DeWine, Slade Gorton, Larry Pressler, Craig Thomas, Rod Grams.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2469

Mrs. FEINSTEIN. Mr. President, I thank you for the recognition, and I speak to amendment No. 2469, which was earlier offered, which has to do with the growth formula provided for in this bill.

I ask unanimous consent that Senator BOXER be added as a cosponsor to the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, let me try to be succinct as to how this amendment would change the Dole bill. Essentially what the Dole bill does, as drafted, is present a growth fund for the next 5 years of $877 million. It then submits a formula under which that growth fund is disbursed. The formula would provide funds only to 19 States. You cannot convince me that only 19 States are going to grow in terms of poor families in this Nation.

So what I have tried to do is come up with a fair formula that measures the growth of poor families. The House bill has a formula in it which measures the growth of people and then applies that to this bill. Ours is very similar to the House, with one distinction, and the distinction is that it would use the census data to count the increase in poor families to determine how the growth money is spent. The House uses the census data to count the increase in the general population. Then, the way in which the growth money is spent is simply: The percentage of growth is divided into the overall total growth. In that way, every State is accommodated, and the growth funds are distributed to each state proportionate to its share of the total growth.

Specifically, it would require the Secretary of Health and Human Services to publish every 2 years data relating to the incidence of poverty. The methodology employed mirrors title 13 of the United States Code, section 141(a) of the census statute, and as I have said, is the same as the House welfare reform bill. So people should know that what we are doing is simply following the way the census produces the material, under current law, and then empowering the Secretary of Health and Human Services to disburse funds according to the results of that data, and proportionate to each state's share of the total growth in poor people.

There is no additional cost associated with this amendment.

I would like to add that all States are being held harmless; in other words, no State's grant would be reduced if that State experiences a decline in poor population. According to the present population projections, four States are expected to experience an actual decline of population. They are Maine, Massachusetts, Connecticut, and Rhode Island. These States are all held harmless in this amendment.

If, of course, the projections prove wrong and those States do experience an increase, because no one can actually predict future growth, they will receive their fair share of the growth formula.

If I may, I would like to contrast this with the approach taken in the underlying bill. Eight hundred seventy-seven million dollars over 5 years is authorized in this bill to accommodate growth. As I said, only 19 States are funded with this growth formula. Under the Dole bill, the 19 States receive automatic additional funding, 2.5 percent of their 1996 grant, in each of fiscal years 1997 to 2000 if, one, their State's welfare spending is less than the national average level of State spending and, two, their rate of population growth is greater than the national average population growth.

For reasons which are unclear, certain States are deemed as qualifying if their level of State welfare spending per poor person is less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996.

So Federal taxpayers are being asked to spend almost $1 billion over 5 years in the name of growth. But, in fact, the result is that States that, until now, have spent less than the average level of State spending in assisting their poor will now be subsidized by taxpayers from all 50 States. I think that is plain wrong. The State with the greatest growth—and that is California—is significantly disadvantaged because its funding is frozen for the next 5 years. I have distributed a letter with our proposal, with the Dole-Hutchison formula in it and with the difference. So there are three charts on everyone's desk tonight so everybody can look up their State.

Certainly, the 19 States recognized in the Dole bill—and I know Senator HUTCHISON will comment on this—will be cut back somewhat so that everybody could have a fair share of the growth fund based on the actual growth of poor people in their State as determined by the Bureau of the Census. What could be fairer than that? If in the census you achieve more people, the growth fund is there to give you your percent share of the total growth fund.

So I will yield the floor for the moment. I know Senator HUTCHISON would like to debate this.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I will be managing the time on this amendment for our side. Mr. President, I want to lay out exactly what my amendment does, or my formula, the Dole-Hutchison formula, does. Senator SANTORUM is going to have to leave in 7 minutes, so I would like to ask him to speak for 2 or 3 minutes, and then I will lay out the parameters of the Dole-Hutchison formula so that everyone understands why it is the fairest formula.

Mr. SANTORUM. Mr. President, I thank the Senator from Texas for yielding.

As I discussed the other night, I want to congratulate the Senator from Texas for working diligently in coming up with this formula. It is a fair formula. On the surface, it sounds like the Feinstein formula is fair because it is based on growth in poverty population.

What the Feinstein formula ignores is how we got to the allocation in the first place. In other words, how did we get to today? It is based on not how many poor children there are in California, Pennsylvania, or New Mexico; it gets to the State today based on how much the State of California ponied up, as did the States of Texas and Pennsylvania. As a result, you have States like California—and Pennsylvania being another one and New York—who had large welfare contributions. They put up a substantial State match. As a result, they got more Federal dollars. If you put up more State money, you got more Federal money. So you had certain States who were more generous with their welfare—or more progressive, some would say—and put up more dollars.

Well, now the match is gone. There is no longer a match required under the Dole substitute, the bill we are going to pass. So to suggest that we should now take a formula based on what a State match was and apply that in the future, based on what the growth in the poverty population is, already gives those States that had high State matches an artificial advantage in the first place.

So what the Hutchison formula tries to do is say—starting at this inequity, because the Hutchison formula holds every State harmless and says that, from there on, we are going to have the States who get less per child under current law get more money over time to equal out what the Pennsylvanias and Californias and New Yorks get. So her growth formula targets the low-benefit States that are growing and allows them to catch up with these Federal dollars.

It is fair in the sense that these are block granted funds and there is no match required anymore. California does not want to spend a penny on this. They will not anymore because we have a 75 percent maintenance of effort. But California can reduce their contribution, which would be a lot more to their State budget than Mississippi's reduction in their welfare contribution. So they have a lot more flexibility under the current law. There is no match requirement except to the extent of the 75 percent maintenance of effort.

This is a fair way to make up the difference over a period of time. As Senator HUTCHISON will very articulately tell you, they are still at the short end of the stick because the per child expenditure for a child from California, New York, or Pennsylvania will still be less after 7 years than they will be in taxes, even though it is a block-granted formula. We try to make up this inequity. I congratulate her for her tenacity in dealing with this issue. This was the toughest issue to deal with. Any time you try to figure out how the money is allocated, you get all sorts of parochial interests that jump to the floor. She was able to stick in there and handle it and bring people together. It is one of the principal reasons this bill is on the floor and in shape to pass the Senate.

Mrs. HUTCHISON. Mr. President, I yield myself 6 minutes of our time. I want to start by thanking the Senator from Pennsylvania. I appreciate all of his efforts on this bill. He is one of the first people who understood the balance in the formula.

Mr. President, this formula is very carefully balanced. That is why it is fair. The challenge we had was to make a fair formula in a totally reformed welfare system with a 5-year block grant.

Now, here was the problem. You have high-welfare States that gain in the beginning because they are block granted for 5 years. These are States that have put more into their welfare spending and therefore have gotten more out. A State that has put more in has also gotten more Federal matching funds. Therefore, they have gotten more total AFDC dollars. Now, you have low-benefit States that have not put up as much money. My State is 35th in per capita income and may not have been able to put up as much. So they have gotten fewer Federal dollars.

In we come with welfare reform. Now we are going to lessen the State requirement. We will have no State requirement at all in the last 2 years of this 5-year plan. So we have to reform the formula as well, to keep the low-benefit States that are growing from being in a desperate situation. So the challenge was not to take from anyone, but to allow these low-benefit, high-growth States to be able to win in the end, so that they march toward parity.

If I can say one thing about this formula, it is that we have a goal of parity at some point in the future. I would like to be at parity today; so would Senator DOMENICI, so would Senator NICKLES, and so would Senator GRAMM. We would like to be at parity right now. But even after 5 years, our States will not be at parity. But we know that we have to make accommodations so that everyone can feel that they have gained something from welfare reform. So we are willing to move slowly toward parity, which should be the goal of this country—for every poor person to have the same basic general grant in welfare. My solution, the Dole-Hutchison formula, does exactly that.

Some have said that food stamps make up for inequity. This is not true. If you put AFDC and food stamps together, which gives you the fairest picture, even after 5 years with the Dole-Hutchison formula, here is what you have. The higher welfare States like California that are frozen still get more than their percent of the poverty population in Federal dollars at the end of 5 years. California will get 14.41 percent of the Federal dollars under my formula, whereas, they have 14.1 percent of the poverty population. So they will be getting $141 million more than their actual share of the poverty population. Because they are frozen at the higher level, they are going to be big winners in the beginning, and they will still not be losers at the end.

Hawaii, for instance, will have double its poverty population in Federal benefits. New York will have 9.94 percent of all the Federal AFDC dollars, whereas it has 7.6 percent of the poverty population. Massachusetts will get 1.99 percent of the Federal dollars, whereas, it has 1.7 percent of the poverty population. Michigan will get 4.16 percent of the dollars, whereas, it has 3.6 percent of the poverty population. Washington State will get 1.96 percent of the total Federal dollars whereas they have 1.5 percent of the poverty population.

Now, these are States that are going to be frozen at the higher levels. That is why these States win even though they are frozen. If you take their Federal dollars frozen plus their food stamps they still come out ahead of their poverty population percent.

Now, what is wrong with the Feinstein amendment? Let me say that the Feinstein amendment, she has done her homework. I admire the Senator from California very much. Here is what is wrong with this amendment. It redistributes the growth even to high-benefit States so they get a double advantage. They get a high Federal benefit in the beginning and they get the growth.

So what happens? They increase in poverty requirements, which are an incentive to even the high-welfare States to continue having growing poverty statistics.

The second thing that is wrong with the Feinstein amendment is parity will never be reached. We will never reach the goal in this country to have general parity across the Nation of all of the AFDC grants.

Let me give some examples of the difference between the Dole-Hutchison formula and what Senator FEINSTEIN's formula would do to the poor States.

California receives $1,016 per poor person now. Alabama receives $148 per poor person, and yet under the Feinstein amendment Alabama will lose $11 million more under her formula than they would get under mine because they will grow under mine because they are poor.

Arkansas, $137 per poor person as compared to $1,016 from California.

The PRESIDING OFFICER (Mr. SANTORUM). The 6 minutes of the Senator has expired.

Mrs. HUTCHISON. I ask unanimous consent to be extended 2 minutes.

The PRESIDING OFFICER. The Senator has 4 minutes remaining on her time.

Mrs. HUTCHISON. Mr. President, let me finish this thought, and I want to yield the floor to Senator DOMENICI for 2 minutes.

We have the poor States that will continue to lose under the Feinstein amendment.

The third thing that is wrong with the Feinstein amendment is that it directs the Secretary of Health and Human Services to determine poverty estimates by means of sampling, estimation, or any other method that the Secretary determines will produce reliable data.

Now, Mr. President, that is a hole as big as a Mack truck. Who knows what the formula might be? We just cannot live with that. We must have something that we can count on that will not be jiggered or changed over the years, to be considered fair.

Mr. President, I yield the floor, and I yield the Senator from New Mexico 2 minutes.

Mr. DOMENICI. Mr. President, thank you.

Senator HUTCHISON, let me just say we actually should call the new formula in the Dole amendment not the Dole-Hutchison but the Hutchison-Dole.

I commend the Senator also for the tremendous job done in trying to create parity and what I perceive to be fairness. I have great admiration for anybody that tries to get more for their State. Obviously, I admire the distinguished Senator from California for trying to get more for California.

Essentially, to just give an example, California and New York each start off with more Federal spending per poor person than New Mexico, Texas, Alabama, and Virginia combined. Let me put it one more time, just taking California. California starts off with more Federal spending per poor person than New Mexico, Texas, Alabama, and Virginia combined.

Now, if we are going to have a formula that perpetuates that disparity, then why would we from States like New Mexico, Texas, Alabama, Virginia, and many others, want to be part of this change in our Federal Government's approach to the welfare system? Why we would want to join and put our States and our poor people in a perpetual inferiority position—not a little bit, but a dramatic difference.

The Senator from Texas has stated the difference. We will never catch up.

The distinguished Senator from Texas did not come up with a formula that would take from the rich States, the States that have harvested the program so well. We did not decide in our work together—I worked on it with you, the Senator from New Mexico worked with you—to take from them.

We just said do not continue to leave the poorer States in a perpetual state of disparity beyond any recognition. There will be a welfare program in New Mexico under this that will be one-third of that in New York. My State will lose $23 million. It is one of the hardest hit States. There are many more like it.

I say to the Senator from California, good luck on getting things for California but on this one, this formula will not work because it is not fair. I thank the Senator from Texas for yielding.

Mr. MOYNIHAN. Mr. President, the Dole substitute to H.R. 4 authorizes a supplemental appropriation of $878 million over fiscal years 1997 through 2000 to be allocated to certain States in addition to the funds they would receive under the temporary assistance for needy families block grant. States qualify for the supplemental funds if one, total population—not just poor population—growth in fiscal year 1996 is above the national average and State welfare expenditures per poor person are at or below 50 percent of the national average, or two, State welfare expenditures per poor person are at or below 35 percent of the national average, regardless of population growth.

States have a one-time opportunity to qualify in fiscal year 1997. If they do, they will receive a 2.5-percent increase in their block grant funding each year, 1997–2000, regardless of whether they continue to meet the eligibility standards in subsequent years. Likewise, States that fail to qualify in fiscal year 1997 are excluded from receiving any of the supplemental funds even if they were to quality later. The practical effect of the provision would be to boost cumulative funding in 19 so-called growth States—but not California—by 10.4 percent. The remaining 31 States, including New York, would be held harmless; their allocations under the main block grant would remain frozen through fiscal year 2000, Not surprisingly, fully two-thirds of the Senators who represent the winner States are Republicans.

Mr. President, there are major flaws with this provision that makes me wonder just how serious its proponents are. First, general population growth is not a reliable proxy for an increase in a State's share of the growth of poor people who qualify for welfare benefits. Many rapid-growth States attract new residents precisely because their economies are strong and work opportunities are good. It is entirely possible that a State experiencing rapid growth due to economic expansion could see its share of poor people decline. Conversely, a slow-growing Rustbelt State could see its share of total population decline but its share of poor people eligible for welfare increase.

The second problem is that supplemental fund will be made available only to those growth States whose State expenditures per poor person are at or below 50 percent of the national average. And then there is the curious provision that rewards nongrowth States if their State expenditures per poor person are at or below 35 percent of the national average.

A State could have a large share of childless working or elderly poor. These individuals would dilute per capita welfare expenditures even though they would not be welfare recipients. More importantly, are now about to enter the business of rewarding States who will not spend their own resources on their own poor people? Are we going to start punishing States that do commit their own resources by reallocating scarce Federal funds away from them? I will have much more to say on this subject when we take up the formula amendment the senior Senator from Florida has offered. Suffice it to say at this point that I will not stand by and allow our Federal system to be wrecked in one fell swoop.

Senator FEINSTEIN's amendment is identical to the provision in the bill the House passed pertaining to supplemental block grant funds. Each State's annual share of the supplemental block grant, if any, would be proportionate to its share of the increase in the number of poor people nationwide. New York, theoretically, could be eligible for supplemental block grant funds.

The Feinstein amendment requires the Census Bureau to update and publish data relating to the incidence of poverty for each State, county, and local school district unit of government every 2 years, commencing in fiscal year 1996 and authorizes an annual appropriation of $1.5 million for this purpose.

Mr. President, I support the Feinstein amendment, but it does have two flaws. First, an increase in the number of poor people—while better than the proxy used in the underlying substitute—still is not a precise proxy for an increase in the number of poor people who would be welfare beneficiaries. Once again, low-income men and women without dependent children and the elderly poor, for instance, would not be AFDC recipients but would count in the population tallies that determine whether a State qualifies for the supplemental block grant. More importantly, while updating poverty data more frequently is a desirable public policy goal, which I support, statisticians are not confident yet that accurate subcounty counts are possible in any context other than the decennial census.

Collecting data more frequently typically will harm slow-growing States like New York when the data sets are plugged into allocation formulas. Exacerbating the problem is the fact that poverty data do not reflect regional or State-by-State differences in the cost of living. A family of our just above the poverty threshold living in New York City is demonstrably worse off than a family of four just below the threshold living in rural Mississippi. Research indicates that differences in the cost of living can be as great as 50 percent.

Each year, in collaboration with the Taubman Center for State and Local Government at the John F. Kennedy School of Government, I publish a document entitled "The Federal Budget and the States" that details the flow of funds for the previous fiscal year. Aficionados of the report know that I refer to it as the "Fisc." I send a copy to each Senator every summer and hope that my colleagues read it. At any rate, the most recent edition of the Fisc contains, for the second year, the "Friar/Leonard state cost of living index," which is named for its cocreators, my coauthors, Monica E. Friar, an indefatigable research assistant, and Professor Herman B. Leonard, academic dean of the teaching programs and Baker Professor of Public Finance at the Kennedy School. If we were to apply the Friar/Leonard index to subnational poverty statistics, we would find that New York's 1992 poverty rate jumps from the 18th highest rate nationwide to the 6th highest.

One of the amendments I offered last, Friday would require the Census Bureau to develop cost of living index values for each of the States—at a minimum, and at the sub-State level, if practicable—and apply those values to the national poverty threshold in determining the number of poor people for each State. The index value for the United States would be 100. A State such as New York might have a hypothetical index value of 106 while Mississippi might have an index value of 94. Applying the index values for the two States to the national poverty threshold would increase the income limit and hence the number of poor people in New York and decrease the income limit and the number of poor people in Mississippi.

Earlier this year, a National Academy of Sciences [NSA] panel of experts released a congresssionally commissioned study on redefining poverty. The report, edited by Constance F. Cirro and Robert T. Michael, is entitled "Measuring Poverty: A New Approach."

According to a Congressional Research Service reviews,

> The NAS panel (one member among the 12 member panel dissented with the majority recommendations) makes several recommendations which, if fully adopted, could dramatically alter the way poverty in the U.S. is measured, how Federal funds are allotted to States, and how eligibility for many Federal programs is determined. The recommended poverty measures would be based on more items in the family budget, would take major noncash benefits and taxes into account, and would be adjusted for regional differences in living costs.
>
> . . . Under current measures the share of the poor population living in each region in 1992 was: Northeast: 16.9%, Midwest: 21.7%, South: 40.0%, and West: 21.4%. Under the proposed new measure, the estimated share in each region would be: Northeast 18.9% Midwest: 20.2%, South: 36.4%, and West: 24.5%.

The CRS report, ''Redefining Poverty in the United States: National Academy of Science Panel Recommendations,'' was written by Thomas P. Gabe.

Mr. President, despite the flaws I have just mentioned, the Feinstein amendment is enormously superior to the underlying provision, and I encourage my colleagues to support it.

Mrs. HUTCHISON. Mr. President, I yield 30 seconds to the senior Senator from Florida.

Mr. GRAHAM. Mr. President I ask unanimous consent to extend that 2 minutes.

The PRESIDING OFFICER. Is there objection?

Mrs. HUTCHISON. Mr. President, I think I only have—

Mr. SANTORUM. The Senator has 30 seconds remaining.

Mr. GRAHAM. This would be 90 seconds in addition.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that I get 4 more minutes because I have two other speakers.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Might I ask the Senator from Florida if he would yield without losing any of the time for a unanimous consent request.

Mr. GRAHAM. I yield to the Senator from New Mexico.

AMENDMENT NO. 2575, AS MODIFIED

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask unanimous consent that it be modified. It is an amendment on my part to conform the amendment on the family cap to the Dole amendment as offered.

My previous amendment was in anticipation of the amendment. This just makes it conform with the Dole amendment. I ask that it be filed as such and take the place of my previously filed amendment.

The PRESIDING OFFICER. Is there objection to the modification?

Mrs. FEINSTEIN. Mr. President, I reserve the right to object.

Mr. President, I withdraw my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be so modified.

The amendment, as modified, is as follows:

Strike the matter inserted in lieu of the matter on page 49, line 20, through page 50, line 5, and insert the following:

''(c) STATE OPTION TO DENY ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—At the option of the State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a minor child who is born to—

''(1) a recipient of assistance under the program funded under this part; or

''(2) an individual who received such benefits at any time during the 10-month period ending with the birth of the child.

AMENDMENT NO. 2469

Mr. GRAHAM. Mr. President, I rise just to put the Senate on notice that this is not the only alternative to the formula that we will have an opportunity to consider during the debate on the welfare reform bill.

There will be other amendments that will be offered by Senator BUMPERS, others, and myself tomorrow which go to the more fundamental issue.

That fundamental issue is that not only as the Presiding Officer has correctly pointed out have we changed the status quo by no longer requiring a local effort, and therefore continuing a formula whose numbers were predicated on that effort, is irrational.

We go beyond that. We impose new obligations on the States, particularly in the areas of child care and preparation for work. We are going to be requiring essentially the same obligation from each of the 50 States with enormously different amounts of Federal resources in order to reach those obligations. There are some States that will have to spend over 80 percent of their Federal money in order to meet the new Federal mandates. Other States can reach those Federal mandates with 40 percent or less of the Federal money.

So I suggest this is not just an issue of allocating money between Texas, California, New Mexico, Rhode Island, Florida, or the other States. It goes to the fundamental issue of: Can we achieve the result that this bill is intended to achieve, which is to assist people through appropriate State action to move from welfare dependency to the independence of work?

My suggestion is that we will not be able to achieve that objective, and therefore I urge the amendment as offered by my good friend, the Senator from California, be defeated and, frankly, that tomorrow we be prepared to engage in a very fundamental debate about how we are going to allocate resources that, in my opinion, is critical to whether this goal of welfare to work is attainable.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I yield 30 seconds to the Senator from Arizona.

Mr. KYL. Mr. President, I oppose the amendment of the Senator from California.

I appreciate what she is trying to accomplish. But under her formula, as I calculate it, California would receive fully 20 percent of the supplemental amount already appropriated in the bill. Under the Hutchison formula, not a single State would lose any block grant funding but there is an adjustment for those particularly high growth States and States that are well below the national average on the receipt of Federal funds for welfare spending.

Everybody has a different formula which helps them. Senator FEINSTEIN is only trying to help her constituents.

But if we get bogged down in a welfare formula fight, there is a good possibility that welfare reform could be derailed in the Senate.

Realizing that, a group of Senators early on, under the leadership of Senator HUTCHISON, came up with a formula that, in a small way, begins to recognize the need to distribute welfare funds in a more equitable manner.

The point is this: States that are currently well below the national average in receipt of Federal funds and State welfare spending and States that will experience higher than average growth in population should receive a greater share of the ''growth'' formula. The Hutchison formula accomplishes this by giving States that meet these criteria a 2.5-percent increase per year in block grant funding starting in fiscal year 1997. Under this formula, no State loses any block grant funding and 17 States with particular needs get an increase. So, in States like Mississippi, where AFDC payments are the lowest in the Nation, a small stride will be made toward allocating funding in a way that treats poor children more equitably. And, in States like Arizona, where population growth is expected to be well above the national average over the next 5 years, a small movement toward equity in funding distribution is also achieved.

The Feinstein amendment, on the other hand, is based solely on increases in incidences of poverty. That will upset the balance that was achieved earlier on the funding formula.

It is based solely on increases in poverty—which can be a built-in incentive for States to keep people in poverty in order to receive increases in Federal funding.

It will reward States like California and New York, which already take a huge chunk of the Federal pot with even additional Federal dollars. Under the Feinstein amendment, 20 percent of the supplemental amount already appropriated in the bill will go to California. This is not fair.

Under the Feinstein amendment, California's spending per person in poverty will remain well above the national average while Arizona will continue to hover around the national average. And, under Feinstein, other States like Mississippi and Texas, will not even reach the national average in spending by the year 2000.

Under the Feinstein amendment, States that are poor and growing will continue to be poor and growing without the necessary 10.4 percent increase that the Hutchison formula would provide. California, which already receives three times more in Federal funding per poor child—$1,016 per child—than a child in Arizona—$361 per child—will receive a much larger increase than Arizona.

Since there will no longer be a Federal/State match required in welfare spending under the Dole welfare bill, there must be a movement toward equity in Federal welfare funding to the States. We cannot expend all of our resources in just a few States.

The Hutchison formula is a very fair formula and I urge my colleagues to reject the amendment of the Senator from California.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I just want to say this formula would not have come about without Senator KYL and Senator MACK, who is the next speaker and I want to yield the remainder of my time tonight to Senator MACK from Florida.

The PRESIDING OFFICER. The Senator is recognized for 1 minute and 10 seconds.

Mr. MACK. Mr. President, the Hutchison formula has been inappropriately referred to as a ''supplemental'' grant to States. This is a misleading characterization of the additional moneys provided in this legislation. It implies that certain States have been able to negotiate a sort of slush fund or bonus for themselves unfairly.

In reality the Hutchison formula in the underlying legislation begins to chip away at historical inequities between States due to the Federal Government's present system of awarding AFDC moneys.

This debate is and should be about equity.

The Feinstein amendment not only undermines an honest attempt to provide some equity and parity between States but it does so in a way that in essence rewards States for increasing the number of people living in poverty each year.

This policy, Mr. President, runs counter to the welfare reform bill's goal of encouraging States to get people off welfare and into work. Any incentives that we create to reward States for reducing their welfare caseloads would be nullified by Senator FEINSTEIN's amendment.

The Hutchison formula provides funds for States which have been historically below the national average of Federal welfare spending and at the same time experiencing an above average population growth. These qualifiers appropriately identify those States with the most need and begins to move those States, albeit modestly, toward parity.

California currently receives $1,016 per person living in poverty compared to the $363 Florida receives per poor person living in poverty. Under the Hutchison formula, in the year 2000, Florida will still not reach parity with California—Florida will only be receiving about $400 per person living in poverty. Yet the Feinstein amendment will give California $160 million additional over the next 5 years.

Providing States like California with additional money, when they already receive more Federal dollars per recipient than almost any other State—does not mean equity to me. I urge my colleagues to support the underlying bill and vote against the Feinstein amendment.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from California.

Mrs. FEINSTEIN. Mr. President, I would like to speak for as much time as I may use.

The PRESIDING OFFICER. The Senator is recognized. She has 8½ minutes remaining.

Mrs. FEINSTEIN. In deference to my opponents on this issue, and I very much respect them, there is really a difference in viewpoint here.

Let me explain where I am coming from. For more than a half a century, the way the Federal allocation has been determined has been based on a State determination of benefit level, so a State decides what its cost of living is, how much it needs to sustain a poor family, and sets that amount. And then the Federal Government matches that amount.

Suddenly, what is being said, as I hear it, is those States that had low benefit levels or what amounts to a very low maintenance of effort are now going to be rewarded with a growth fund. California's grant is $607 a month because California decided that the basic cost of living necessary for a family was at least that. And California would put up one half of it. If a State like Alabama, for example, decides that they only want to put up $164, then the Federal Government only matches a percentage of that amount.

Where the arguments made on the other side of the aisle do not ring true to me is only 19 States are benefited in the Dole bill with the growth fund. That means any other State that has growth is not going to get any money under this bill.

In the Feinstein amendment, 28 States have a net benefit over the language. Let me tell you which they are and what the additional annual amount is, over and above the Dole bill, by the fifth year.

Alaska, $2,029,000; California, $64,922,000; Delaware, $1,217,000; Hawaii, $2,840,000; Idaho, $289,000; Illinois, $9,062,000; Indiana, $6.627 million; Iowa, $2.164 million; Kansas, $3.381 million; Kentucky, $4.058 million; Maryland, $6.763 million; Michigan, $5.275 million; Minnesota, $5.816 million; Missouri, $4.058 million; Nebraska, $1.758 million; Nevada, $2.488 million, New Hampshire, $812,000, New Jersey, $5.545 million; New York, $1.217 million; North Dakota, $135,000. Ohio, $7.709 million; Oklahoma, $2.840 million; Oregon, $7.304 million; Pennsylvania, $5.004 million; Vermont, $271,000. State of Washington, $16.095 million; West Virginia, $541,000. Wisconsin, $6.492 million;

Mr. President, I ask unanimous consent the comparison tables be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 1.—ESTIMATED ALLOCATIONS UNDER THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT, WITH GRANT ADJUSTED IN FISCAL YEAR 1998 AND FISCAL YEAR 2000 FOR CHANGE IN POPULATION THE FEINSTEIN BILL

[Share of change in population is used as a proxy for share of change in the poverty population (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change: 1996–2000	Percentage change: 1996–2000
Alabama	$106,858	$108,297	$109,698	$111,189	$112,674	$5,816	5.44
Alaska	66,348	66,838	67,295	67,726	68,377	2,029	3.06
Arizona	230,462	232,881	235,383	237,941	240,606	10,144	4.40
Arkansas	59,900	60,604	61,351	62,163	62,875	2,976	4.97
California	3,685,571	3,700,973	3,716,869	3,733,403	3,750,492	64,922	1.76
Colorado	130,713	133,163	135,698	138,193	140,857	10,144	7.76
Connecticut	247,498	247,498	247,498	247,498	247,498	0	0.00
Delaware	30,239	30,546	30,807	31,125	31,457	1,217	4.03
District of Columbia	95,882	95,882	95,882	95,882	95,882	0	0.00
Florida	581,871	589,311	596,826	604,409	612,167	30,297	5.21
Georgia	359,139	362,691	366,395	370,162	374,017	14,878	4.14
Hawaii	94,964	95,607	96,289	97,031	97,805	2,840	2.99
Idaho	33,696	34,584	35,589	36,550	37,483	3,787	11.24
Illinois	583,219	585,485	587,699	590,010	592,281	9,062	1.55
Indiana	227,031	228,623	230,249	232,050	233,658	6,627	2.92
Iowa	133,938	134,459	134,948	135,513	136,102	2,164	1.62
Kansas	111,743	112,569	113,383	114,302	115,124	3,381	3.03
Kentucky	188,447	189,457	190,403	191,399	192,504	4,058	2.15
Louisiana	164,016	164,751	165,468	166,280	166,992	2,976	1.81
Maine	76,333	76,333	76,333	76,333	76,333	0	0.00
Maryland	246,947	248,693	250,418	252,065	253,710	6,763	2.74
Massachusetts	487,449	487,449	487,449	487,449	487,449	0	0.00
Michigan	806,641	808,049	809,417	810,774	811,915	5,275	0.65
Minnesota	287,137	288,546	290,040	291,468	292,953	5,816	2.03
Mississippi	87,038	87,559	88,111	88,711	89,337	2,299	2.64
Missouri	232,505	233,454	234,461	235,556	236,562	4,058	1.75
Montana	44,948	45,346	45,768	46,129	46,706	1,758	3.91
Nebraska	60,384	60,782	61,141	61,664	62,142	1,758	2.91
Nevada	35,964	37,495	38,993	40,688	42,186	6,222	17.30

TABLE 1.—ESTIMATED ALLOCATIONS UNDER THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT, WITH GRANT ADJUSTED IN FISCAL YEAR 1998 AND FISCAL YEAR 2000 FOR CHANGE IN POPULATION THE FEINSTEIN BILL—Continued

[Share of change in population is used as a proxy for share of change in the poverty population (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change: 1996–2000	Percentage change: 1996–2000
New Hampshire	42,577	42,791	43,019	43,167	43,388	812	1.91
New Jersey	417,198	418,698	420,101	421,430	422,743	5,545	1.33
New Mexico	129,839	130,788	131,795	132,890	133,897	4,058	3.13
New York	2,308,405	2,308,986	2,309,604	2,309,487	2,309,622	1,217	0.05
North Carolina	347,837	350,991	354,210	357,580	361,092	13,255	3.81
North Dakota	25,978	26,009	25,978	26,077	25,113	135	0.52
Ohio	769,144	771,073	772,930	774,852	776,853	7,709	1.00
Oklahoma	166,123	166,736	167,385	168,190	168,964	2,840	1.71
Oregon	183,038	184,753	186,509	188,353	190,342	7,304	3.99
Pennsylvania	658,388	659,705	660,975	662,226	663,392	5,004	0.76
Rhode Island	92,633	92,633	92,633	92,633	92,633	0	0.0
South Carolina	103,291	104,607	105,941	107,326	108,836	5,545	5.37
South Dakota	23,019	23,264	23,524	23,708	24,101	1,082	4.70
Tennessee	205,981	208,063	210,209	212,476	214,772	8,791	4.27
Texas	507,442	516,873	526,435	536,672	546,800	39,359	7.76
Utah	83,847	85,133	85,560	88,079	89,663	5,816	6.94
Vermont	49,365	49,457	49,555	49,661	49,636	271	0.55
Virginia	175,260	178,015	180,812	183,625	186,486	11,226	6.41
Washington	432,328	436,033	439,963	444,039	448,423	16,095	3.72
West Virginia	119,017	119,140	119,269	119,411	119,558	541	0.45
Wisconsin	334,783	336,345	337,938	339,606	341,275	6,492	1.94
Wyoming	23,275	23,490	23,717	23,964	24,222	947	4.07
U.S. total	16,695,648	16,781,508	16,868,924	16,959,116	17,050,958	355,310	2.14
One-year, year-to-year change	....	85,860	87,416	90,192	91,842	....	....
One-year amount over fiscal year 1996 grant	0	85,860	173,276	263,468	355,310	....	....
Cumulative amount over fiscal year 1996 grant	0	85,860	259,136	522,604	877,914	....	....

Source: Table prepared by The Congressional Research Service [CRS] Fiscal year 1996 allocations are based on the Federal share of expenditures for AFDC, EA, and Title IV–A child care plus the JOBS grant. Adjustments for poverty population assume no change in State poverty rates. Therefore, percentage increases are based on percentage increases in total State population. Change in State population are based on Census Bureau projections of the population for the States.

TABLE 2.—PROPOSED ALLOCATIONS TO THE STATES UNDER S. 1120, FISCAL YEARS 1996–2000 (THE DOLE BILL)

[Dollars in thousands]

State	Fiscal year—					Dollar change: 1996–2000	Percentage change: 1996–2000
	1996	1997	1998	1999	2000		
Alabama	$106,858	$109,530	$112,268	$115,075	$117,951	11,093	10.4
Alaska	66,348	66,348	66,348	66,348	66,348	0	0.0
Arizona	230,462	236,223	242,129	284,182	254,386	23,925	10.4
Arkansas	59,900	61,397	62,932	64,506	66,118	6,218	10.4
California	3,685,571	3,685,571	3,685,571	3,685,571	3,685,571	0	0.0
Colorado	130,713	133,981	137,330	140,764	144,283	13,570	10.4
Connecticut	247,498	247,498	247,498	247,498	247,498	0	0.0
Delaware	30,239	30,239	30,239	30,239	30,239	0	0.0
District of Columbia	95,882	95,882	95,882	95,882	95,882	0	0.0
Florida	581,871	596,417	611,328	626,611	642,276	60,406	10.4
Georgia	359,139	368,117	377,320	386,753	396,422	37,283	10.4
Hawaii	94,964	94,964	94,964	94,964	94,964	0	0.0
Idaho	33,696	34,538	35,402	36,287	37,194	3,498	10.4
Illinois	583,219	583,219	583,219	583,219	583,219	0	0.0
Indiana	227,031	227,031	227,031	227,031	227,031	0	0.0
Iowa	133,938	133,938	133,938	133,938	133,938	0	0.0
Kansas	111,743	111,743	111,743	111,743	111,743	0	0.0
Kentucky	188,447	188,447	188,447	188,447	188,447	0	0.0
Louisiana	164,016	168,117	172,320	176,628	181,043	17,027	10.4
Maine	76,333	76,333	76,333	76,333	76,333	0	0.0
Maryland	246,947	246,947	246,947	246,947	246,947	0	0.0
Massachusetts	487,449	487,449	487,449	487,449	487,449	0	0.0
Michigan	806,641	806,641	806,641	806,641	806,641	0.	0.0
Minnesota	287,137	287,137	287,137	287,137	287,137	0	0.0
Mississippi	87,038	89,214	91,444	93,730	96,074	9,036	10.4
Missouri	232,505	232,505	232,505	232,505	232,505	0	0.0
Montana	44,948	46,071	47,223	48,404	49,614	4,666	10.4
Nebraska	60,384	60,384	60,384	60,384	60,384	0	0.0
Nevada	35,964	36,863	37,785	38,729	39,698	3,734	10.4
New Hampshire	42,577	42,577	42,577	42,577	42,577	0	0.0
New Jersey	417,198	417,198	417,198	417,198	417,198	0	0.0
New Mexico	129,839	133,085	136,412	139,823	143,318	13,479	10.4
New York	2,308,405	2,308,405	2,308,405	2,308,405	2,308,405	0	0.0
North Carolina	347,837	356,533	365,446	374,582	383,947	36,110	10.4
North Dakota	25,978	25,978	25,978	25,978	25,978	0	0.0
Ohio	769,144	769,144	769,144	769,144	769,144	0	0.0
Oklahoma	166,123	166,123	166,123	166,123	166,123	0	0.0
Oregon	183,038	183,038	183,038	183,038	183,038	0	0.0
Pennsylvania	658,388	658,388	658,388	658,388	658,388	0	0.0
Rhode Island	92,633	92,633	92,633	92,633	92,633	0	0.0
South Carolina	103,291	105,873	108,520	111,233	114,014	10,723	10.4
South Dakota	23,019	23,594	23,594	24,184	24,184	1,165	5.1
Tennessee	205,981	211,130	216,409	221,819	227,364	21,383	10.4
Texas	507,442	520,128	533,131	546,459	560,121	52,679	10.4
Utah	83,847	85,943	88,092	90,294	92,551	8,704	10.4
Vermont	49,365	49,365	49,365	49,365	49,365	0	0.0
Virginia	175,260	179,641	184,132	188,735	193,454	18,194	10.4
Washington	432,328	432,328	432,328	432,328	432,328	0	0.0
West Virginia	119,017	119,017	119,017	119,017	119,017	0	0.0
Wisconsin	334,783	334,783	334,783	334,783	334,783	0	0.0
Wyoming	23,275	23,857	24,454	25,065	25,692	2,416	10.4
Totals	16,695,648	16,781,508	16,868,924	16,959,116	17,050,958	....	....
Year-to-year change	....	85,860	87,416	90,192	91,842	....	....
One year amount over fiscal year 1996 grant	....	85,860	173,276	263,468	355,310	....	....
Cumulative amount over fiscal year 1996 grant	....	85,860	259,136	522,604	877,914	....	....

Source: Estimates prepared by CRS based on financial data on AFDC and related programs from the Department of Health and Human Services [DHHS] and poverty and population data from the U.S. Census Bureau.

TABLE 3.—COMPARISON OF STATE ALLOCATIONS: PROPOSAL TO ADJUST THE GRANT EVERY TWO YEARS FOR CHANGES IN POPULATION COMPARED WITH S. 1120 (CHANGE FROM DOLE BILL WITH FEINSTEIN)

[Changes in population are used as a proxy for changes in poverty population in proposal (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change
Alabama	$0	−$1,232	−$2,570	−$3,886	−$5,277	−$5,277
Alaska	0	490	947	1,378	2,029	2,029
Arizona	0	−3,343	−6,745	−10,240	−13,781	−13,781
Arkansas	0	−793	−1,581	−2,342	−3,243	−3,243
California	0	15,402	31,298	47,832	64,992	64,922
Colorado	0	−818	−1,632	−2,571	−3,426	−3,426
Connecticut	0	0	0	0	0	0
Delaware	0	306	568	886	1,217	1,217
District of Columbia	0	0	0	0	0	0
Florida	0	−7,106	−14,502	−22,202	−30,109	−30,109
Georgia	0	−5,426	−10,925	−16,591	−22,405	−22,405
Hawaii	0	643	1,325	2,067	2,840	2,840
Idaho	0	46	187	263	289	289
Illinois	0	2,266	4,480	6,791	9,062	9,062
Indiana	0	1,592	3,218	5,019	6,627	6,627
Iowa	0	521	1,010	1,575	2,164	2,164
Kansas	0	827	1,641	2,559	3,381	3,381
Kentucky	0	1,010	1,956	2,953	4,058	4,058
Louisiana	0	−3,366	−6,852	−10,348	−14,051	−14,051
Maine	0	0	0	0	0	0
Maryland	0	1,745	3,471	5,118	6,763	6,763
Massachusetts	0	0	0	0	0	0
Michigan	0	1,409	2,776	4,134	5,275	5,275
Minnesota	0	1,409	2,903	4,330	5,816	5,816
Mississippi	0	−1,655	−3,334	−5,019	−6,736	−6,736
Missouri	0	949	1,956	3,051	4,058	4,058
Montana	0	−726	−1,455	−2,275	−2,908	−2,908
Nebraska	0	398	757	1,279	1,758	1,758
Nevada	0	632	1,208	1,959	2,488	2,488
New Hampshire	0	214	442	591	812	812
New Jersey	0	1,500	2,903	4,232	5,545	5,545
New Mexico	0	−2,297	−4,617	−6,932	−9,421	−9,421
New York	0	582	1,199	1,083	1,217	1,217
North Carolina	0	−5,542	−11,236	−17,002	−22,855	−22,855
North Dakota	0	31	0	98	135	135
Ohio	0	1,929	3,786	5,708	7,709	7,709
Oklahoma	0	612	1,262	2,067	2,840	2,840
Oregon	0	1,715	3,471	5,315	7,304	7,304
Pennsylvania	0	1,317	2,587	3,838	5,004	5,004
Rhode Island	0	0	0	0	0	0
South Carolina	0	−1,266	−2,579	−3,907	−5,178	−5,178
South Dakota	0	−331	−71	−476	−83	−83
Tennessee	0	−3,067	−6,200	−9,342	−12,592	−12,592
Texas	0	−3,255	−6,696	−9,787	−13,320	−13,320
Utah	0	−810	−1,531	−2,215	−2,889	−2,889
Vermont	0	92	189	295	271	271
Virginia	0	−1,626	−3,320	−5,110	−6,968	−6,968
Washington	0	3,705	7,635	11,712	16,095	16,095
West Virginia	0	122	252	394	541	541
Wisconsin	0	1,562	3,155	4,823	6,492	6,492
Wyoming	0	−368	−737	−1,101	−1,470	−1,470
Totals	0	0	0	0	0	0
Year-to-year change	0	0	0	0	0	
One year amount over fiscal year 1996 grant	0	0	0	0	0	
Cumulative amount over fiscal year 1996 grant		0	0	0	0	

Source: Estimates prepared by CRS based on financial data on AFDC and related programs from the Department of Health and Human Services [DHHS] and poverty and population data from the U.S. Census Bureau.

Mrs. FEINSTEIN. These tables show how 28 States would gain as a difference between what the Dole bill would give and what this amendment would provide. For the most part, many of these are States with a higher benefit level. These States have decided they were going to spend what they needed to spend to have a poor family be able to exist in their States. What I object to about the Dole bill is that a State is locked out because a State has had a high benefit level and a maintenance of effort and has been willing to provide for their people. Now, they are frozen out of the growth fund.

California, the biggest State, with the most poor people: there is nothing in the growth fund for California. And the reason that is being given is, well, you do not deserve any money because you fund half of $607 a month from California taxpayers to support poor people. So, because California and these 27 other States have had a higher maintenance of effort, and said we are going to fund poor people, suddenly they are left out of any growth fund. There is no hold harmless. They are left out. They are locked out, and that is what I object to in this language.

You can come to California, or any high cost-of-living State, and attempt to live. And it is very much tougher. This is the way the formula has been figured now for over a half century—based on a state match. The Hutchison formula is a stark change from that. But it is a penalty. And it says if you have funded your poor people in the past, as a State, you are now not going to figure into the growth formula.

So let me say another thing. The House of Representatives in its wisdom has passed a formula which is straight across the board based on growth in a State. The only difference in what they did and what I am suggesting we do is base it on growth of poor people. If a State wants to support their poor population, I think that is fine. If they do not, what we are saying, if the Hutchison language is accepted, is, therefore, the Federal Government should reward them for not doing it by providing a growth fund for them. And I frankly cannot agree as someone who has participated in local government helping make some of these decisions. I simply cannot agree that that is the fair way to do it.

So we have presented this. Again 28 States benefit, I have given the amounts. Twenty-two States lose money in this way.

But I believe it is fair. It is based on a census as ratified by the Secretary of Health and Human Services.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 33 seconds remaining.

Mrs. FEINSTEIN. I yield my 33 seconds.

AMENDMENT NO. 2501

Mr. PRESSLER. Mr. President, last week I offered an amendment that is designed to give States greater authority to crackdown on welfare fraud.

This amendment would allow States to intercept Federal income tax refunds in order to recover overpayments of welfare benefits due to fraud or error.

This technique, called tax intercept, would be used as a measure of a last resort against former welfare recipients who defraud the system. Originally, welfare was designed as a transitional program to help people become self-sufficient. Many families find themselves in circumstances beyond their control and legitimately need temporary help. However, as we all know, far too many individuals abuse the system, making public assistance a way of life. This amendment is designed to crack down on the persistent fraud problems that plague our welfare system.

It is estimated that welfare overpayments represent about 4 percent of payments paid by AFDC, food stamp, and Medicaid programs. Many of these overpayments are due to deliberate fraud. This type of abuse is an insult both to hard-working taxpayers who struggle daily without Government assistance as well as families on welfare who play by the rules.

Currently, a similar tax intercept is reducing fraud successfully in the Food Stamp Program in 32 States. My amendment would create a similar model for AFDC. It is also designed to protect taxpayer privacy.

Just as important, my amendment would save States at least $250 million, enabling them to use the savings for those who truly need assistance. The most recent estimate of this proposal was done in 1992, when the United Council on Welfare Fraud estimated that States could save $49 million per year. If a similar analysis were done today, I expect the savings from my amendment would be even greater.

I am pleased this amendment will be accepted. It means getting tough on the cheats who abuse our welfare system.

I also ask unanimous consent that Senator BRYAN be added as an original cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. I thank my colleague for his cosponsorship and support and leadership in this area.

Mr. BRYAN. Mr. President, I am pleased to be joining with Senator PRESSLER as a cosponsor on this amendment to provide States the option to use the IRS Federal income tax refund intercept process to try to recapture AFDC-type benefit overpayments.

Some years ago, Congress provided for an IRS Federal income tax intercept process to be used to help retrieve child support payment arrearages. When an individual is in arrears on his or her child support payments, the IRS refund intercept allows the State to notify the IRS of the arrearage. If the individual is to receive a Federal income tax refund, the IRS can intercept the refund. Rather than having the tax refund go directly to the individual, the refund amount is intercepted and paid toward the child support arrearage.

As I know a number of my colleagues have also done in their home States, I have spent significant time this year visiting welfare offices in both northern and southern Nevada. During those visits, I spent a significant amount of time listening to welfare eligibility workers. It surprised me to learn from these eligibility workers that State welfare agencies did not have the authority to notify the IRS to intercept Federal income tax refunds to try to recapture benefit overpayments for AFDC-type cash assistance.

My experience in spending time with those who are actually involved in the welfare program, who administer it on a day-to-day basis, has been enormously helpful to me. They have helped explain some of the complexities in our welfare system, some of its inconsistencies and some of its frustrations that welfare workers experience when our best intended policies are hopelessly inconsistent, or when they find their hands tied because of some nonsensical rule that requires them to do certain things.

This is why I am particularly pleased to join on as an original cosponsor of the Pressler-Bryan amendment. This amendment provides an answer to one of those frustrations. When benefit overpayments are made in AFDC-type cash assistance programs under this bill, State welfare agencies will now have the IRS refund intercept process available to them.

Unfortunately, many times welfare recipients who receive benefit overpayments, and most frequently this occurs in the AFDC program, are able to walk away knowing they are not going to have to repay the benefit overage. Those individuals essentially have been unjustly enriched as a result of a fraudulent overpayment made to them. When they later qualify for a Federal income tax refund, the States are powerless to try to intercept that refund, and recapture the money rightfully due the State.

Under the amendment offered by the Senator from South Dakota and myself, we now add a new category to cover those individuals who have received benefit overpayment by reason of their fraud, or for whatever reason the circumstances led to the overpayment. Now States are empowered, through the IRS, to intercept any tax refund check that would otherwise be paid to that welfare recipient. And as the Senator from South Dakota has pointed out, the amount of savings to the taxpayers is enormous. This amendment makes a lot of sense. Expanding the IRS refund intercept process to AFDC-type benefit overpayments makes common sense, and allows all States greater flexibility in the administration of the welfare system.

I applaud the Senator for his leadership and associate myself with his comments on this important amendment. This is the kind of bipartisan work that I am delighted to participate in, and which can help make this welfare reform proposal workable for the States.

I thank my colleague. I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. If we could deal with this amendment, it has been cleared on both sides of the aisle. I ask unanimous consent that the Senate proceed to the consideration of amendment 2501.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 2501.

Mr. PRESSLER. I ask unanimous consent that the amendment be considered as read.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mr. PRESSLER. I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

So the amendment (No. 2501) was agreed to.

Mr. PRESSLER. Mr. President, I move to reconsider the vote.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. CHAFEE. Mr. President, I ask unanimous consent there now be a period for the transaction of morning business with Senators permitted to speak up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, it takes no rocket scientist to be aware that the U.S. Constitution forbids any President to spend even a dime of Federal tax money that has not first been authorized and appropriated by Congress—both the House of Representatives and the U.S. Senate.

So when a politician or an editor or a commentator pops off that ‘‘Reagan ran up the Federal debt’’ or that ‘‘Bush ran it up,’’ bear in mind that the Founding Fathers, two centuries before the Reagan and Bush presidencies, made it very clear that it is the constitutional duty solely of Congress—a duty Congress cannot escape—to control Federal spending.

Thus, it is the fiscal irresponsibility of Congress that has created the incredible Federal debt which stood at $4,962,703,726,882.93 as of the close of business Friday, September 8. This outrageous debt—which will be passed on to our children and grandchildren—averages out to $18,838.51 for every man, woman, and child in America.