

COALITION BUDGET  
RECONCILIATION SUBSTITUTE

HON. BILL ORTON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 25, 1995*

Mr. ORTON. Mr. Speaker, I am submitting for the RECORD an amendment in the nature of a substitute to H.R. 2491, The Seven Year Balanced Budget Reconciliation Act. This amendment reflects the changes to amendment No. 7 which I submitted on Friday. The changes that we have made to our alternative are technical changes that we have made as the Congressional Budget Office has reviewed our language. As a minority within the minority party, we have been at the back of the line in having our substitute scored by CBO. CBO provided us with preliminary estimates on Monday and has continued to supply us with additional scoring throughout the week. We did not receive final scoring of some of the items until a few hours ago. This delay in having our substitute scored has prevented us from submitting our amendment earlier, because we are committed to ensuring that our substitute will balance the budget by 2002.

Most of the changes in this amendment are minor changes in the drafting of individual provisions that were necessary to clarify out intent for CBO. Other minor changes in the amendment were necessary to achieve the savings that we anticipated in certain areas. The changes in the amendment I am submitting today are as follows:

MEDICARE

Based on CBO scoring and interpretation of our Medicare proposal, we had to make several changes in order to achieve the objectives we had set out in our plan:

The capitated payments to Medicare Choice plans was reduced to 6 percent in 1996 through 1998 and to 5.5 percent in 1999 and thereafter. Payments in areas with reimbursements between 85 percent and 100 percent of the national average would be set at 160 percent of the national average. Payments in areas with reimbursements above 120 percent of the national average would be set at 35 percent of the national average;

The freeze on clinical labs and durable medical equipment was extended from 4 years to 7 years;

The medical economic index floor on payments to physicians was reduced to 91 percent in order to achieve the level of saving from physicians we had anticipated; and

We corrected drafting errors to clarify that PPS hospitals were included in the 1-year update freeze and that the 10-percent reduction in capital payments is extended for 7 years. In addition, we corrected effective dates for several provisions.

MEDICAID

Because CBO scored the per capita limits on Medicaid significantly differently than it had scored similar proposals earlier this year, we had to reduce the per-capita growth rate on Medicaid to CPI minus 0.5 percent in 1996 through 1998 and CPI minus 0.3 percent in 1999 and thereafter; and

In order to have the savings from targeting the Disproportionate Share Payments to hospitals with low-income utilization of more than 25 percent scored by CBO we had to write in

National DSH limits of \$6.5 billion in 1997 and 1998, \$5.5 billion in 1999 and 2000 and \$5 billion thereafter. These lower national limits are consistent with the savings that will result from targeting DSH payments.

WELFARE REFORM

After reviewing the work provisions and other welfare reform provisions that were in the Deal welfare reform substitute, CBO concluded that the welfare reform provisions would achieve greater savings than it had estimated when the Deal substitute was considered in March. As a result, we have made changes to the welfare reform provisions to remain consistent:

Section 9806, "Narrowing of SSI Eligibility on the Basis of Mental Impairments" was dropped; and

The participation rates in the Work First program were increased by 4 percent a year in each year from 1997 through 2001. The new participation rates are 20 percent in 1997, 24 percent in 1998, 28 percent in 1999, 32 percent in 2000 and 36 percent in 2001.

DISCRETIONARY SPENDING LIMITS

The discretionary spending limits were adjusted slightly in each year. The new outlay caps are as follows: \$536.6 billion in 1996, \$530.2 billion in 1997, \$526.1 billion in 1998, \$524.2 billion in 1999, \$523.3 billion in 2000, \$529.5 billion in 2001, and \$529.5 billion in 2002.

DEFICIT TARGETS

After receiving final estimates from CBO, we adjusted the deficit targets to reflect the deficit reduction glide path that we anticipate will result from this bill. The deficit targets are as follows: \$179.2 billion in 1996, \$160.4 billion in 1997, \$132.5 billion in 1998, \$111 billion in 1999, \$85.3 billion in 2000, and \$41 billion in 2001.

Mr. Speaker, I encourage my colleagues to review this amendment carefully and join me in voting for "The Common Sense Balanced Budget Reconciliation Act" tomorrow.

EAGLE SCOUT HONORED

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 25, 1995*

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues an outstanding young individual from the Third Congressional District of Illinois who has completed a major goal in the Scouting career. Joseph Michael Bulvan, a young man from Boy Scout Troop 475, Saint Daniel the Prophet Parish, Chicago, IL, will be honored at an Eagle Scout court of honor.

It is important to note that less than 2 percent of all young men in America attain the rank of Eagle Scout. This high honor can only be earned by those Scouts demonstrating extraordinary leadership abilities.

Joe has been actively involved in Scouting since September 1985 when he joined Cub Scout Pack 3475. There his enthusiasm and eagerness earned him consecutive years of perfect attendance and Scout of the Year awards. The Parvuli Dei Award, the Christian religious award meaning Family of God, was presented to Joe on behalf of his religious beliefs and practices. Joe also earned the Cub

Scout World Conservation Award and reached the highest Cut Scout rank, the Arrow of Light.

Joe began his trail to Eagle Scout in September 1988 when he joined Boy Scout Troop 475. Since that time, he has earned 30 badges, 9 more than were required of him. Joe displayed leadership abilities by serving his troop as den chief, quartermaster, historian, instructor, patrol leader, and senior patrol leader. The Ad Alteri Dei award was presented to Joe for his continued Christian beliefs and knowledge of the sacraments. His duty to country was displayed various times when Joe marched in the annual Memorial Day parades paying tribute to our veterans. He also helped organize a collection of basic necessities and support letters for the troops in Desert Storm. He volunteered his help to homeless shelters, soup kitchens, handicapped functions, and visited nursing homes. Joe was in charge of a clothing drive to benefit the Saint Vincent DePaul Society and the homeless.

Joe put his camping and scouting skills to use on numerous weekend campouts and his five summer camp excursions to Owasippe Boy Scout Camp in Whitehall, MI. He also had the opportunity to be part of the 1993 National Jamboree held at Fort A.P. Hill, VA. Joe again earned the World Conservation Award, this time at the Boy Scout level. His fellow scouts honored him by electing him into the Order of the Arrow, a brotherhood of fellow campers.

In light of the commendable leadership and courageous activities performed by this fine young man, I ask my colleagues to join me in honoring Joseph Michael Bulvan for attaining the highest honor in Scouting—the rank of Eagle. Let us wish him the very best in all of his future endeavors.

TRIBUTE TO RON NOWACZYK

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 25, 1995*

Mr. CAMP. Mr. Speaker, I rise today to honor Ron Nowaczyk as he is recognized for his vast contribution to polka and the State of Michigan. Ron Nowaczyk was inducted into the State of Michigan Polka Music Hall of Fame on Sunday, October 1, 1995.

America was built by the hard work and commitment of settlers who brought with them a rich and varied heritage. Polka flourished in Michigan largely due to the devotion of those who brought with them their families' traditions and customs, as well as their love of polka. Ron is one of those special individuals who is proud to keep an honored tradition alive.

Ron Nowaczyk of Saginaw, MI started his musical career as a drummer for a band he and his friends called the Melody Boys. Over the past 40 years, Ron has been privileged to play the drums for several bands including the Jimmy Chronowski Band, John's Polka Band, and the Andy Nester Band. He even recorded two albums with the John Lipinski Orchestra. He was awarded the European American Music Award from radio station WOAP in 1994, and currently volunteers and serves as a radio personality on WKNX in Frankenmuth, MI.

Mr. Speaker, thanks to Ron's efforts, we are all able to enjoy an old musical tradition from

many years ago. He was honored at a reception in Owosso, MI because of his dedication and commitment to spreading the polka tradition and helping others enjoy this special music. I am confident that the musical legacy of this outstanding individual will be remembered for decades to come.

#### PERSONAL EXPLANATION

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 25, 1995*

Mr. TAYLOR of North Carolina. Mr. Speaker, on October 24, I was absent due to a family medical emergency and thus missed roll no. 733, the vote on the Senior Citizens Housing Safety and Economic Relief Act of 1995 and roll no. 734, the vote on the Jerusalem Embassy Act of 1995. Had I been present, I would have voted "yea" on both of these measures.

#### TRIBUTE TO STEFAN R. ZUCKER

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 25, 1995*

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Stefan R. Zucker, who was honored for his service in aiding individuals to recover from their substance abuse problems on October 6, at the 1995 St. Benedict the Moor Neighborhood Center's dinner dance, in the South Bronx.

Mr. Zucker is one of eight individuals who were recognized for their remarkable success in helping rehabilitate individuals who had been struggling with substance abuse. The rehabilitation program is being carried out at St. Benedict the Moor Neighborhood Center.

Born in Germany in a U.N. refugee relief camp, young Stefan Zucker came to the United States in 1949 at the age of 3. He graduated from Muhlenberg College and obtained a master's degree in anthropology from Hunter College.

Mr. Speaker, Mr. Zucker's achievements in the community are in addition to his important work as a teacher. He has dedicated 20 years to teaching students at the elementary school level and served as a coordinator of the community school program at Public School 30. In 1992, he received the Samuels Award for Excellence in Teaching from the Fund For New York City Public Education.

Mr. Speaker, I ask my colleagues to join me in honoring Mr. Zucker, an individual who has made the United States his home and who through his tireless efforts has contributed greatly to our community.

#### INTRODUCTION OF THE CORPORATE RESPONSIBILITY ACT

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 25, 1995*

Mr. SANDERS. Mr. Speaker, it is now crystal clear: When it comes to cutting corporate

welfare the Republican majority in charge of the 104th Congress does not get it. They are determined to balance the Federal budget during the next 7 years on the backs of the most vulnerable Americans—our Nations' sick, elderly, and children.

Corporate welfare programs in the Federal budget add as much as \$125 billion to the Federal deficit every year.

But Speaker GINGRICH and the Republican budget that will probably be approved by the Republican majorities in the House and Senate cut virtually nothing from corporate welfare over the next 7 years. Instead, they prefer to slash Federal funding for programs for millions of Americans who are struggling to provide for themselves and their families and for some measure of economic security.

Like many Americans, the members of the Progress Caucus ask this fundamental question: Why won't the Republican majority cut the immense corporate welfare benefits provided every year by the Federal Government to very profitable corporations and wealthy Americans as an essential component of any fair plan to balance the Federal budget during the next 7 years?

This is very unfair. There is a better way. That is why today several members of the 49-member Progressive Caucus and myself introduced legislation to cut \$800 billion in corporate welfare over the next 7 years. We call our legislation the Corporate Responsibility Act and it represents one of the foundations of the 11-part Progressive Caucus alternative to the Contract With America and the rest of the GOP agenda in the 104th Congress.

We have identified dozens of tax breaks, subsidies and other Federal benefits for corporations and upper income taxpayers which should be considered for cutting or elimination. These cuts would save \$570.8 billion over a 5-year period according to estimates by respected economists such as the Congressional Budget Office and the Joint Tax Committee of the Congress.

Some of these programs are outright subsidies, such as for Export-Import Bank loans. Others are indirect subsidies through charging less than market rates—or nothing at all—for goods and services sold to corporations—for example uranium enrichment, irrigation water, use of public land for grazing. Still others are indirect subsidies through Government purchases for unnecessary programs, such as the strategic petroleum reserve or the space station.

Tax expenditures are special provisions of the Tax Code which reduce rates, increase deductions, provide advantageous depreciation, or otherwise reduce the taxes corporations and wealthy individuals pay.

A number of reports have been issued on the subject of corporate welfare in recent months, and we have used data from all of them. However, every selection of programs that can be cut involves choices, and the principles that guided our selection should be made clear. In general, we have chosen to favor: Family farms over agribusiness; small businesses over multinational corporations; domestic investment and job creation as opposed to offshore production; consumer health and safety over short-term profitability; and sustainable economic development over environmental exploitation.

We have emphasized supporting the needs of the average working people of America and

cutting programs in which taxpayers' money is used to help companies and wealthy individuals who can, and should, be self-sufficient.

A summary of this 80-page bill is available through my office. In it, the corporate welfare programs are grouped by the industries which benefit from them and are listed with estimates of their cost over a 5-year budget period based on the sources cited at the end of the summary. Projections were then estimated for an additional 2-year period to have some rough frame of reference for different approaches to balancing the Federal budget over the next 7 years.

#### THE 25TH ANNIVERSARY OF THE CREDIT UNION SHARE INSURANCE FUND

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 25, 1995*

Mr. VENTO. Mr. Speaker, I rise to recognize the 25th anniversary of the Credit Union Share Insurance Fund which was celebrated earlier this month.

I would like to include for the RECORD a message from President Clinton commemorating the 25th anniversary of the NCUSIF and join him in congratulating credit unions for the key role they play in so many communities across the Nation.

I think it is especially important to recognize the unique role that credit unions play now that Republican proposals are being pushed that would force credit unions to pay for Financing Corporation [FICO] bonds. The credit union NCUSIF is a fund totally separate and distinct from those at the Federal Deposit Insurance Corporation that insure banks and thrifts. In fact, the credit union movement recapitalized and stabilized the NCUSIF itself, without any taxpayer or government support in the late 1980's. Charging credit unions for the FICO bonds used to pay for the problems of the thrift industry is not appropriate and could be the first step toward loading down and hindering credit unions. The next step could fold the entire credit union movement under the banks and thrifts deposit insurance fund rubric and shift complete control to the Treasury, Federal Reserve Board, and the FDIC.

THE WHITE HOUSE,

*Washington, DC, October 11, 1995.*

I am delighted to join in celebrating the twenty-fifth anniversary of federal share insurance for America's credit unions.

Credit unions play an integral part in the development of our communities and in the financial stability of millions of families. Providing fair loans, sound fiscal advice, and high quality consumer services to their members, credit unions have earned the trust of their shareholders and the respect of financial institutions throughout our nation.

The creation of share insurance for credit unions has played a vital role in this success story, helping to guarantee continued stability in the industry and peace of mind for the millions of Americans who rely on these unique financial institutions every day. I commend the members of the NCUA and all who have helped to make this legislation so effective over the past quarter-century. All of you can be proud of your commitment to the ongoing growth and prosperity of our nation.