balance the budget by January 1, 1996, and we have a con job that takes us through the November 1996 elections, we will have a $6 trillion budget. And if we keep going as we have been going until this Congress came and this majority came, then that budget will add $1 trillion every 3 or 4 years based on the level of the current annual deficit.

Over the last 40 years, Congress and a succession of Presidents have redefined the Federal mission. In 1955 the Federal mission in spending terms was heavily weighted toward national security, international and domestic programs. Today the predominant Federal mission is to provide citizens with benefits.

In 1955 benefit entitlement spending and interest payments were 12 percent of total Federal expenditures. By 1962—a few years before Lyndon Johnson's Great Society programs began in 1965—etitlements rose to 30 percent. Today they exceed 64 percent of the annual Federal budget.

By 2002, even with the 7-year balanced budget program of our majority in Congress, entitlements and interest are projected to reach 75 percent of the Federal budget.

Since 1955, Federal promises—financial liabilities—have increased from $2.8 trillion to over $50 trillion. When you look at the liabilities as a business would look at liabilities and under laws passed just a few years ago and the standards of the various accountancy boards that regulate that profession, a business must put on its balance sheets the liabilities that it will have to face from either retirement plans for its employees or other obligations and loans that that business has taken to continue its activity.

These estimates that I have made of going from $2.8 trillion to over $50 trillion are not just something we dreamed up one evening. These estimates are based on the Social Security intermediate actuarial scenario projects.

The Social Security Administration has had for decades highly respected actuaries, highly respected outside experts. They have a good record. Medicare also has responsible actuaries. That is why the outside advisers as well as three Clinton Cabinet officers concluded that the system was headed for bankruptcy.

That is why we have provided a Medicare plan that will preserve, protect, and save Medicare and provide options for the first time for the senior citizen. No longer will it be Big Government telling senior citizens what to do. It will be the individual making a choice that is in that individual's self-interest.

So the Social Security Administration has made these projections. Some are high. Some are low. This projection is intermediate. Perhaps it is splitting the difference. These costly promises resulted mainly from rapidly growing new entitlement programs.

Entitlements, very frankly, become political currency.

□ 2000

What do we mean by political currency? We mean votes. Frankly, that is why three decades ago a lot of us were early drumbeaters for Medicare. Every time an election was around the corner, Congress added benefits to the Kerr-Mills Program that was an ancestor of Medicaid. What we saw was Congress constantly voting benefits but never voting the taxes to bring in the revenue to pay for those expanded benefits.

Medicare is a very conservative program, although Congress has muddied that up a lot in the last 40 years. And that is why I was an enthusiast of Medicare from the beginning and helped on the drafting team. If Congress provided more benefits, then Congress was to raise the Medicare tax to pay for those new benefits. That idea seems to have been lost somewhere in the last decade or so in this Chamber. But that is why it is a conservative approach. You try to measure the outputs and make sure the inputs in the trust fund will cover those particular outputs.

Now, that political currency of modern America, the votes, obviously affects what we do. And only citizens, by being aroused and angered by the continuation of a budget deficit of billions of dollars, a national debt rising to $5 trillion and going to go to 6 trillion before the end of this century, if we do not do something about it. I am talking about eventually seeking to retire the national debt, or at least lower that debt into a more manageable shape than it now is. We must begin to deal with the unfunded liabilities, which few, if any, are talking about.

Today's conflicts over Medicare, Medicaid, and 80 means-tested welfare programs reflect a reassessment of the Federal mission, and a national referendum on the continued use of entitlement benefits as political currency. The current Federal mission providing citizens with benefits is unsustainable at current levels. Major changes must be made in a number of benefit programs, and we are not talking about Social Security. Every to-be political demagogue is sitting out there waiting for somebody to trip over Social Security. So as the Speaker said, do not even consider touching Social Security. The fact that citizens might have secured greater benefits if Social Security had been properly organized, that is a debate for another time. Citizens should have better benefits under Social Security, but to do that, you are going to have to do what a few other countries are doing.

Priorities have to be set. The performance of current programs must be evaluated and that is the role of every authorizing committee here, every appropriations subcommittee, the Committee on Government Reform and Oversight, and our subcommittee and the others in particular that are the oversight subcommittees. Congress must decide which programs are effective and then how some of them must be administered. That is another battle we are having right now.

Do we continue to administer most programs out of Washington? Is all wisdom here? I was not aware of it. Or do we establish block grants to the States? That would let the governors—who also meet the test of the people every two or four years—administer many programs and adapt them to the needs of the people. There are very able civil servants that exist at the State, county, and city level. They are just as capable as the very able civil servants in Washington, D.C. They can run these programs and they can run them closer to the people and they can adjust them to the particular needs of their State.

When we look at table 4, the Federal spending from 1955 compared to 1995, and recall that the fiscal year 1955 budget was President Dwight D. Eisenhower's first budget to be prepared entirely by his administration for review by the then-Republican Congress. After that, it would be 40 years before a Federal budget would be approved by a Congress controlled by the Republicans.

And look what happened over those 40 years? First remember that not one dime can be spent by the executive branch of this government unless this House with the Senate passes a law which provides for a permanent appropriation. In brief, pass a law that make a program an entitlement. It is the Congresses before 1995 that have spent, spent and spent. And now we are trying to change that, not by cuts. The attempt is to slow the growth and have better programs.

Can we save a trillion out of revenue increases of several trillion? We can and we will.

During the last 40 years, Social Security spending has increased from 3 percent of the Federal budget to 22 percent. Medicare was not funded until 1967. Today it receives an allocation of 11 percent of the Federal budget. Other mandatory spending programs have increased from zero to 16 percent of the Federal budget. Other mandatory spending programs have increased from zero to 16 percent of the Federal budget. Today discretionary spending has a much lower proportion of the annual budget than it did in 1955. The national security budget allocation has been reduced from 63 percent of the total budget in 1955 to 18 percent in 1995.

Other domestic spending has decreased from 24 percent to 18 percent. Interest costs, however, have increased from 9 percent, when Eisenhower was President, to 15 percent. That is because our national debt has risen from less than a trillion dollars to almost 5 trillion today.

The bottom line is that the Federal Government's spending priorities have changed significantly over the last 40 years. The Federal Government's major role has been redirected from program initiator to benefits provider.

Today nearly 50 percent of Americans receive some form of government payment. Is this the essence of the American dream? A resounding "no," I think most of us would say. And increasingly the voters are going to shout it so all elected officials can hear.

Members of Congress, parents, government workers, the media, every citizen must have the courage to seek the truth about what is happening fiscally in our Federal Government today.

If we look at table 5, the growth of assets and liabilities, 1955 compared to 1995, we see that since 1955 Federal assets have increased six times while liabilities have skyrocketed by a factor of 18. Why does the Federal Government have a significant asset liability mismatch? Because little attention has been paid to tie in revenues, taxes, fees, duties, to each specific promise and spending decision as we do in our family and business. The Federal Government operates using a cash budget that is ill-suited for looking out into the future. Thus our future spending commitments overwhelm our capacity to raise revenues.

Our option is to cut some programs dramatically. A second option is to increase taxes. A third option is to create more debt. The latter two options have been rejected by those of us in the Congressional majority.

What does this asset liability mismatch really mean for future spending and citizen taxes? Matching assets and liabilities is prudent fiscal policy. Spending and taxes are linked to Federal liabilities through the debt. Just as a family must not spend more than it earns, over the long run governments must make sure that revenues match expenditures. Federal debt reduction will be a key factor in determining each family's standard of living in the 21st century.

Many nations—including New Zealand, Singapore, Taiwan—and the European Economic Community have recognized the importance of matching revenues to equal expenditures. Many nations as well as State and local governments in this country have recognized the importance of matching specific assets, such as dedicated trust funds—as in the case of Social Security and Medicare—with the promises that are made.

Federal regulatory agencies, such as the Comptroller of the Currency, have required banks to match assets with their liabilities—their promises—in order to protect the government from losses. We should expect at least as much from the Federal Government when it makes long-term promises, and these promises should be matched to anticipated assets or income streams so that all who are entitled to the benefits will know that they are there.

Table 6 looks at the top six Federal assets, again, comparison from the Eisenhower administration to today. The bottom line for the Federal Government is the need to manage its assets in a prudent manner. By far the most important Federal asset is the power of the Government to tax. The power to tax results in the cash flow that sustains the yearly obligations of government.

I think it was Mr. Justice Holmes who said taxes are the price we pay for civilization, although I am also aware that taxes are rather heavy in a few dictatorships.

For the last quarter century, in the United States, tax revenues have been less than Government expenditures, thus the deficit. And the deficit which consumes our attention does not even consider the long-term unfunded liabilities which we are now discussing. The power to tax is what the Federal Government is expected to collect in fees, duties, and individual corporate taxes.

Expressed in today's dollars, over the next 75 years, the power to tax makes up over 95 percent of all Federal assets. This was true for both 1955 and 1995.

The willingness of citizens to pay taxes is what keeps our government operating. Between 1955 and 1995, using the value of the dollar for each period, the power to tax has increased from 3.5 trillion to 20.6 trillion, or a little over six times. Federal asset values have generally increased proportionally over the last 40 years, according to the estimates made by the citizens for budget reform.

One exception is gold. The U.S. gold stocks have been reduced by half since 1955, from 622 million ounces to 262 million ounces. As the price of gold increased from the Government mandated price of $36 per ounce, to nearly $400 per ounce today, the Federal gold stock was being reduced over this period by one half.

Other significant Federal assets include property, plant and equipment, inventories, cash, monetary assets, loans receivable and other assets. Property plant and equipment includes Federal buildings, military equipment, other equipment, construction in progress and land. With nearly 650 million acres of land in its inventory, the Federal Government controls almost 29 percent of the land within the United States. The vast majority of this land inventory is in Alaska, 248 million acres. Over 50 percent of Oregon, Idaho, Nevada, Alaska, Utah are owned by the Federal Government.

Federal land is valued at $20.6 billion. Obviously we must strive to protect our national parks, our national monuments, historic sites, wilderness and other natural wonders. High on this list are the Grand Canyon, Yellowstone, wild and scenic rivers, ancient forests and the home of our Presidents, among other historic homes and monuments. The Federal Government has over $130 billion in loans receivable, not counting the over 60 billion that has been written off by the Internal Revenue Service.

I am planning to hold a hearing on that probably around April 15 to see why that has happened and to try to get us through a debt collection act that will collect the 50 billion they are still owned and another 50 billion the rest of the government is still owed.

There is roughly about $146 billion in inventories. Other Federal assets include the national defense stockpile. My colleagues will remember that years ago with the strategic metals that were placed in it during the cold war. That is valued at $20 billion and 42 billion held in presidential funds directly under the control of the President.

When we look at table 7, we look at the top 11 Federal financial liabilities. Some are very good programs. We all need. We want to preserve them. We want to straighten them out so they will be here for the younger generation who very much doubts that they will ever be around by the time they become eligible due to age or means testing.

□ 2030

The liabilities of the Federal Government include the total of all promises, loans, guarantees, claims, contingencies, contracts, and undelivered goods. In 1955 Medicare and Medicaid did not exist. In 1955 welfare, cash aid, food benefits was funded at very low levels. The major Federal promises of the Government in 1955 were meeting the payments needed to write the benefit checks for Social Security, to pay the interest on the national debt, to pay the claims on deposit insurance if a bank went broke, and to pay for the weapons systems to meet the needs of our Armed Forces at that time.

By 1995 the Federal Government had taken on substantial promises. For example, the retirement-related fiscal liabilities add up to 38 percent of the total 1995 Federal Government liabilities. Future welfare benefits are now responsible for over 24 percent of the total 1995 Federal liabilities. Health-related fiscal liabilities account for 20 percent of our promises and our liabilities.

These three classes of liabilities, retirement, welfare, and health, amount to 82 percent of the Federal Government's long-term promises. Additional liabilities are Federal guarantees of deposits in our banks, our savings and loans, and our credit unions. The deposit insurance fund liabilities equal nearly 6 percent of future promises as of September 30, 1995.

When we look at table 8, the entitlements in the mandatory spending, and what are the top five during the fiscal year 1995, which end on November 1, midnight October 30, the key to a balanced Federal budget depends on how our ability to better manage entitlement benefit programs is carried out. Programs providing entitlement benefits; that is, mandatory spending, includes the vast majority of all Government expenditures.

Entitlements can be grouped into five major categories. There are eight groups of means-tested programs; that is the first category, and we have got in there medical benefits such as Medicaid and eight health programs related in a similar manner; cash aid, there are about 11 programs; food benefits, 11 programs. We have heard a lot about school lunches. The fact is we are substantially increasing school lunches, but you would never know it if you listen to the campaign rhetoric. Housing benefits, 15 programs; education, 17 programs, various services, another 8; jobs and training, 7; and these are the means-tested ones, and energy aid, 2 programs.

Then you have the Social Security payments in the second category. They make up over one-sixth of all Federal liabilities. Benefits currently being paid total over $300 billion a year. Social Security payments are not assured to all current contributors, and this statement is in quotes.

Young Americans find it easier to believe in UFO's, unidentified flying objects, than the likelihood Social Security will be around when they retire, unquote. That is based on a survey commissioned by Third Millennium, a forward-looking group, and it is a survey of those between 18 and 34 years of age, and they found in that survey that fully three-quarters of the 18- to 34-year-olds had doubts, grave doubts, about their capacity and opportunity to receive Social Security payment when they retire somewhere in their mid-sixties while nearly half of this same group think there are UFO's. So right now it is UFO's one, and Social Security, perhaps half of one.

Pensions and compensation in terms of the other main category. The Federal Government administers over 40 pension and compensation plans. The largest two, for civilian and military employees, account for 98 percent of the Federal Government's pension liability. The unfunded liability of these plans include roughly $905 billion, and the civilian plan is $630 billion—rather for the civilian plan it is $905 billion; for the military plan it is $630 billion. Federal spending for retirement income is thus substantial, but it would be even more so if the Federal Government were required to fund their retirement plans as private companies must fund them. Federal spending would be increased by at least $53 billion per year.

The other fourth category is other retirement plans and health actuarial liabilities which include veterans' compensation, the tragic black lung disease, Federal employees' retirement compensation, as well as other benefits.

Then the fifth category, the unemployment benefits paid in 1995, totaled over $½ trillion. As you know, we pay into that fund, another trust fund.

Mr. Speaker, we need to develop win-win solutions as we redefine Federal retirement, medical health, and unemployment programs. Those with the greatest need should be protected. Those in the middle- and upper-income economic levels should be willing to give up their benefits for reduced taxes and newly designed retirement security programs that are actuarially sound.

When we get to table 9, we are talking about the net worth of the United States, again 1955 compared to 1995. In 1955, which was the third year of the Eisenhower administration, the net worth of the United States was positive. It was slightly under $1 trillion. By 1995 it was a negative of slightly over, minus, $28 trillion.

Remember now that the national debt is at $5 trillion, and, if nothing is done with the suggestions the majority has made in the House and the Senate to deal with eliminating the annual deficit, it will be $6 trillion, and add another trillion every 3 or 4 years into infinity.

So right now in 1955 you had a plus $1 trillion positive net worth. By 1995 it was a negative of slightly over $28 trillion. Now that is a "t," not a "b"; that is a "t" for trillion dollars. On the average for each year since 1955 over $1 trillion was added to the gross liabilities of the United States. Each year the Federal Government takes into its Social Security trust funds over $340 billion, it pays out to current claimants nearly $300 billion, and it has generally run surplus of about $1 billion a week for the last few years. That is not going to be there forever. As the baby-boomers begin to retire, you will see rapid use of that trust fund, and there will not be a billion dollars a week surplus. Thus each year approximately $40 billion is added to the so-called trust fund. The bad news, as reported by the Treasury Department, is that each year since 1989 the Federal Government has added nearly $400 billion to its Social Security unfunded liability.

Additional liabilities beyond Social Security, such as the increases in entitlements and infrastructure, are estimated to increase each year by at least another $400 billion. If the Federal Government had to follow business balance-sheet practices, dramatic steps

would need to be taken since the Federal net worth is less than zero. The Federal Government has much more than a little problem with its net worth. It is faced with a catastrophic situation.

The recent experience in Orange County, CA, is instructive. Citizens and elected officials were not kept up to date about investment policies and related management decisions. Financial disaster struck. Undue interest risks were taken that eventually led to the insolvency of Orange County, one of the richest counties in America.

Our Federal Government is exposed to similar risks. Assuming undue credit risks have cost the Federal Government billions of farm loans, student loans, and small business losses. Mismanagement of Social Security interest rate risks are projected to cost the trust fund a trillion dollars over the next 30 years. Widespread mismanagement of Federal programs, including defense weapons systems, acquisition, job programs, welfare initiatives, have increased management risks resulting in greatly reduced program performance, and I am calling for the Federal Government to use basic financial management accounting and budget tools that are used every day in business and by many of us.

As we get to table 10, the new Federal programs created since 1955, we see that hundreds of new programs have been created over the last 40 years. This Congress has tried to consolidate some of those programs and delegate them to the States with Federal funding, but put them into groupings where they can be manageable. You now have dozens and dozens, hundreds, of competing Federal bureaucracies, dozens in the same area that are not talking to each other, and all they are asking for is additional budget funds, and we do not measure them properly.

The States are way ahead of us. Oregon has a benchmarking program. They worked with the citizens to talk about what is it you expect from government, how can we measure it to know we are satisfying the customer, our taxpayer?

We are not the most reform-oriented government in the world. This majority is, but the Government that is being reformed, has been reformed and I say to my friends on the other side of the aisle they were started by two Socialist prime ministers, and that is New Zealand and Australia. They have dealt with problems that we have ignored. We will now start dealing with those problems.

Programs were created from the 1950's up for almost every imaginable purpose: health care, education, welfare, national security, international assistance, commerce, transportation. The Federal Government has been a program-generating machine during the last 40 years. For instance, the Appalachian Regional Commission, formed in the mid-sixties, has created dozens of highway, economic development, health, and education programs which duplicate many Federal programs. Within the Department of Education new programs were established for Alaska Native culture and arts development, cooperative education, innovative community service projects, upward-bound talent search, student support services, educational opportunity centers, State student incentive grants, national science scholars, teacher corps, Javits fellows, legal training for the disadvantaged, to name but a few, many of them very worthy programs helping a lot of people become constructive citizens in our society. The top six new Federal programs created since 1955 in terms of current spending, however, include Medicare. Benefits reached an estimated $174 billion in 1995. Under the 7-year Balanced Budget Act of the majority which we passed in its proposal to reform Medicare before it went bankrupt, the increase in benefits would total over $100 billion by 2002. Medicare benefits are paid in addition to Social Security to persons over 65. Medicare spending is approaching one-half, 50 percent, of total Social Security benefit costs. In 1995 Medicare spending was $174 billion compared to Social Security payments of $334 billion.

Now medical benefits, which covers a number of programs, includes Medicaid accounts, MediCal, as we call it in California, and since the 1960's there are nine major programs besides Medicare that have been added, and together they account for roughly 89 percent of the medical benefit health category.

Medicaid serves six groups, and many people do not know about these: Current and some former cash recipients, low-income pregnant women, and children, the medically needy, persons requiring institutional care, which is a growing area, low-income Medicare beneficiaries, because it is based on the amount of income one receives, and low-income persons losing current employee coverage, which is a serious problem in society since some corporations, because they had to meet the unfunded-liabilities test, cut off their health benefits for their retirees.

□ 2030

Some are trying to restore that, once they got past the problem of having to deal with accounting standards in the business community.

Other medical groups include veterans without service-connected disability, general assistance, Indian health services, started under President Eisenhower, maternal and child health, community health, family planning, migrant health centers, and medical aid for refugees.

Then we have another one. Nuclear weapons cleanup costs have been escalating almost geometrically over the last few years. The actual nuclear weapons costs cannot be estimated with confidence until Congress and the regulators determine the level of health and safety risks to be assumed. The Department of Energy currently stores 100 million gallons of highly radioactive waste, 66 million gallons of plutonium waste, and even greater quantities of lower-level nuclear waste. At the current level of funding, which is under $10 billion per year, the nuclear cleanup could take 100 years or more to be completed. In 1988 the Department of Energy estimated that the nuclear cleanup costs would be between $66 and $110 billion. Knowing government estimates, I would suggest we just double it to start with.

In 1993, Department of Energy officials raised the cost of the nuclear waste cleanup. They did more than double it, to between $400 billion and $1 trillion. Perhaps we ought to triple that.

Then you have the category of Pension Benefit Guaranty Corporation, and that ensures private pension plans. The total potential liability of the Pension Benefit Guaranty Corporation is nearly $1 trillion. Senator Dirksen, the Republican leader of the Senate when I served on the Senate staff used to say, "A million here, a million there, pretty soon you are talking about real money." Then it got to be "$1 billion here and $1 billion there, pretty soon we are talking about real money." Well, we are now talking about trillions. That is real money.

Then we come to the transportation insurance that is provided for both aircraft and ships that are dedicated to national service during a national emergency. Aircraft under this program were first used in the Gulf War. And we get to the Government National Mortgage Association packages, and the Veterans Administration mortgage loans and Federal Housing Administration mortgage loans for sale into the secondary mortgage loan market. A Federal loan guaranty is issued. At the end of fiscal year 1995, more than $550 billion in loans had been guaranteed.

With the Federal Home Loan Mortgage Corporation, like its slightly older twin, the Federal National Mortgage Corporation, it provides a secondary market for mortgage loans, and the risk to the Federal Government is less than it seems. The Federal Home Loan Mortgage Corporation has nearly $500 billion in gross mortgage loan liability. Even in the worst possible economic scenario, its losses would not exceed 20 percent of the liability.

We look at the conclusion here, and what do all these numbers, charts, tables, figures, tell us? There are five major conclusions we can make out of that. Certainly the first is the Federal Government has changes its mission

over the last 40 years from program administration to bestowing benefits on millions of citizens. The Federal Government certainly, in the case of the Veterans Administration and other areas, has a lot of analysis to do. We need in the months ahead to be looking at some of these areas and to do that analysis.

We need, once we get the balanced budget, to stimulate a discussion on retiring the national debt and to stimulate a discussion of the long-term liabilities of this country, so that young people, young adults, when they are interviewed, do not have to say, "It is more likely that I will see a UFO than I'll see the guarantees the Federal Government now makes to me about Social Security and Medicare."

While we have prevented Medicare from going bankrupt, if the President signs off on it, we still will have problems with many entitlements, and we need to have more efficiency, more effectiveness than we have had in the past.

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

Mr. HORN. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Speaker, I would love to get the gentleman's chart 3 beside him, because to me it just raises a very interesting point as it relates to democracy. Mr. Speaker, as I read it, and I would love the gentleman to comment, as I look back in 1955, it is fairly clear that nearly 90 percent of all expenditures are what we call discretionary spending, spending that was voted out by the Committee on Appropriations, and that what we call mandatory spending, entitlements, interest on the national debt, was close to 20 percent. We vote on what we call the discretionary spending, then.

What my colleagues seems to point out is that sometime, I gather, in the 1970's or a little beyond, at that point mandatory spending overtook discretionary spending with, I think, tremendous significance, because I was elected 8 years ago. I do not vote on 50 percent of the budget. It is on automatic pilot. In fact, I do not vote on 60 percent of the budget, basically.

Mr. HORN. You vote on only a third of the budget.

Mr. SHAYS. I vote on a third of the budget. Gramm-Rudman, which was attempting to get our financial House in order, only focused in on discretionary spending, so while we tried to control the growth of discretionary spending, nondefense and defense spending, we had entitlements just continuing to grow, and what to me is most alarming, interest on our national debt is about 15.3 percent.

What it seems from looking at that chart, I am just wondering if the gentleman could project this out beyond the year 2002, and tell me if we do not deal with this challenge, what is likely to happen.

Mr. HORN. Mr. Speaker, my second conclusion would be today's spending by the Federal Government for mandatory programs is unsustainable. In other words, Congress needs to get control, one, through modern efficiency and effectiveness. My distinguished colleague [Mr. SHAYS] is chairman of one of the subcommittees, as I am, of oversight on a substantial portion of the Federal Government. You have some of the major spending programs within your jurisdiction, as does the relevant appropriations subcommittee, as do the various authorization committees.

One of our problems with the House and the Senate that we often have 11 authorization committees for one agency. It is hard to get a focus on it. We are going to have to do a lot better in management of ourselves and the executive branch simply we must think about results, not haggle over how many employees they have here or there. Let us find out where these employees are going. Are they meeting the taxpayers' goals and needs? If we do as they already have done in Oregon, as they have done in Minnesota, as they have done in North Carolina, and South Carolina, then we will finally get a better fix on these programs.

As I suggested earlier, and I think you were in the room for that, with job training we have had a very good approach this year in consolidating many programs, so that the Governors can adjust them to meet local community needs.

Mr. SHAYS. I am struck by the fact that the gentleman points out that we cannot continue to allow mandatory spending to continue to grow and grow. They cannot be sustained. As they grow, it crowds out discretionary spending, though discretionary spending is where you and I and other Members on both sides of the aisle actually have to make choices.

Mr. HORN. Mr. Speaker, another point, I think, that the gentleman from Connecticut is so correct in, Congress, which has only a third of the control over the total budget in terms of discretionary spending, unless the authorizing committees recommend and we pass a law that tightens up some of the criteria on mandatory spending. And of course, one thing we have done is try to bring together some of the related programs so they make some sense.

The average citizen is confused. Where can they get help? That is why your district office and mine and those of the other 433 Representatives in the House, 100 Senators and 5 delegates, have congressional staffs in the field to try to help the average citizen work their way through this vast bureaucracy. A lot of very good programs exist, but they also need to be pulled together so they can be serving real needs, and if they are serving out-of-date needs, we need to face up to it and deal with it.

Mr. SHAYS. I serve on the Committee on Government Reform and Oversight. We have oversight of HHS, and it was described to me by one of the planners, an undersecretary, that when HHS also included Social Security, its total budget was larger than the gross domestic product of Canada, an astounding thought, that here we had this Government agency that spent more money than all the gross domestic product of Canada.

Mr. Speaker, I would just thank the gentleman for his presentation, both in terms of liabilities, which ultimately are continuing to grow, and something we have not even begun to address. But what we are trying to do in this 104th Congress' first session is to slow the growth of mandatory spending, to start to make choices about what parts of our society should get resources. I thank the gentleman.

Mr. HORN. And we want to make them work better. One of the things I said before, besides efficiency and effectiveness, there has been almost no thought given to linking Federal income sources, the assets, with long-term promises, the liabilities. The net worth of the Federal Government, as I suggested, has gone from positive to very severely negative.

The Federal Government's long-term promises, the problem is concentrated among the top 11 financial drains and financial opportunities and financially specified programs. We just have to face up to how we improve those programs, meet the needs of people, make sure that people do not fall through a net that is not a safety net. I think we can do it.

What can be done to straighten out the Federal Government? We are going to discuss some of those possibilities over the next few weeks.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 299, AMENDING RULES OF THE HOUSE OF REPRESENTATIVES REGARDING OUTSIDE EARNED INCOME

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104–441) on the resolution (H. Res. 322) providing for consideration of the resolution (H. Res. 322), to amend the Rules of the House of Representatives regarding outside earned income, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2677, NATIONAL PARKS AND NATIONAL WILDLIFE REFUGE SYSTEMS FREEDOM ACT OF 1995

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report

(Rept. No. 104–442) on the resolution (H. Res. 323) providing for consideration of the bill (H.R. 2677) to require the Secretary of the Interior to accept from a State donations of services of State employees to perform, in a period of Government budgetary shutdown, otherwise authorized functions in any unit of the National Wildlife Refuge System or the National Park System, which was referred to the House Calendar and ordered to be printed.

UNAVOIDABLE QUESTIONS REGARDING IMPORTANT NATIONAL ISSUES

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

Mr. SANDERS. Mr. Speaker, as the only Independent in the Congress, someone who is not a Democrat or a Republican, I want to take this opportunity to raise some questions that my Democratic and Republican colleagues often choose not to deal with, questions which I think get to the root of some of the most important issues facing our Nation. But before I do that, let me say a few words about what is going on in Congress right now in terms of the partial closing down of the Government and the furloughing of some 280,000 American Federal employees.

The Government is shut down, partially shut down tonight for a reason that I think most people do not dispute. That is that the Republican leadership has not been able to pass and get signed the requisite appropriation bills. That is about it, pure and simple. If the appropriation bills were passed, the departments and the agencies would be funded, Government would be running as it always does, and 280,000 Federal employees would not be today furloughed, living in great anxiety, wondering what is going to be happening to them as Christmas approaches.

Mr. Speaker, the reason that the shutdown is taking place is that instead of passing a continuing resolution which would continue the Government's functioning, the Republican leadership is holding hostage the Federal employees, and saying to the President and saying to those of us in the House and in the Senate that "If you do not pass our 7-year balanced budget proposal, we are going to shut the Government down." That is what is going on.

Some of us very strongly object to the Republican 7-year balanced budget proposal. We think that it is right that the country moves forward toward a balanced budget, we think that the budget can be balanced in 7 years, but we very strongly disagree with the priorities that the Republican leadership has established. For example, many of us are terribly concerned about a $270 billion cutback in Medicare, and a $163 billion cutback in Medicaid.

□ 2045

Today the United States remains the only major industrialized Nation on Earth that does not have a national health care system guaranteeing health care to all people. So we already start off in much worse condition than many of the other industrialized nations.

My friend from Connecticut a moment ago mentioned Canada. We border on Canada, and in Canada, every man, woman, and child has health care and goes to the doctor of their choice without out-of-pocket expense. In Europe, different types of programs exist, but in all of the industrialized world, health care is guaranteed to their people. So many of us, therefore, regard it as abhorrent and very frightening that the Republican leadership wants to cut back significantly on Medicare and Medicaid.

Now, I know that many of my Republican friends say well, these are not cuts. Let me talk about that for a moment. If a worker goes to his employer and the employer says, Harry, the good news is that I am going to work out a 7-year contract with you, and today, hypothetically, you make $25,000 a year, but Harry, at the end of the 7 years, guess what? You are going to be making $26,000 a year. We are going to be spending $1,000 more for you at the end of 7 years than we are today. Is that a cut, or is that not a cut?

Well, from the worker's point of view, my guess is that he or she would say, well, you know, thank you, but in 7 years there is a lot of inflation. My food prices are going up, my rent or mortgage is going up; it costs a lot of money to send my kid to college. $1,000 is more than I am making today, but $1,000 over 7 years does not keep pace with inflation.

So you can argue that the employer is spending more money, that is true. But you can also argue that from the worker's point of view at the end of 7 years, in this case, he is going to be significantly worse off because his income has not kept pace with inflation.

Another example: An employer can say to 100 workers that we are going to be spending thus-and-such more for our work force at the end of 7 years, but guess what? We are going to be having more workers. We are going up from 100 workers to 150 workers. Is the employer spending more money? Yes, that employer is. But what happens to the individual worker? It could well be that the wages and benefits that worker receives has gone down.

Within that context, let me say a few words about Medicare. Now, in my State of Vermont, and I do not know that the figures and the statistics in Vermont are much different than the rest of the country, but 12 percent of the people in Vermont who are 65 years of age or older have incomes below the poverty level of $7,360. Forty percent of senior citizens who are single have incomes below $14,270. Nationally what we know is that 75 percent of seniors have incomes less than $25,000. Within that context, let us talk about Medicare.

Under the Republican proposal, Medicare premiums would increase from the current rate of $46.10 per month now to $89 per month by 2002. Between now and 2002, seniors would be forced to pay, therefore, about $1,700 more over that period of time. After 2002, they would pay over $500 a year more for their premiums.

Now, we hear a whole lot of talk from our Republican friends that this is not a cut, we are spending thus-and-such more; but let us look at it from the other perspective. Let us look at it from the point of view of a senior citizen in the State of Vermont right now who has an income mostly from Social Security of about $10,000 a year, $10,000 a year. Now, for some people with a whole lot of money, a $500 a year increase in premiums may not be a lot of money, and I can understand that. But if you are living on $10,000 a year, $500 increase in premiums is 5 percent of your total income. It makes your Medicare premium payment 10 percent of your total income. That does not include MediGap that many senior citizens take out to cover areas of health care that Medicare does not cover; it does not include prescription drugs. So for elderly people in the State of Vermont and throughout this country who are low income, these cuts in fact are devastating.

Now, in terms of the Medicaid cuts, these are really quite incredible and heartless. At a time when many of us are trying to move this country in the direction of the rest of the industrialized world and are trying to make sure that every man, woman and child in this country has health insurance as a right of citizenship, what Medicaid does is make significant cuts in terms of the number of people who have health insurance.

Under the current Medicaid proposal that our Republican colleagues are bringing forth, 8 million Americans run the danger of losing the health insurance, the Medicaid that they presently have, and these include some of the most vulnerable and weakest people in this country. We are talking about the danger because Medicaid ceases to become an entitlement program and becomes a block grant left to the discretion of the States. What we are looking at is the possibility of 3.8 million children, children who could lose their coverage, 1.3 million people with disabilities who could lose their Medicaid coverage, and 850,000 senior citizens who could lose their Medicaid coverage.

Further, Medicaid now provides coverage for the premiums and the copayments and the deductibles for many senior citizens. If Medicaid does not cover those premiums and does not cover those copayments and deductibles, you are going to have large numbers of low-income senior citizens who are going to have a very difficult time getting their Medicare coverage.

When we look at the Republican 7-year budget that they want to see passed and by which they are shutting down the Federal Government in order to see passed, we should also understand the gross unfairness of many aspects of that budget. For the life of me, I do not understand how serious people talking about moving toward a balanced budget could be talking about providing $245 billion in tax breaks, in tax cuts, over the next 7 years.

The sad truth is that many of these tax cuts go to upper income people, and one of the areas that is most outrageous is that the Republican leadership wants to move back to the early 1980s by eliminating or cutting back significantly on the minimum corporate tax, the alternative tax that corporations now have to pay. We will go back to the early 1980s and see a situation where some of the largest, most profitable corporations in America will pay nothing in taxes. They will pay less than the average American worker.

Now, how do we talk about that when people are talking about moving toward a balanced budget? Why do we give huge tax breaks to the largest, the most profitable corporations, to the wealthiest people in America and say, we are serious about moving toward a balanced budget, but we give tax breaks to the rich and we are going to cut back on the weakest and most vulnerable people in the country in terms of health care, fuel assistance, and so forth and so on.

Now, when we talk about moving toward a balanced budget, a funny thing happened on the floor of the House today. Today the Intelligence budget came up, the Conference Report came up for a vote, and that is the CIA and the Defense Intelligence Agency and the other Intelligence agencies. Now, I am not allowed to tell you how much is in the Intelligence budget, but I can say that the Washington Post reports that it is somewhere around $29 billion.

Now, a funny thing happens in terms of the Intelligence budget. The Intelligence budget today is being funded at approximately the same level it was funded at the height of the cold war when the Soviet Union, a superpower, was our enemy. Now, why do we continue to fund the Intelligence budget and the CIA at roughly the same level as we did during the height of the cold war when during the cold war half of our Intelligence budget was used in opposition to the Soviet Union and the Warsaw Pact?

I found it amazing as I was on the floor of the House this afternoon talking about the Intelligence budget that all of the deficit hawks, all of those folks who were telling us how we really have to cut back on the children, the elderly and the poor in order to balance the budget, they were not here talking about the fact that the CIA and the Intelligence community is getting far, far more than it needs, given the fact that the cold war has ended.

Furthermore, it is an amazing thing that when we talk about deficit reduction, my, my, my, is it not funny that our Republican friends are asking for 20 new B-2 bombers at $1.5 billion each that the Pentagon does not want. But that is okay. It is a strange way to look at deficit reduction by putting $7 billion more this year into the defense budget that the Pentagon wants. More money for B-2 bombers, more money for star wars.

We now have troops in Bosnia, yet every year we continue to spend $100 billion defending Europe and Asia against who, against what? The last I heard, the Soviet Union does not exist, the Warsaw Pact does not exist; yet our taxpayers continue to spend $100 billion a year defending Europe and Asia against whom we do not know. So it is very funny that when we talk about the need for moving toward a balanced budget and deficit reduction, which I support, we also, from the Republican point of view, are talking about significant increases in military spending, increases in the Intelligence budget, huge tax breaks to the wealthiest people in the country.

Furthermore, there is another area that gets relatively little discussion, and that is corporate welfare. A number of months ago I attended a very unusual press conference, because there were people, really right-wing people from the Cato Institute, you had centrists from the Democratic Leadership Conference, the Progressive Policy Institute, and then you have progressives, Ralph Nader and other members from the progressive caucus were there, and we all agreed that every single year this country spends about $125 billion a year in corporate welfare. That is tax breaks and subsidies for large corporations and wealthy individuals.

Amazingly enough, while our Republican friends tell us we have to cut this and we have to cut that and we have to cut programs for homeless people and for the most vulnerable people in this country, they only made a tiny step forward in terms of corporate welfare.

So I would suggest, Mr. Speaker, that it is very wrong for the Republican leadership to hold 280,000 Federal employees hostage while they try to force the President and Members of Congress to accept their disastrous and unfair 7-year approach toward a balanced budget. Yes, we can move forward toward a balanced budget, but we can do it in a fair way and not in a way which hurts tens of thousand of middle-class Americans, working people, senior citizens, children, and low-income people.

□ 2100

Mr. Speaker, let me move on to a few other issues which I think are of great importance to our country, and let me shock some of the Members of Congress and perhaps some of the viewers by asking this question which I think is not asked terribly often on the floor of this House. That is, to what degree is the United States of America today, in December 1995, actually a democracy?

Are we still a nation in which the ordinary people of this country have the power? Do they have the power to make the decisions through the Congress which impacts on their life? Are we a democracy, or are we more and more moving toward an oligarchy, and that is a nation that is owned and controlled by relatively few very wealthy individuals and large corporations.

Let us examine that issue for a moment. We hear from our Republican friends every day about the mandate that they have inherited, as a result of last year's election, to slash Medicare, Medicaid, student loans, environmental protection, Head Start, and many other important programs. they have a mandate.

Well, what percentage of the American people voted in the last election? Was it 70 percent? Eighty percent? Recently in Canada when Quebec was debating whether or not to secede from Canada as a whole, 93 percent of their people voted in that election. Sweden recently had an election, last year. Over 80 percent of the people voted in that election. More than 70 percent of the people usually vote in European elections.

What percentage of the people voted to give Mr. GINGRICH and the Republican leadership their mandate? Well, it turns out that 38 percent of the American people voted. Some 62 percent of the people did not vote.

And the very, very sad and scary truth is that the United States has today by far the lowest voter turnout of any major nation on Earth. That is the first point to make. The majority of the people did not vote in that election and very often the majority of the people do not vote.

Second of all in terms of elections, who does vote? What we know is that generally speaking the percentage of those people who vote fluctuates by their income. In America today, by and large low-income people, poor people, almost do not vote at all.

I suspect that in many States you will have 10, 15 percent of low-income people voting, and because they do not vote and do not participate in the political process, they are red meat for

those people who want to go after them because they have no power. You can cut Medicaid, you can cut AFDC, you can cut any program for low-income people. They cannot fight back. They do not vote. Many working people do not vote. The higher income level that you are, the more likely it is that you might vote.

Third, what is important to ask and debate when we talk about our political process is a very important issue, and that is, what role does money play in the political process? Today in America, are we living in a country where just any old person can stand up and say, you know, I have got some good ideas, I want to be Governor of my State or I want to be U.S. Senator, I want to go to the House. Can any American do that?

Well, in one sense they can. But the reality that everybody understands is, is that if you want to run for a major office, for President, for Congress, for Governor, you need to have a whole lot of money. More and more when you pick up the papers and you hear about who is running for Congress, who is running for Governor, what do you hear? You hear millionaire, so forth and so on, is running for the U.S. Senate.

Interestingly enough, let us look at even what is happening recently with Presidential elections. I am not here to criticize Ross Perot. I respect his point of view, for example, on the trade issues and on NAFTA. But I think it is fair to say that nobody believes that Ross Perot would have been a major candidate, a serious candidate for President, as he was, getting 19 percent of the vote, if he was not worth $3 or $4 billion and could put tens of millions of dollars into his own election.

There are a lot of people out there smarter than Ross Perot and smarter than me, smarter than many Members in the House. They cannot run for office because they are not millionaires, they are not billionaires.

Right now there is a Republican candidate trying to get the Republican nomination for President. His name is Mr. Forbes. I am not here to criticize Mr. Forbes, but I think it is widely acknowledged that he would not be a serious candidate if he were not worth hundreds of millions of dollars and were not buying the airwaves in New Hampshire and Iowa wherever there is a primary. He is trying to buy the Presidency.

The same thing is going on all over America in races for the House, races for the Senate, races for the Governor's chair. Millionaires are taking out their checkbooks, writing themselves a check and are spending as much money as they want in order to buy elections. I do not think that is what democracy is about.

And I think it is important to point out that right now in the U.S. Senate, to the best of my knowledge, about 29 percent, 29 Members of the Senate, are millionaires. It is important to point out that in the last election of the Republican freshman class, the revolutionaries, about 25 percent of those people are also millionaires.

That is the trend. If that trend continues, we will have to rename the U.S. House of Representatives into the House of Lords because it will be dominated by people who come from the very upper-income strata of America and not from the ranks of the middle class or the working class of this country.

But it is not only millionaires. It is people running and then going out and having to raise enormous sums of money from big-money special interests. In, I believe, February of this year, the Republican Party held a fund raiser in Washington, DC, and at the end of one night they raise $12 million from some of the wealthiest people in this country and some of the largest corporations. Mr. GINGRICH's history is well known to be an extraordinarily good fund raiser from corporate America and from wealthy people.

So what you end up having is an institution which is composed of many, many wealthy people, and those people who are not wealthy are very often beholden to big money interests.

And then the third aspect of my concern about whether or not we are really a vibrant democracy has to do with the media. How do we get the information out so that people can learn about what is going on in the Congress and other aspects of our life?

Mr. Speaker, I am terribly, terribly concerned by the growing concentration of ownership of the media in America. It is a very serious problem which is not being discussed at anywhere near the length and the degree to which it should be discussed here in the Congress.

It is a scary proposition that NBC is owned by General Electric. General Electric will benefit from the Republican tax proposal. Their taxes will go down. General Electric will benefit from the labor legislation and the antiunion legislation that is being proposed by the Republicans. General Electric gains by increased military spending. General Electric has enormous conflicts of interest in terms of their ownership of NBC.

ABC is owned by Disney right now, the Walt Disney Co. Several years ago the owner of Disney, Mr. Eisner, made $200 million in one year. CBS will shortly be owned by Westinghouse Corp. The Fox Television Network is owned by the right-wing billionaire Rupert Murdoch.

The end result of that is that the corporate ownership of television prevents serious discussions about whole lots of issues that I think the American people should be hearing about. That is an issue of real concern which also I think impacts our ability as a nation to become a vibrant democracy.

Points of view which are different from corporate America's, points of view which are different from the big money establishment are in fact very, very rarely heard in the media. Very often you hear these talk shows and the range of points of view goes from the extreme right to the center.

There is not a progressive point of view which is heard very often on television or for that matter on the radio. It is not an accident that Rush Limbaugh is all over the airwaves, that G. Gordon Liddy is all over the airwaves.

Recently, as you may know, Mr. Speaker, Jim Hightower, former Commissioner of Agriculture in Texas, had a very good, in my view, radio program, from a progressive point of view. It reached out to about 150 different radio stations throughout the country. ABC pulled the plug. He criticized the Disney Corp. and they basically said, "We don't want that point of view. You're not allowed to criticize the Disney Corp." who happens to own ABC.

Mr. Speaker, in one sense when we talk about politics, it can be very confusing to people. Because as you know, politics deals with literally hundreds and hundreds of issues. Every single day there are committee meetings here going on in the Congress which deal with every conceivable problem that anybody could think of.

But in another sense, government and politics really is not all that complicated. That is to a large degree what politics is about, is who gets what. Follow the money.

When the New York Giants play the Dallas Cowboys, at the end of the game, you know who has won the game. Somebody has won, somebody has lost. And to a large degree, Mr. Speaker, politics is very much like that. Somebody or some class or some group is winning. Other groups are losing.

Mr. Speaker, let me talk for a moment about who is winning in our society and who is losing. What is going on in America today in many ways reminds me of Dickens' book the "Tale of Two Cities" where he begins it, roughly speaking, "It was the best of times, it was the worst of times." He was talking about the period of the French Revolution.

That is what is going on in America today. It is the best of times for some people. It is the worst of times for many, many other people.

Right now in America the richest people in our country have never had it so good. It is the best of times. The stock market is at an all-time high. Corporate profits are soaring. Our chief executive officers of major corporations now earn about $3 million a year,

and it is Christmastime and their corporations are giving them very generous bonuses. In fact, life for the rich in America has never been better.

In the last 20 years, the wealthiest 1 percent of American families saw their after-tax incomes more than double. When we have debates and discussions here, the assumption is that all Americans are in this together, we are all in the happy middle class. Nothing could be further from the truth.

While the wealthiest people have seen their after-tax incomes more than doubled, these very same people, the wealthiest 1 percent, now own a greater percentage of our Nation's wealth than at any time since the 1920's. So for the rich, things are going great. The number of millionaires and billionaires is skyrocketing. They have as many houses as they want, they go on vacations all over the world, they drive around in their big fancy limousines.

Things are really great for those people who attend the fund-raising dinners that contribute to pay $1,000 a plate to the political parties. In Vermont, I often ask people when I have town meetings, "Anyone go to dinner lately for $1,000 a plate?" and people laugh because they cannot believe that there are individuals who can pay so much money to a political party.

So for the rich, the people on top, things have never been better. But what about the rest of the population? Mr. Speaker, since 1973, 80 percent of all American families have seen their income either decline or remain stagnant. The average American today is working for longer hours, for less income, and is terribly, terribly frightened about the future for his or her child.

Mr. Speaker, 20 years ago, American workers were the best compensated workers in the entire world. We were No. 1. Today tragically American workers rank 13th among industrialized nations in terms of compensation and benefits.

Mr. Speaker, I am sure that you have read in the newspapers about how many European companies are coming to the United States to invest.

□ 2115

Do you know why they are coming to the United States to invest? This is hard to understand or appreciate for older Americans, even people my age. They are coming to America now because we provide cheap labor. In other words, they can come to America, get hard-working, intelligent workers in this country who will work for $7 an hour, who will work for $9 an hour with limited benefits. On the other hand, in Europe, they would have to pay those same workers $20 an hour or $25 an hour.

Mr. Speaker, adjusted for inflation, the average pay for four-fifths of American workers plummeted by 16 percent in the 20 years between 1973 and 1993. In other words, Mr. Speaker, there is a depression going on now for the vast majority of the working people. That may not be reflected in this institution because many of the people here were elected to represent the people on top. But those of us who see it as our job to represent the workers and the middle class and the low income people, when we go home every weekend, we know that there is a depression out there. In my State of Vermont people are not working two jobs to make ends meet, they are sometimes working three jobs.

Mr. Speaker, as bad as the current situation is for our workers, it is worse for young workers. In the last 15 years, the wages for entry-level jobs for young men who have graduated high school has declined by 30 percent. Twenty years ago there were factory jobs out there that people could get with a high school degree. They did not get rich, but they worked hard and they made it into the middle class. For young women entry-level wages have dropped by 18 percent. Families headed by persons younger than 30 saw their inflation-adjusted median income collapse by 32 percent from 1973 to 1990. In other words, as bad as the situation is for the average American worker, it is worse for our young workers.

Mr. Speaker, Americans, if you can believe this, at the lower end of the wage scale are now the lowest-paid workers in the entire industrialized world. Eighteen percent of American workers with full-time jobs are paid so little that their wages do not enable them to live above the poverty level. And this decline is not just for high school graduates. It is for college graduates as well.

Between 1987 and 1991, the real wages of college educated workers declined by over 3 percent. Over one-third of recent college graduates have been forced to take jobs not requiring a college degree, twice as many as 5 years ago.

Mr. Speaker, one of the great crises in our country today is that the majority of new jobs being created today pay only $6 or $7 an hour, jobs that offer no health care benefits, no retirement benefits and no time off for vacations or sick leave. In fact, more and more of the new jobs that are being created are part-time or temporary jobs. In 1993, one-third of the United States work force was comprised of contingent labor. That number, that is temporary workers. That number is rapidly escalating.

Mr. Speaker, I see my friend from Hawaii is here. I will get to him and share the mike, if I can, in a few moments, if we can do that.

Mr. Speaker, in the past 10 years the United States has lost 3 million white collar jobs; 1.8 million jobs in manufacturing were lost in the past 5 years alone. Mr. Speaker, I find it interesting that our Republican friends are so anxious to provide huge tax breaks for large corporations. Boy, are they ever deserving.

Why should we not give Ford and AT&T and General Electric and ITT and Union Carbide major tax breaks? After all, these five companies alone have themselves laid off over 800,000 American workers in the last 15 years. In other words, sure, let us give them huge tax breaks where the CEOs are making huge salaries, where they are taking our jobs to Mexico and to China, where they are downsizing all over the place, why not reward them? Sure. Let us lower their taxes so we can raise taxes on the working poor by cutting back on the earned income tax credit or by cutting back on a whole host of other benefits.

Mr. Speaker, today the richest 1 percent of our population owns close to 40 percent of the nation's wealth. I do not hear my Republican or many of my Democratic friends talking about this too much. The richest 1 percent now own more wealth than the bottom 90 percent; 1 percent here, 90 percent there.

In fact, the wealthiest 1 percent are worth, were worth $3.6 trillion in 1992 or the bottom 90 percent, the vast majority of the people, were worth $3.4 trillion. Today we have in this country the most unfair distribution of wealth in the industrialized world, and that gap is growing wider.

I know some people think, well, in England they have the kings and the queens and the dukes, all that royalty, boy, that is real class society. Well, guess again. We have a more rigid and more unfair class situation in America today than England does by far. Prof. Edward Wolf of New York University recently said we are the most unequal industrialized country in terms of income and wealth, and we are growing more unequal faster than any other industrialized country.

What is going on basically is that the rich are getting richer. The middle class is shrinking, and poverty is increasing. Mr. Speaker, in 1980, the average CEO earned 42 times what the average factory worker earned. Today that CEO now earns 149 times what that factory worker is earning. Rich get richer; everybody else gets poorer.

Mr. Speaker, I want to say a word about the deficit, a very important issue. I find it interesting that many of our friends who want to cut Medicare and Medicaid, environmental protection, workers rights, student loans, because they are very concerned about the deficit, they do not talk about the causation of the deficit. How did we get to where we are right now? One of the things that is not talked about here very much is the tax structure of America.

In 1977, President Carter, a Democrat, and in 1981 and 1986, President Reagan, a Republican, instituted so-

called tax reform with the support and approval of the mostly Democratic Congress. The result of this so-called tax reform was to significantly lower taxes on the wealthy and the large corporations and raise taxes on almost everyone else. Taxes on the very wealthy were cut by over 12 percent, while taxes on working and middle class Americans increased.

One of the, quote unquote, reforms was a major increase in the regressive Social Security tax. According to a study conducted by the House Committee on Ways and Means, the top 1 percent of taxpayers saved an average, saved an average $41,886 in 1992 over what their taxes would have been at 1977 rates. In fact, and, gee whiz, I do not know why we do not talk about this too much, but if, in fact in 1977, individual Federal tax rates had been in effect in 1992, the nation's wealthiest 1 percent, the very richest people in America, would have paid $83.7 billion more in taxes, which is about half of what the deficit is right now.

So in other words, from 1977 to 1981 and 1986, we gave huge tax breaks to the rich and the large corporations, helped create the deficit. And now to solve the deficit crisis we cut back on Medicare, Medicaid, fuel assistance, affordable housing, student loans and many, many other programs. You give to the rich and you take from the poor and the working people.

Mr. Speaker, I am delighted that the gentleman from Hawaii [Mr. ABERCROMBIE] has joined us.

Mr. ABERCROMBIE. Mr. Speaker, I thank the gentleman from Vermont. My remarks at this stage have to do precisely with this question of the deficit and very frankly, Mr. SANDERS, why we are here this evening. It may be that some of our colleagues and perhaps others who will be paying attention to our remarks here are wondering why four days before Christmas are we here doing this?

For those who are not aware, perhaps even among our colleagues, we passed a, not we, I think the gentleman and myself voted against it today, a resolution to go on recess. Perhaps you could comment, has this deficit gone on a recess? Has this lust to so-called balance the budget gone on a recess?

Mr. SANDERS. As I said earlier, it seems to me to be extremely cruel for Congress to go into recess, and I know that you and I voted against that, for Congress to go into recess while 280,000 Federal employees are living in a great deal of anxiety, not knowing what is happening to their financial situation, while millions of Americans who are dependent upon government services are unable to get those services, that has not gone into recess.

Mr. ABERCROMBIE. If I am not mistaken, is not the gentleman from Vermont a member of the veterans' committee?

Mr. SANDERS. No, I am not.

Mr. ABERCROMBIE. I beg your pardon. I had heard you speaking previously at one point, if I am not mistaken, about veterans' programs.

Mr. SANDERS. Absolutely right. One of the outrages of what is going on in terms of the overall budget that the Republicans are bringing forth is, you know, I always get a kick out of, on Veterans Day, all the politicians going out, thank you, veterans, for all of your sacrifices. God only knows the terrible sacrifices in World War II and Korea and Vietnam and elsewhere that your veterans made, many of them wounded in body and in spirit. Yet the Republican budget over a 7-year period would make slashing cuts in the VA and in veterans' programs.

Right now, thank God, last night we were able to late at night, as you know, we were able to make sure that our veterans' pensions and their compensation checks were able to go out, but in fact the VA still remains largely closed down. And those people who want to apply for new VA veterans' benefits are unable to do so while this Congress goes into recess.

Mr. ABERCROMBIE. Is it not a fact, though, that those veterans, whom we are all very happy about in terms of at least being able to receive some benefits, they in fact are voters? Is there not a large group of people, is it not a fact that there is a large group of people, the children of this country, who are going to be aversely affected or left out of the equation?

Mr. SANDERS. Obviously, one of the frightening aspects of what is going on right now, and we hope that it will be rectified, but we do not know that it will, is you have millions and millions of children on AFDC, whose families have basically no money, who will suffer incalculable pain if those checks do not go out.

Seventy percent of the people on welfare in this country are children. We are concerned that Medicaid appropriations go out to the States so the people who utilize the Medicaid program receive the funding that they need. But the point that you are making is well taken. The children will be hurt very, very seriously unless this government reopens and unless the programs that we have pledged to provide for them are in fact provided.

Mr. ABERCROMBIE. In that context, if the budget as proposed by the Republican majority, all of whom have disappeared tonight, comes into effect, is there not another class of vulnerable people who will be adversely affected, the elderly in need of Medicare assistance, particularly those in nursing homes?

The gentleman may be aware of a Consumers Union and National Citizens Coalition for Nursing Home Reform report which just came out, and I am quoting from it, saying that the budget reconciliation bill that we have yet to consider from the Republican majority, and I am quoting now, "would endanger the lives of America's most vulnerable elderly citizens" by providing no standards of care.

□ 2130

I know the gentleman has spoken in the past in this area, that, minus the rules that are in effect now enforced by the Federal Government, the much maligned Federal Government, it is easy to talk about it when it is taxation, but when it comes to assisting the helpless, assisting the elderly, assisting those most in need, which is, after all, the fundamental basis of governmental assistance in the first place, are we taking care of those in the community that need the assistance? Is it not the case, would the gentleman agree, that it is precisely those people on Medicaid, in the nursing homes, who need the protection of Government, who would be most adversely affected should this budget move forward?

Mr. SANDERS. I would simply say, as I said earlier, and it is painful to have to say this at the holiday season especially, that it is a very sad state of affairs when this Government is cutting back on the weakest and most vulnerable people, elderly people in nursing homes, senior citizens who try to exist on $7,000 a year or $10,000 a year, low-income children, and we already have—one of the things that is really upsetting is that in addition today, before any of the Republican cuts would go into effect, this Nation today has by far the highest rate of childhood poverty in the industrialized world, and, as I think my friend from Hawaii knows, the estimate is, if the so-called welfare reform bill goes through, another million-and-a-half children will be added to the poverty rolls.

What sense—what is this Congress about when we increase childhood poverty, when we cut back on disabled people, on vulnerable senior citizens in order to give tax breaks to the richest people in this country, whose incomes are already soaring, to the largest corporations who are already enjoying record-breaking profits as they take our jobs to Mexico and China?

Mr. ABERCROMBIE. Is it not the case then in the very areas where we are cutting children and elderly, in those very cases where there are clear changes adversely affecting those groups, that the gentleman had made a detailed presentation this evening on, the exact opposite situation coming into effect when it comes to what I call tax giveaways? These are not cuts, although it is portrayed in the press over and over again, I guess in shorthand version, $245 billion in tax cuts as if something was being taken away. Is it not the case, is it not the fact, that it is the exact opposite, that these are giveaways, that the speculative stock

market that is operating right now is waiting with the proverbial bated breath for these tax giveaways to come into effect so they can take advantage of the speculative market that has been created?

Mr. SANDERS. My friend has been in politics for long enough to know that when people invest hundreds of thousands of dollars into a political party, when they give candidates large sums of money, what they are doing is making an investment for the future that is not bad. So, if a large company contributes a large amount of money to a party, and occasionally to the Democratic Party, and what they end up getting is major tax decreases, if the rich pay less in taxes, it is a pretty good investment.

Why not contribute a thousand dollars and pay $5,000 less in taxes? Sounds like a pretty good deal to me, and that is, of course, what is going on.

What I would like to do with the gentleman's indulgence for a moment is to provide an alternative point of view as to where we should be going as a country, and let me just touch on a number of issues that I think this Congress should be dealing with tomorrow. Instead of cutting Medicare, and Medicaid, and student loans, let us look, in fact, what a Congress that was responsive to the needs of middle-class Americans and working people might be doing:

No. 1, raise the minimum wage. We cannot continue to have a minimum wage of 4-and-a-quarter an hour and have people working 40 hours a week and still living in poverty. The new jobs that are being created are low-wage jobs. Raise the minimum wage to at least $5.50 an hour.

Second, when we talk about welfare reform, and welfare does need to be reformed, we need jobs, we need jobs rebuilding America. There are so many needs, I am sure in Hawaii, and in Vermont, and all over this country. Our infrastructure is falling apart. We need help in improving our environment. Instead of laying off teachers, we need more teachers, we need more people going out to prevent disease. We can put large numbers of people to work at meaningful, important jobs at decent-paying wages instead of spending a hundred billion dollars a year defending Europe and Asia against a nonexistent enemy.

Let us rebuild America and put our people to work doing so.

Mr. ABERCROMBIE. Would the gentleman agree then perhaps his $240 to $245 billion that is now scheduled to go in tax giveaways might better be invested then in the people's structure and infrastructure of our country?

Mr. SANDERS. Of course we could cut back on the cost of welfare and unemployment insurance by rebuilding this country and putting our people to work.

Another issue that we do not talk about virtually at all here is you know we hear every day about the serious problem, and it is a serious problem, of the national deficit, which this year is about $160 billion, and I should remind my colleagues that the deficit has almost gone down by half in the last 4 years, but it is a serious problem. But there is another deficit out there that we hardly ever talk about. That is the trade deficit.

Mr. Speaker, this year our trade deficit will be at a record-breaking level, about $160 billion. The economists tell us that, for every billion dollars in trade, an export creates about 20,000 American jobs. That means—and often good-paying jobs. That means that $160 billion trade deficit equates to about 3 million jobs that we are losing as opposed to having a budget-neutral trade deficit.

In my view the NAFTA proposal was a disaster when it was proposed, and now, after it has been in place, it has turned out to be an absolute disaster. We have to repeal NAFTA, we have to repeal GATT, we have to repeal most-favored-nation status with China.

One of the untold secrets about what is going on in this country is that corporate America is, in fact, creating millions of decent-paying—millions of jobs, millions of jobs every year. The only problem is those jobs are not being created in America. They are being created in Mexico where you could get a good, hard workers for 50 cents an hour, they are being created in China, where you can get workers there for 20 cents an hour, they are being created in Malaysia, all over the Far East.

We need to radically change our trade policy, reward those American companies that are investing in this country and providing jobs for our workers, and figure out a way to demand that corporate America reinvest in this country and not run to China and to Mexico.

Further, it seems to me that, if we talk about justice, which is a word not often used on the floor of the House, we must reform the tax system to make it fair. We cannot continue to have the most unfair distribution of wealth and income in the industrialized world. Between 1977 and 1989 Carter and Reagan and the Congress gave the highest earning 10 percent of Americans a tax cut of $93 billion a year. Clearly what we need to do is move forward toward a simple, but progressive, tax system which says to the wealthiest people in this country they have got to start paying their fair share of taxes so that we can deal with the deficit, so that we can lower taxes on the middle class and the working people.

Also I think when we talk about, and I know my colleague from Hawaii shares my concern on this issue; it is very sad, it seems to me, that we have now got to spend all or our energy fighting against the disastrous cuts in Medicare and Medicaid rather than moving forward toward a national health care system guaranteeing health care to all people. What absurdity that right now, as a result of Republican proposals, more people are going to lack insurance. Clearly we should be moving forward, in my view, toward a single-payer State-administered system which guarantees health care to all Americans, and that is an issue we cannot forget.

Yes, we have got to fight against the Medicare and Medicaid cuts, but, on the other hand, we have got to retain that vision for fighting for a national health care system which guarantees health care to all.

Mr. ABERCROMBIE. I believe the gentleman would agree that the proposal before us now, far from creating a national health care system, would do the exact opposite.

An article from the New York Times from the 31st of October indicates, and I am quoting:

> The House version of the legislation would allow doctors to start physician-run health groups without the financial and regulatory requirements that States impose on similar organizations. Instead the House bill would authorize development of a new Federal regulation to police the doctors. The bill could make it easier for doctors to set prices in a way that now violates antitrust laws.

This would be the ultimate result.

I know the gentleman's time is coming fairly close to an end. I just want to indicate at this juncture that I stand with him on this, and I think it is very important during these special orders for us to come down here and try and cut through the ritualized rhetoric that is on the floor about a balanced budget and start talking about balancing our communities in terms of opportunity and justice.

Mr. SANDERS. I thank the gentleman from Hawaii [Mr. ABERCROMBIE] for joining me, and let me just concluded by saying two other things.

No. 1, it goes without saying that we need campaign finance reform so that big money cannot continue to buy the U.S. Congress, and we also need to reform labor law. There are millions of American workers who would like to join unions so that they could better fight for their rights on the job, so they can get a fair shake, and yet labor law today makes it almost impossible to do that. Almost all of the power rests with the employer. It is very hard for workers to organize. We need labor law reform.

Let me simply conclude by thanking my friend from Hawaii for joining me, but for also saying to the American people do not give up on the political process. Some want you to do that. If you are a low-income person or working person, what they want to say to you is hey, it is all very complicated,

do not get involved, everybody in Congress is a crook, the whole thing is corrupt, you do not want to get involved.

Do not believe a minute of it. The wealth and the big money interests, they know how the political system works. They are the ones who contribute huge amounts of money to the candidates of their choice and the political parties of their choice. They are the ones who have lobbyists knocking on our doors every day so we can give more tax breaks to the rich, so we can make it easier for them to take our jobs to Mexico or China.

Mr. Speaker, if this country is going to be turned around, tens of millions of working American middle-class people, low-income people, are going to have to stand up and say this country belongs to all of us and not just the very rich. It is not utopian to say that we can create a decent standard of living for every man, woman, and child. We can do it. We do not have to have the most unequal distribution of wealth in the industrialized world.

So, let us get involved, let us vote, let us participate, let us follow what is going on here in Congress. We can turn this country around.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to.

Mr. EDWARDS (at the request of Mr. GEPHARDT), for today, on account of the birth of his son.

Ms. HARMAN (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. BRYANT of Texas (at the request of Mr. GEPHARDT), for today, on account of attendance at the funeral of a close friend (Max Goldblatt of Dallas).

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. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. POSHARD, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. RUSH, for 5 minutes, today.

Mr. VOLKMER, for 5 minutes, today.

Mrs. MALONEY, for 5 minutes, today.

Ms. DELAURO, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mr. FOLEY) to revise and extend their remarks and include extraneous material:)

Mrs. MORELLA, for 5 minutes, today.

Mr. ENGLISH of Pennsylvania, for 5 minutes, today.

Mr. KIM, for 5 minutes, today.

Mr. MICA, for 5 minutes, today.

Mr. GOSS, for 5 minutes, today.

Mr. BUYER, for 5 minutes, today.

Mr. CHRYSLER, for 5 minutes, today.

Mr. NORWOOD, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

Mr. COLLINS of Georgia, for 5 minutes, today.

Mr. MARTINI, for 5 minutes, today.

Mr. GEKAS, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today

Mr. HUNTER, for 5 minutes, today.

Mr. SAXTON, for 5 minutes each day, today, and on December 22.

Mr. SHAYS, for 5 minutes, today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Ms. WATERS, for 5 minutes, today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Ms. NORTON, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. MCINNIS, for 5 minutes, today.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mr. VENTO, for 5 minutes, today.

Ms. JACKSON-LEE, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DORNAN for 5 minutes, today.

SENATE BILLS AND A CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1228. An Act to deter investment in the development of Iran's petroleum resources to the Committee on International Relations and the Committee on Banking and Financial Services.

S. 1429. An Act to provide clarification in the reimbursement to States for federally funded employees carrying out Federal programs during the lapse in appropriations between November 14, 1995, through November 19, 1995; to the Committee on Government Reform and Oversight.

S. Con. Res. 34. Concurrent resolution to authorize the printing of "Vice Presidents of the United States, 1789–1993"; to the Committee on House Oversight.

ENROLLER BILLS AND JOINT RESOLUTION SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1530. An act to authorize appropriations for the fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities for the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes;

H.R. 965. An act to designate the Federal building located at 600 Martin Luther King, Jr. Place in Louisville, Kentucky, as the "Ramano L. Mazzoli Federal Building";

H.R. 1253. An act to rename the San Francisco Bay National Wildlife Refuge as the Don Edwards San Francisco Bay National Wildlife Refuge;

H.R. 2481. An act to designate the Federal Triangle Project under construction at 14th Street and Pennsylvania Avenue, Northwest, in the District of Columbia, as the "Ronald Reagan Building and International Trade Center";

H.R. 2527. An act to amend the Federal Election Campaign Act of 1971 to improve the electoral process by permitting electronic filing and preservation of Federal Election Commission reports, and for other purposes;

H.R. 2547. An act to designate the United States courthouse located at 800 Market Street in Knoxville, Tennessee, as the "Howard H. Baker, Jr. United States Courthouse";

H.J. Res. 69. Joint resolution providing for the reappointment of Homer Alfred Neal as a citizen regent of the Board of Regents of the Smithsonian Institution;

H.J. Res. 110. Join resolution providing for the appointment of Howard H. Baker, Jr. as a citizen regent of the Board of Regents of the Smithsonian;

H.J. Res. 111. Joint resolution providing for the appointment of Anne D'Harnoncourt as a citizen regent of the Board of Regents of the Smithsonian Institution; and

H.J. Res. 112. Join resolution providing for the appointment of Louis Gerstner as a citizen regent of the Board of Regents of the Smithsonian Institution.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following day present to the President, for his approval, bills of the House of the following title:

On Dec. 20, 1995:

H.R. 395. An act to designate the United States courthouse and Federal Building to be constructed at the southeastern corner of Liberty and South Virginia Streets in Reno, Nevada, as the "Bruce R. Thompson United States Courthouse and Federal Building".

ADJOURNMENT

Mr. ABERCROMBIE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 43 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, December 22, 1995, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from

the Speaker's table and referred as follows:

1867. A letter from the Director, Defense Security Assistance Agency, transmitting the fiscal year 1995 annual report on the operation of the special defense acquisition fund, pursuant to 22 U.S.C. 2795b(a); to the Committee on International Relations.

1868. A communication from the President of the United States, transmitting an updated report concerning United States support for the United Nations and North Atlantic Treaty Organization [NATO] efforts to bring peace to the former Yugoslavia (H. Doc. No. 104-151); to the Committee on International Relations and ordered to be printed.

1869. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-158, "Child Support Enforcement and Compliance Amendment Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1870. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-163, "Uniform Foreign Money Judgments Recognition Act 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1871. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-164, "Uniform Foreign Money Claims Act 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1872. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-165, "Real Property Tax Rates for Tax Year 1996 Temporary Amendment Act of 1995", pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1873. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-166, "Council Contract Approval Modification Temporary Amendment Act of 1995", pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1874. A letter from the Commissioner, Social Security Administration, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

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. SHUSTER: Committee on Transportation and Infrastructure. H.R. 2567. A bill to amend the Federal Water Pollution Control Act relating to standards for constructed water conveyances; with an amendment (Rept. 104-433). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLINGER: Committee on government Reform and Oversight. Creating a 21st Century Government (Rept. 104-434). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLINGER: Committee on Government Reform and Oversight. Making Government Work: Fulfilling the Mandate for Change (Rept. 104-435). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLINGER: Committee on Government Reform and Oversight. The FDA Food Additive Review Process: Backlog and Failure to Observe Statutory Deadline Rept. 104-436). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLINGER: Committee on Government Reform and Oversight. The Federal Takeover of the Chicago Housing Authority—HUD Needs To Determine Long-Term Implications (Rept. 104-437). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLINGER: Committee on Government Reform and Oversight. Voices for Change (Rept. 104-438). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. S. 1341. An act to provide for the transfer of certain lands to the Salt River Pima-Maricopa Indian Community and the city of Scottsdale, AR, and for other purposes (Rept. 104-439 Pt. 1). Referred to the Committee of the Whole House on the State of the Union.

Mr. SOLOMON: Committee on Rules. House Resolution 322. Resolution providing for consideration of the resolution (H. Res. 299) to amend the Rules of the House of Representatives regarding outside earned income (Rept. 104-441). Referred to the House Calendar.

Mr. McINNIS: Committee on Rules. House Resolution 323. Resolution providing for consideration of the bill (H.R. 2677) to require the Secretary of the Interior to accept from a State donations of services of State employees to perform, in a period of Government budgetary shutdown, otherwise authorized functions in any unit of the National Wildlife Refuge System or the National Park System (Rep. 104-442). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Committee on Resources. H.R. 497. A bill to create the National Gambling Impact and Policy Commission, with an amendment; referred to the Committee on Resources for a period ending not later than February 9, 1996, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of the committee pursuant to clause 1(1), rule X.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

S. 1341. The Committee on Banking and Financial Services discharged from further consideration. Referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

S. 1341. Referral to the Committee on Banking and Financial Services extended for a period ending not later than December 21, 1995.

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. CRANE:

H.R. 2822. A bill to amend title VII of the Tariff Act of 1930 to provide authority for the temporary suspension of antidumping and countervailing duties under limited market conditions; to the Committee on Ways and Means.

By Mr. GILCHREST (for himself, Mr. CUNNINGHAM, Mr. RICHARDSON, Mr. BOEHLERT, Mr. BILBRAY, Mr. GOSS, Mr. YOUNG of Alaska, Mr. PACKARD, Mr. CASTLE, Mr. LAZIO of New York, Mr. GILLMOR, Mr. KOLBE, Mr. SHAYS, Mr. HUNTER, Mr. KLUG, Mr. HANSEN, Mr. POMBO, Mr. CARDIN, Mr. DEFAZIO, Mr. COBLE, Mr. EHLERS, Mr. UPTON, Mr. DAVIS, Mrs. MORELLA, Mr. TORKILDSEN, Mr. FOLEY, and Mr. BLUTE):

H.R. 2823. A bill to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes; to the Committee on Resources.

By Mr. HANSEN:

H.R. 2824. A bill to authorize an exchange of lands in the State of Utah at Snowbasin Ski Area; to the Committee on Resources.

By Mrs. MORELLA (for herself, Mr. DAVIS, Ms. NORTON, Mr. WOLF, Mr. WYNN, and Mr. HOYER):

H.R. 2825. A bill to amend title 5, United States Code, to allow Government agencies to provide reemployment training to employees in anticipation of any organizational restructuring, and for other purposes; to the Committee on Government Reform and Oversight.

By Mrs. MORELLA (for herself, Mr. DAVIS, Ms. NORTON, Mr. WOLF, Mr. MORAN, Mr. WYNN, and Mr. HOYER):

H.R. 2826. A bill to allow agencies to offer certain Federal employees an opportunity to take early retirement without having to remain subject to the otherwise applicable reduction, based on age, after attaining age 55; to the Committee on Government Reform and Oversight.

By Mr. SAXTON (for himself, Mr. BOEHLERT, Mr. WELDON of Pennsylvania, Mr. BARTON of Texas, Mr. GOSS, Mr. SMITH of New Jersey, Mr. KLUG, Mr. EHLERS, Mr. BLUTE, Mr. DELLUMS, Mr. KENNEDY of Rhode Island, Mr. SABO, Mr. OLVER, Mr. YATES, Mr. WARD, Mr. TORKILDSEN, Mr. DAVIS, Mr. GILCHREST, Mr. SHAYS, Mrs. MORELLA, and Mrs. ROUKEMA):

H.R. 2827. A bill to consolidate and improve governmental environmental research by organizing a National Institute for the Environment, and for other purposes; to the Committee on Science.

By Mr. STEARNS:

H.R. 2828. A bill to provide for the comparable treatment of Federal employees and Members of Congress and the President during a period in which there is a Federal Government shutdown; to the Committee on Government Reform and Oversight, and in addition to the Committee on House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TORRICELLI (for himself, Mr. BILIRAKIS, and Mr. PALLONE):

H. Con. Res. 124. Concurrent resolution expressing the sense of the Congress that the President should suspend the proposed sale of the Army Tactical Missile System to the Government of Turkey until that government improves its human rights record and terminates its embargo of Armenia and progress is made to resolve the conflict on Cyprus; to the Committee on International Relations.

By Mr. TAYLOR of Mississippi:

H. Res. 321. Resolution directing that the Committee on Rules report a resolution providing for the consideration of H.R. 2530, a bill to provide for deficit reduction and achieve a balanced budget by fiscal year 2002; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 118: Mr. JOHNSON of South Dakota.

H.R. 127: Mr. PAYNE of New Jersey and Mr. SALMON.

H.R. 359: Mr. FOGLIETTA.

H.R. 438: Mr. MINGE and Mr. JOHNSON of South Dakota.

H.R. 497: Mr. MYERS of Indiana.

H.R. 519: Mr. ROHRABACHER.

H.R. 981: Mr. JOHNSON of South Dakota.

H.R. 1023: Mr. WATT of North Carolina.

H.R. 1527: Mr. MOORHEAD.

H.R. 1684: Mr. WELDON of Pennsylvania, Mr. FRELINGHUYSEN, Ms. WOOLSEY, and Mr. SCARBOROUGH.

H.R. 1711: Mr. COLLINS of Georgia.

H.R. 1733: Ms. ESHOO and Mr. WELLER.

H.R. 1794: Mr. STOCKMAN and Mr. GENE GREEN of Texas.

H.R. 1981: Mr. JOHNSON of South Dakota, Mr. MARTINI, and Ms. LOFGREN.

H.R. 2024: Mr. SANDERS and Mr. COX.

H.R. 2190: Ms. PRYCE, Mr. TIAHRT, and Ms. MOLINARI.

H.R. 2472: Mr. BROWN of California, Mr. DOYLE, Ms. LOFGREN, Mr. LIPINSKI, Ms. DELAURO, Mr. FATTAH, Mr. BECERRA, Mr. COSTELLO, and Mr. DINGELL.

H.R. 2497: Mr. CUNNINGHAM, Mr. GRAHAM, Mr. KNOLLENBERG, Mr. CASTLE, Mr. GREENWOOD, Mr. UPTON, Mr. FUNDERBURK, Mr. SOUDER, Mr. SAM JOHNSON, Mr. CANADY, and Mr. MCKEON.

H.R. 2543: Mr. TAYLOR of North Carolina.

H.R. 2579: Mr. CUNNINGHAM and Mrs. KELLY.

H.R. 2582: Mr. ABERCROMBIE.

H.R. 2634: Mr. EMERSON.

H.R. 2648: Mr. HEFNER.

H.R. 2676: Mr. HALL of Texas and Ms. DANNER.

H.R. 2683: Mr. BAKER of Louisiana.

H.R. 2700: Mr. COLEMAN, Mr. GENE GREEN of Texas, Mr. FROST, Mr. GONZALEZ, Mr. HALL of Texas, Mr. WILSON, Mr. SMITH of Texas, Mr. BENTSEN, Mr. DE LA GARZA, Mr. PETE GEREN of Texas, Mr. BARTON of Texas, Mr. BRYANT of Texas, Mr. STOCKMAN, Mr. ORTIZ, Mr. THORNBERRY, Mr. EDWARDS, Mr. STENHOLM, and Mr. SAM JOHNSON.

H.R. 2723: Mr. BURTON of Indiana.

H.R. 2731: Mr. SOUDER, Mr. DORNAN, and Mr. TAYLOR of North Carolina.

H.R. 2740: Mr. KINGSTON, Mr. YOUNG of Florida, and Mr. STUMP.

H.R. 2749: Mr. INGLIS of South Carolina.

H.R. 2751: Ms. NORTON.

H.R. 2754: Mr. LEVIN, Mr. CARDIN, Mr. GENE GREEN of Texas, and Mr. QUILLEN.

H.R. 2785: Mrs. MORELLA, Ms. SLAUGHTER, Mr. COYNE, and Mr. THORNTON.

H.R. 2796: Mr. MENENDEZ.

H.J. Res. 93: Mr. GOSS, Mr. BARRETT of Nebraska, and Mr. NEY.

H. Con. Res. 47: Mr. SCHIFF.

H. Con. Res. 63: Mr. SHAYS.

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. HEFLEY.

H. Con. Res. 119. Mrs. KELLY.

PETITIONS, ETC.

Under clause 1 of rule XXI,

50. The SPEAKER presented a petition of the Plumas County Board of Supervisors, Plumas County, CA, relative to the 1995 holiday tree of America; which was referred jointly, to the Committees on Resources and Agriculture.