''*Resolved,* That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each Member of the Maine Congressional Delegation.''

REPORTS OF COMMITTEES

The following report of committee was submitted:

By Mr. HATCH from the Committee on the Judiciary:

Report to accompany the joint resolution (S.J. Res. 21) proposing a constitutional amendment to limit congressional terms (Rpt. 104–158).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mrs. KASSEBAUM (for herself, Mr. KENNEDY, and Mr. FRIST):

S. 1324. A bill to amend the Public Health Service Act to revise and extend the solid-organ procurement and transplantation programs, and the bone marrow donor program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MCCAIN (for himself and Mr. KYL):

S. 1325. A bill to amend title XI of the Social Security Act to provide an incentive for the reporting of inaccurate medicare claims for payment, and for other purposes; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 1326. A bill respecting the relationship between workers' compensation benefits and the benefits available under the Migrant and Seasonal Agricultural Worker Protection Act; to the Committee on Labor and Human Resources.

By Mr. MCCAIN (for himself and Mr. KYL):

S. 1327. A bill to provide for the transfer of certain lands to the Salt River Pima-Maricopa Indian Community and the city of Scottsdale, Arizona, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOLE (for Mr. HATCH (for himself, Mr. BIDEN, Mr. GRASSLEY, Mr. HEFLIN, Mr. SPECTER, Mr. SIMON, Mr. DEWINE, Mrs. FEINSTEIN, and Mr. ABRAHAM)):

S. 1328. A bill to amend the commencement dates of certain temporary Federal judgeships; read the first time.

By Mr. DOLE:

S. 1329. A bill to amend title 38, United States Code, to provide for educational assistance to veterans, and for other purposes; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. KASSEBAUM (for herself, Mr. KENNEDY, and Mr. FRIST):

S. 1324. A bill to amend the Public Health Service Act to revise and extend the solid-organ procurement and transplantation programs, and the bone marrow donor program, and for other purposes; to the Committee on Labor and Human Resources.

THE ORGAN AND BONE MARROW TRANSPLANT PROGRAM REAUTHORIZATION ACT OF 1995

Mrs. KASSEBAUM. Mr. President, on behalf of Senator KENNEDY, Senator FRIST, and myself, I introduce legislation which will further improve the quality and equity of solid organ and marrow transplantation.

We can all be proud of the solid foundation that private initiatives, supported by Federal funding, have created. However, now that this infrastructure is in place, I believe that it is time for Congress to reexamine the Federal role in the oversight and the financing of solid organ and bone marrow transplantation.

The partnership between the Government, the solid-organ transplant community, and the public has worked well. However, the recent experience with the heart transplant program in my own State of Kansas, or the public distrust voiced when Mickey Mantle received his liver transplant, reminds us that improvements need to be made.

In 1994, more than 18,000 solid organ transplants were performed. Yet, more than 41,000 other Americans still await an organ for transplantation. This disparity between the supply and the demand for organs to transplant confirms that continued Federal oversight is necessary to provide the public with a sense of fairness and trust. Even though Federal oversight is still required, we must consider alternatives to fund the vital functions of the organ transplant network.

The legislation we are introducing today stresses equity for all beneficiaries and proposes a balanced approach. Governmental oversight is maintained but clarified. The Organ Transplant Network remains responsible for the development of transplant policies, and the program remains grounded in the expertise of the transplant community.

The importance of transplant candidates, patients, and their families as the real consumers of transplant services is reconfirmed, and this legislation increases their voice in the process. In addition, the phase-in of a new ''data management fee'' will guarantee that future transplant services will continue uninterrupted.

Mr. President, the shortage of organs for transplantation is a problem which we, as a nation, have not yet solved. Recent medical studies have shown a continued reluctance by the American public to consent to organ donation when faced with the impending death of a family member. New and innovative approaches must be developed to increase the public's acceptance of organ donation. This legislation authorizes funding—obtained through a partnership among the government, the Nation's transplant centers, and the organ procurement organizations—to address the continued shortage of organs for transplantation. A single piece of legislation cannot be expected to correct the problem of insufficient organs for transplantation, but we believe that this proposal moves the transplant program in the right direction.

Unrelated-donor bone marrow transplantation poses a different challenge. The National Bone Marrow Donor Registry was developed to facilitate and to maximize the number of bone marrow transplants for patients who do not have a matched relative. The success of this program to recruit potential marrow donors has been admirable, but as noted in the recent past by the General Accounting Office, the number of resulting transplants has been quite modest.

Increasing the number of unrelated-donor bone marrow transplantations will likely require more than just expanding the potential marrow donor pool. Improvements in technology and scientific understanding of transplantation will need to be made. Because of these biologic limitations, I question continued Federal funding and the merits of a government-funded national bone marrow registry.

Therefore, Mr. President, this legislation reauthorizes the National Bone Marrow Donor Registry, it reconfirms the goal to increase unrelated-donor bone marrow transplants, and it provides advocacy services for patients and donors. This legislation also requests the Institute of Medicine to evaluate the future role of a government-funded marrow transplant program as a means to maximize the number of unrelated-donor bone marrow transplants.

I recognize that the present Federal budget constraints and the proposed reevaluation of the Federal role in transplantation have caused some concern. However, I believe this situation provides both the transplant communities and the Congress with a unique opportunity. This legislation is a carefully crafted plan for the future. It strives for equity for all beneficiaries, an appropriate degree of Government oversight, an evaluation of the future governmental role, an appropriate level of fiscal responsibility, and the development of a system to respond to the present and future transplantation needs.

As discussion of these issues develops, I would welcome any suggestions my colleagues or others may have for improving this legislation.

Mr. President, I ask unanimous consent that the text of the bill and a summary be printed in the RECORD.

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

S. 1324

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Organ and Bone Marrow Transplant Program Reauthorization Act of 1995''.

TITLE I—SOLID-ORGAN TRANSPLANT PROGRAM

SEC. 101. SHORT TITLE.

This title may be cited as the ''Solid-Organ Transplant Program Reauthorization Act of 1995''.

SEC. 102. ORGAN PROCUREMENT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (a) of section 371 of the Public Health Service Act (42 U.S.C. 273(a)) is amended to read as follows:

''(a)(1) The Secretary may enter into cooperative agreements and contracts with qualified organ procurement organizations described in subsection (b) and other public or nonprofit private entities for the purpose of increasing organ donation through approaches such as—

''(A) the planning and conducting of programs to provide information and education to the public on the need for organ donations;

''(B) the training of individuals in requesting such donations;

''(C) the provision of technical assistance to organ procurement organizations and other entities that can contribute to organ donation;

''(D) the performance of research and the performance of demonstration programs by organ procurement organizations and other entities that may increase organ donation;

''(E) the voluntary consolidation of organ procurement organizations and tissue banks; or

''(F) increasing organ donation and access to transplantation with respect to minority populations for which there is a greater degree of organ shortages relative to the general population.

''(2)(A) In entering into cooperative agreements and contracts under subparagraphs (A) and (B) of paragraph (1), the Secretary shall give priority to increasing donations and improving consent rates for the purpose described in such paragraph.

''(B) In entering into cooperative agreements and contracts under paragraph (1)(C), the Secretary shall give priority to carrying out the purpose described in such paragraph with respect to increasing donations from both organ procurement organizations and hospitals.''.

(b) QUALIFIED ORGAN PROCUREMENT ORGANIZATIONS.—Section 371(b) of such Act (42 U.S.C. 273(b)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A)—

(i) by striking ''for which grants may be made under subsection (a)'' and inserting ''described in this section''; and

(ii) by striking ''paragraph (2)'' and inserting ''Paragraph (3)'';

(B) by realigning the margin of subparagraph (E) so as to align with the margin of subparagraph (D); and

(C) in subparagraph (G)—

(i) in the matter preceding clause (i), by striking ''directors or an advisory board'' and inserting ''directors (or an advisory board, in the case of a hospital-based organ procurement organization established prior to September 1, 1993)''; and

(ii) in clause (i)—

(I) by striking ''composed of'' in the matter preceding subclause (I) and inserting ''composed of a reasonable balance of'';

(II) by inserting before the comma in subclause (II) the following: '', including individuals who have received a transplant of an organ (or transplant candidates), and individuals who are part of the family of an individual who has donated or received an organ or who is a transplant candidate'';

(III) by striking subclause (IV) and inserting the following new subclause:

''(IV) physicians or other health care professionals with knowledge and skill in the field of neurology, emergency medicine, or trauma surgery''; and

(IV) in subclause (V), by striking ''a member'' and all that follows through the comma and insert the following: ''a member who is a surgeon or physician who has privileges to practice in such centers and who is actively and directly involved in caring for transplant patients,'';

(2) by striking paragraph (2);

(3) by redesignating paragraph (3) as paragraph (2);

(4) in paragraph (2) (as so redesignated)—

(A) in subparagraph (A)—

(i) by striking ''a substantial majority'' and inserting ''all'';

(ii) by striking ''donation,'' and inserting ''donation, unless they have been previously granted by the Secretary a waiver from paragraph (1)(A) or have waivers pending under section 1138 of the Social Security Act''; and

(iii) by adding at the end thereof the following: ''except that the Secretary may waive the requirements of this subparagraph upon the request of the organ procurement organization if the Secretary determines that such an agreement would not be helpful in promoting organ donation,'';

(B) by redesignating subparagraphs (B) through (K) as subparagraphs (D) through (M), respectively,

(C) by inserting after subparagraph (A) the following new subparagraphs:

''(B) conduct and participate in systematic efforts, including public education, to increase the number of potential donors, including minority populations for which there is a greater degree of organ shortage than that of the general population,

''(C) be a member of and abide by the rules and requirements of the Organ Procurement and Transplantation Network (referred to in this part as the 'Network') established under section 372,'';

(D) by inserting before the comma in subparagraph (G) (as so redesignated) the following: '', which system shall, at a minimum, allocate each type of organ on the basis of—

''(i) a single list encompassing the entire service area;

''(ii) a list that encompasses at least an entire State;

''(iii) a list that encompasses an approved alternative local unit (as defined in paragraph (3)) that is approved by the Network and the Secretary, or

''(iv) a list that encompasses another allocation system which has been approved by the Network and the Secretary,

of individuals who have been medically referred to a transplant center in the service area of the organization in order to receive a transplant of the type of organ with respect to which the list is maintained and had been placed on an organ specific waiting list;'';

(E) by inserting before the comma in subparagraph (I) (as so redesignated) the following: ''and work with local transplant centers to ensure that such centers are actively involved with organ donation efforts''; and

(F) by inserting after ''evaluate annually'' in subparagraph (L) (as so redesignated) the following ''and submit data to the Network contractor on'' the effectiveness of the organization,''; and

(5) by adding at the end thereof the following new paragraph:

''(3)(A) As used in paragraph (2)(G), the term 'alternative local unit' means—

''(i) a unit composed of two or more organ procurement organizations; or

''(ii) a subdivision of an organ procurement organization that operates as a distinct procurement and distribution unit as a result of special geographic, rural, or minority population concerns but that is not composed of any subunit of a metropolitan statistical area.

''(B) The Network shall make recommendations to the Secretary concerning the approval or denial of alternative local units. The Network shall assess whether the alternative local units will better promote organ donation and the equitable allocation of organs.

''(C) The Secretary shall approve or deny any alternative local unit designation recommended by the Network. The Secretary shall have 60 days, beginning on the date on which the application is submitted to the Secretary, to approve or deny the recommendations of the Network under subparagraph (B) with respect to the application of the alternative local unit.''.

(c) AFFECT OF AMENDMENTS.—The amendments made by subsection (b) shall not be construed to affect the provisions of section 1138(a) of the Social Security Act (42 U.S.C. 1320b-8(a)).

(d) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply to organ procurement organizations and the Organ Procurement and Transplantation Network beginning January 1, 1996.

SEC. 103. ORGAN PROCUREMENT AND TRANSPLANTATION NETWORK.

(a) OPERATION.—Subsection (a) of section 372 of the Public Health Service Act (42 U.S.C. 274(a)) is amended to read as follows:

''(a)(1) Congress finds that—

''(A) it is in the public interest to maintain and improve a durable system for promoting and supporting a central network to assist organ procurement organizations in the nationwide distribution of organs among transplant patients;

''(B) it is desirable to continue the partnership between public and private enterprise, by continuing to provide Federal Government oversight and assistance for services performed by the Network; and

''(C) the Federal Government should actively oversee Network activities to ensure that the policies and procedures of the Network for serving patient and donor families and procuring and distributing organs are fair, efficient and in compliance with all applicable legal rules and standards; however, the initiative and primary responsibility for establishing medical criteria and standards for organ procurement and transplantation stills resides with the Network.

''(2) The Secretary shall provide by contract for the operation of the Network which shall meet the requirements of subsection (b).

''(3) The Network shall be recognized as a private entity that has an expertise in organ procurement and transplantation with the primary purposes of encouraging organ donation, maintaining a 'wait list', and operating and monitoring an equitable and effective system for allocating organs to transplant recipients, and shall report to the Secretary instances of continuing noncompliance with policies (or when promulgated, rules) and requirements of the Network.

''(4) The Network may assess a fee (to be known as the 'patient registration fee'), to be collected by the contractor for listing each potential transplant recipient on its national organ matching system, in an amount which is reasonable and customary and determined by the Network and approved as such by the Secretary. The patient registration fee shall be calculated so as to be sufficient to cover the Network's reasonable costs of operation in accordance with this section. The Secretary shall have 60 days, beginning on the date on which the written application justifying the proposed fee as reasonable is submitted to the Secretary, to

provide the Network with a written determination and rationale for such determination that the proposed increase is not reasonable and customary and that the Secretary disapproves the recommendation of the Network under this paragraph with respect to the change in fee for listing each potential transplant recipient.

''(5) Any increase in the patient registration fee shall be limited to an increase that is reasonably required as a result of—

''(A) increases in the level or cost of contract tasks and other activities related to organ procurement and transplantation; or

''(B) decreases in expected revenue from patient registration fees available to the contractor.

The patient registration fees shall not be increased more than once during each year.

''(6) All fees collected by the Network contractor under paragraph (4) shall be available to the Network without fiscal year limitation. The contract with the Network contractor shall provide that expenditures of such funds (including patient registration fees collected by the contractor and or contract funds) are subject to an annual audit under the provisions of the Office of Management and Budget Circular No. A–133 entitled 'Audits of Institutions of Higher Learning and Other Nonprofit Institutions' to be performed by the Secretary or an authorized auditor at the discretion of the Secretary. A report concerning the audit and recommendations regarding expenditures shall be submitted to the Network, the contractor, and the Secretary.

''(7) The Secretary may institute and collect a data management fee from transplant hospitals and organ procurement organizations. Such fees shall be directed to and shall be sufficient to cover—

''(A) the costs of the operation and administration of the Scientific Registry in accordance with the contract under section 373; and

''(B) the costs of contracts and cooperative agreements to support efforts to increase organ donation under section 371.

Such data management fee shall be set annually by the Network in an amount determined by the Network, in consultation with the Secretary, and approved by the Secretary. Such data management fee shall be calculated to be sufficient to cover the reasonable costs of operation in accordance with section 373. Such data management fee shall be calculated based on the number of transplants performed or facilitated by each transplant hospital or center, or organ procurement organization. The per transplant data management fee shall be divided so that the patient specific transplant center will pay 80 percent and the procuring organ procurement organization will pay 20 percent of the per transplant data management fee. Such fees shall be available to the Secretary and the contractor operating the Scientific Registry without fiscal year limitation. The expenditure (including fees or contract funds) of such fees by the contractor shall be subject to an annual independent audit (performed by the Secretary or an authorized auditor at the discretion of the Secretary) and reported along with recommendations regarding such expenditures, to the Network, the contractor and the Secretary.

''(8) The Secretary and the Comptroller General shall have access to all data collected by the contractor or contractors in carrying out its responsibilities under the contract under this section and section 373.''.

(b) REQUIREMENTS.—Section 372(b) of the Public Health Service Act (42 U.S.C. 274(b)) is amended—

(1) in paragraph (1)(B)—

(A) in clause (i)—

(i) by striking ''(including organizations that have received grants under section 371)''; and

(ii) by striking ''; and'' at the end thereof and inserting ''(including both individuals who have received a transplant of an organ (or transplant candidates), individuals who are part of the family of individuals who have donated or received an organ, the number of whom shall make up a reasonable portion of the total number of board members), and the Division of Organ Transplantation of the Bureau of Health Resources Development (the Health Resources and Services Administration) shall be represented at all meetings except for those pertaining to the Network contractor's internal business;'';

(B) in clause (ii)—

(i) by inserting ''including a patient affairs committee and a minority affairs committee'' after ''committees,''; and

(ii) by striking the period; and

(C) by adding at the end thereof the following new clauses:

''(iii) that shall include representation by a member of the Division of Organ Transplantation of the Bureau of Health Resources Development (the Health Resources and Services Administration) as a representative at all meetings (except for those portions of committee meetings pertaining to the Network contractor's internal business) of all committees (including the executive committee, finance committee, nominating committee, and membership and professional standards committee) under clause (ii);

''(iv) that may include a member from an organ procurement organization on all committees under clause (ii); and

''(v) that may include physicians or other health care professionals with knowledge and skill in the field of neurology, emergency medicine, and trauma surgery on all committees under clause (ii).''; and

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking ''or through regional centers'' and inserting ''and at each Organ Procurement Organization''; and

(ii) by striking clause (i) and inserting the following new clause:

''(i) with respect to each type of transplant, a national list of individuals who have been medically referred to receive a transplant of the type of organs with respect to which the list is maintained (which list shall include the names of all individuals included on lists in effect under section 371(b)(2)(G)), and'';

(B) in subparagraph (B), by inserting '', including requirements under section 371(b),'' after ''membership criteria'';

(C) by redesignating subparagraphs (E) through (L), as subparagraphs (F) through (M), respectively;

(D) by inserting after subparagraph (D), the following new subparagraph:

''(E) assist and monitor organ procurement organizations in the equitable distribution of organs among transplant patients,'';

(E) in subparagraph (K) (as so redesignated), by striking ''and'' at the end thereof;

(F) in subparagraph (L) (as so redesignated), by striking the period and inserting '', including making recommendations to organ procurements organizations and the Secretary based on data submitted to the Network under section 371(b)(2)(L),'';

(G) in subparagraph (M) (as so redesignated)—

(i) by striking ''annual'' and inserting ''biennial'';

(ii) by striking ''the comparative costs and'';

(iii) by striking the period and inserting the following: '', including survival information, waiting list information, and information pertaining to the qualifications and experience of transplant surgeons and physicians affiliated with the specific Network programs,''; and

(H) by adding at the end thereof the following new subparagraphs:

''(N) submit to the Secretary for approval a written notice containing a justification, as reasonable and customary, of any proposed increase in the patient registration fees as maintained under subparagraph (A)(i), such change to be considered as so approved if the Secretary does not provide written notification otherwise prior to the expiration of the 60-day period beginning on the date on which the notice of proposed change is submitted to the Secretary,

''(O) make available to the Secretary such information, books, and records regarding the Network as the Secretary may require,

''(P) submit to the Secretary, in a manner prescribed by the Secretary, an annual report concerning the scientific and clinical status of organ donation and transplantation, and

''(Q) meet such other criteria regarding compliance with this part as the Secretary may establish.''.

(c) PROCEDURES.—Section 372(c) of the Public Health Service Act (42 U.S.C. 274(c)) is amended—

(1) in paragraph (1), by striking ''and'' at the end thereof;

(2) in paragraph (2), by striking the period and inserting a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

''(3) working through and with, the Network contractor to define priorities; and

''(4) working through, working with, and directing the Network contractor to respond to new emerging issues and problems.''.

(d) EXPANSION OF ACCESS.—Section 372 of the Public Health Service Act (42 U.S.C. 274) is amended by adding at the end thereof the following new subsection:

''(d) EXPANSION OF ACCESS TO COMMITTEES AND BOARD OF DIRECTORS.—Not later than 1 year after the completion of the Institute of Medicine study, the Network contractor, in consultation with the Network and the Secretary, shall implement the study recommendations relating to the access of all interested constituencies and organizations to membership on the Network Board of Directors and all of its committees. Ensuring the reasonable mix of minorities shall be a priority of the plan for implementation.''.

(e) REGULATIONS.—

(1) IN GENERAL.—Not later than the expiration of the 1-year period beginning on the date of enactment of this Act, the Secretary of Health and Human Services shall issue a final rule to establish the regulations for criteria under part H of title III of the Public Health Service Act (42 U.S.C. 273 et seq.).

(2) CONSIDERATION OF CERTAIN BYLAWS AND POLICIES.—In developing regulations under paragraph (1), the Secretary shall consider the bylaws and policies of the Network.

(3) FAILURE TO ISSUE REGULATIONS BY DATE CERTAIN.—

(A) IN GENERAL.—If the Secretary fails to issue a final rule under paragraph (1) prior to the expiration of the period referred to in such paragraph, the notice of proposed rule making issued by the Secretary on September 8, 1994, (which shall be referred to as the ''proposed final rule'') shall be deemed to be the final rule under paragraph (1), and shall remain in effect until the Secretary issues a final rule under such paragraph.

(B) CONFLICT BETWEEN RULE AND POLICY.—Except as otherwise provided in this paragraph, and effective as described in paragraph (1), if the Secretary determines that there is a conflict between the proposed final rule and Network policy, the Secretary shall

ensure that the proposed final rule is enforced until the final rule is issued.

(C) NEW POLICIES.—The Secretary shall require that new policies developed after September 8, 1994, (the date of the publication of the ''Notice of Proposed Rule Making'') shall go through the policy development process as described in section 121.3(a)(6) of such ''Notice of Proposed Rule Making''.

SEC. 104. TERMS AND CONDITIONS OF GRANTS AND CONTRACTS.

Section 374 of the Public Health Service Act (42 U.S.C. 274b) is amended—

(1) in subsection (b)(2), by striking ''two years'' and inserting ''(three years)'';

(2) in subsection (c)—

(A) by redesignating paragraph (1) and (2) as paragraphs (2) and (3), respectively; and

(B) by inserting before paragraph (2) (as so redesignated) the following new paragraph:

''(1) The Secretary shall annually withhold not to exceed $250,000 or 10 percent of the amount of the data management fees collected under section 372 (whichever is greater) to be used to fund contracts as described in section 371.'';

(3) by redesignating subsection (d) as subsection (e); and

(4) by adding at the end thereof the following new subsection:

''(d) No contract in excess of $25,000 may be made under this part using funds withheld under subsection (c)(1) unless an application for such contract has been submitted to the Secretary, recommended by the Network and approved by the Secretary. Such an application shall be in such form and be submitted in such a manner as the Secretary shall prescribe.''.

SEC. 105. ADMINISTRATION.

Section 375 of the Public Health Service Act (42 U.S.C. 274c) is amended—

(1) in section 375 (42 U.S.C. 274c), by inserting before the dash the following: ''oversee the Network, the Scientific Registry and to'';

(2) in paragraph (3)—

(A) by inserting ''and oversight'' after ''assistance'';

(B) by striking ''in the health care system''; and

(C) by striking ''and'' at the end thereof;

(3) in paragraph (4), by striking the period and inserting ''; and''; and

(4) by adding at the end thereof the following new paragraph:

''(5) through contract, prepare a triennial organ procurement organization specific data report (the initial report to be completed not later than 18 months after the date of enactment of this paragraph) that includes—

''(A) data concerning the effectiveness of each organ procurement organization in acquiring potentially available organs, particularly among minority populations;

''(B) data concerning the variation of procurement across hospitals within the organ procurement organization region;

''(C) a plan to increase procurement, particularly among minority populations for which there is a greater degree of organ shortages relative to the general population; and

''(D) a plan to increase procurement at hospitals with low rates of procurement.''.

SEC. 106. STUDY AND REPORT.

Section 377 of the Public Health Service Act (42 U.S.C. 174f) is amended to read as follows:

''SEC. 377. STUDY AND REPORT.

''(a) EVALUATION BY THE INSTITUTE OF MEDICINE.—

''(1) IN GENERAL.—The Secretary shall enter into a contract with a public or nonprofit private entity to conduct a study and evaluation of—

''(A) the role of and the impact of the Federal Government in the oversight and support of solid-organ transplantation, the Network (which on the date of enactment of this section carries out its functions by government contract) and the solid organ transplantation scientific registry; and

''(B) the access of all interested constituencies and organizations to membership on the Network board of directors and all Network committees;

''(2) INSTITUTE OF MEDICINE.—The Secretary shall request the Institute of Medicine of the National Academy of Sciences to enter into the contract under paragraph (1) to conduct the study and evaluation described in such paragraph. If the Institute declines to conduct the study and evaluation under such paragraph, the Secretary shall carry out such activities through another public or nonprofit private entity.

(b) REPORT.—Not later than 2 years after the date of enactment of this section, the Institute of Medicine (or other entity as the case may be) shall complete the study required under subsection (a)(1) and prepare and submit to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of the study.''.

SEC. 107. GENERAL PROVISIONS.

(a) CONTRACTS.—Section 374 of the Public Health Service Act (42 U.S.C. 274b) is amended—

(1) in the section heading, by striking ''GRANTS AND'';

(2) in subsection (a), by striking ''grant may be made under this part or contract'' and inserting ''contract may be'';

(3) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''grant'' and inserting ''contract''; and

(ii) by striking ''and may not exceed $100,000'';

(B) by striking paragraph (2);

(C) by redesignating paragraph (3) as paragraph (2); and

(D) in paragraph (2) (as so redesignated)—

(i) by striking ''Grants or contracts'' and inserting ''Contracts''; and

(ii) by striking ''371(a)(3)'' and inserting ''371(a)(2)'';

(4) in subsection (c)—

(A) by striking ''grant or'' each place that such appears; and

(B) in paragraph (1), by striking ''grants and''; and

(5) in subsection (d)(2), by striking ''and for purposes of section 373, such term includes bone marrow''.

(b) REPEAL.—Sections 376 and 378 of the Public Health Service Act (42 U.S.C. 274d and 274g) are repealed.

SEC. 108. AUTHORIZATION OF APPROPRIATION.

Part H of title III of the Public Health Service Act (42 U.S.C. 273 et seq.) is amended by adding at the end thereof the following new section:

''SEC. 378. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out sections 371, 372, and 373, $1,950,000 for fiscal year 1997, and $1,100,000 for fiscal year 1998, and to carry out section 371, $250,000 for each of the fiscal years 1999 through 2001.''.

SEC. 109. EFFECTIVE DATES.

The amendments made by this title shall become effective on the date of enactment of this Act.

TITLE II—BONE MARROW DONOR PROGRAM

SEC. 201. SHORT TITLE.

This title may be cited as the ''Bone Marrow Transplantation Program Reauthorization Act of 1995''.

SEC. 202. REAUTHORIZATION.

(a) ESTABLISHMENT OF DONOR REGISTRY.—Section 379(a) of the Public Health Service Act (42 U.S.C. 274k(a)) is amended—

(1) by striking '' 'Registry' '' and inserting '' 'Donor Registry' '';

(2) by inserting after the end parenthasis the following: ''the primary purpose of which shall be increasing unrelated donor marrow transplants,''; and

(2) by adding at the end thereof the following: ''With respect to the board of directors—

''(1) each member of the board shall serve for a term of 2 years, and each such member may serve as many as three consecutive 2-year terms;

''(2) a member of the board may continue to serve after the expiration of the term of such member until a successor is appointed;

''(3) to ensure the continuity of the board, not more than one-third of the board shall be composed of members newly appointed each year;

''(4) all appointed and elected positions within committees established by the board shall be for 2-year periods;

''(5) the terms of approximately one-third of the members of each such committee will be subject each year to reappointment or replacement;

''(6) no individual shall serve more than three consecutive 2-year terms on any such committee; and

''(7) the board and committees shall be composed of a reasonable balance of representatives of donor centers, transplant centers, blood banks, marrow transplant recipients, individuals who are family members of an individual who has required, received, or is registered with the Donor Registry to become a recipient of a transplant from a biologically unrelated marrow donor, with nonvoting representatives from the Naval Medical Research and Development Command and the Division of Organ Transplantation of the Bureau of Health Resources Development (of the Health Resources and Services Administration).''.

(b) PROGRAM FOR UNRELATED MARROW TRANSPLANTS.—Section 379(b) of such Act (42 U.S.C. 274k(b)) is amended—

(1) in paragraph (4) to read as follows:

''(4) provide information to physicians, other health care professionals, and the public regarding the availability of unrelated marrow transplantation as a potential treatment option;'';

(2) in paragraph (5) to read as follows:

''(5) establish a program for the recruitment of new bone marrow donors that includes—

''(A) the priority to increase minority potential marrow donors for which there is a greater degree of marrow donor shortage than that of the general population; and

''(B) the compilation and distribution of informational materials to educate and update potential donors;'';

(3) by redesignating paragraphs (6) and (7) as paragraphs (8) and (9), respectively; and

(4) by inserting after paragraph (5), the following new paragraphs:

''(6) annually update the Donor Registry to account for changes in potential donor status;

''(7) not later than 1 year after the date on which the 'Bone Marrow Program Inspection' (hereafter referred to in this part as the 'Inspection') that is being conducted by the Office of the Inspector General on the date of enactment of this paragraph is completed, in consultation with the Secretary, and based on the findings and recommendations of the Inspection, the marrow donor program shall develop, evaluate, and implement a plan to streamline and make more efficient the relationship between the Donor Registry and donor centers;''.

(c) INFORMATION AND EDUCATION PROGRAM.—Section 379 of such Act (42 U.S.C. 274k) is amended—

(1) by redesignating subsection (j) as subsection (k); and

(2) by inserting after subsection (i), the following new subsection:

''(j) INFORMATION AND EDUCATION PROGRAM.—

''(1) IN GENERAL.—The Secretary may enter into contracts with, public or nonprofit private entities for the purpose of increasing unrelated allogeneic marrow transplants, by enabling such entities to—

''(A) plan and conduct programs to provide information and education to the professional health care community on the availability of unrelated allogeneic marrow transplants as a potential treatment option;

''(B) plan and conduct programs to provide information and education to the public on the need for donations of bone marrow;

''(C) train individuals in requesting bone marrow donations; and

''(D) recruit, test and enroll marrow donors with the priority being minorities for which there is a greater degree of marrow donor shortage than that of the general population.

''(2) PRIORITIES.—In awarding contracts under paragraph (1), the Secretary shall give priority to carrying out the purposes described in such paragraph with respect to minority populations.''.

(d) PATIENT ADVOCACY AND CASE MANAGEMENT.—

(1) IN GENERAL.—Section 379 of such Act (42 U.S.C. 274k), as amended by subsection (c), is further amended—

(A) by redesignating subsection (k) as subsection (l); and

(B) by inserting after subsection (j), the following new subsection:

''(k) PATIENT ADVOCACY AND CASE MANAGEMENT.—

''(1) ESTABLISHMENT.—The Donor Registry shall establish and maintain an office of patient advocacy and case management that meets the requirements of this subsection.

''(2) FUNCTIONS.—The office established under paragraph (1) shall—

''(A) be headed by a director who shall serve as an advocate on behalf of—

''(i) individuals who are registered with the Donor Registry to search for a biologically unrelated bone marrow donor;

''(ii) the physicians involved; and

''(iii) individuals who are included in the Donor Registry as potential marrow donors.

''(B) establish and maintain a system for patient advocacy that directly assists patients, their families, and their physicians in a search for an unrelated donor;

''(C) provide individual case management services to directly assist individuals and physicians referred to in subparagraph (A), including—

''(i) individualized case assessment and tracking of preliminary search through activation (including when the search process is interrupted or discontinued);

''(ii) informing individuals and physicians on regular intervals of progress made in searching for appropriate donors; and

''(iii) identifying and resolving individual search problems or concerns;

''(D) collect and analyze data concerning the number and percentage of individuals proceeding from preliminary to formal search, formal search to transplantation, the number and percentage of patients unable to complete the search process, and the comparative costs incurred by patients prior to transplant;

''(E) survey patients to evaluate how well such patients are being served and make recommendations for streamlining the search process; and

''(F) provide individual case management services to individual marrow donors.

''(3) EVALUATION.—

''(A) IN GENERAL.—The Secretary shall evaluate the system established under paragraph (1) and make recommendations concerning the success or failure of such system in improving patient satisfaction, and any impact the system has had on assisting individuals in proceeding to transplant.

''(B) REPORT.—Not later than April 1, 1996, the Secretary shall prepare and make available a report concerning the evaluation conducted under subparagraph (A), including the recommendations developed under such subparagraph.''.

(2) DONOR REGISTRY FUNCTIONS.—Section 379(b)(2) of such Act (42 U.S. C. 274k(b)(2)) is amended by striking ''establish'' and all that follows through ''directly assists'' and inserting ''integrate the activities of the patient advocacy and case management office established under subsection (k) with the remaining Donor Registry functions by making available information on (A) the resources available through the Donor Registry Program, (B) the comparative costs incurred by patients prior to transplant, and (C) the marrow donor registries that meet the standards described in paragraphs (3) and (4) of subsection (c), to assist''.

(e) STUDY AND REPORTS.—Section 379A of such Act (42 U.S.C. 274l) is amended to read as follows:

''SEC. 379A. STUDIES, EVALUATIONS AND REPORTS.

''(a) EVALUATION BY THE INSTITUTE OF MEDICINE.—

''(1) IN GENERAL.—The Secretary shall enter into a contract with a public or nonprofit private entity to conduct a study and evaluation of—

''(A) the role of a national bone marrow transplant program supported by the Federal Government in facilitating the maximum number of unrelated marrow donor transplants; and

''(B) other possible clinical or scientific uses of the potential donor pool or accompanying information maintained by the Donor Registry or the unrelated marrow donor scientific registry.

''(2) INSTITUTE OF MEDICINE.—The Secretary shall request the Institute of Medicine of the National Academy of Sciences to enter into the contract under paragraph (1) to conduct the study and evaluation described in such paragraph. If the Institute declines to conduct the study and evaluation under such paragraph, the Secretary shall carry out such activities through another public or nonprofit private entity.

''(3) REPORT.—Not later than 2 years after the date of enactment of this section, the Institute of Medicine (or other entity as the case may be) shall complete the study required under paragraph (1) and prepare and submit to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of the study.

''(b) BONE MARROW CONSOLIDATION.—

''(1) IN GENERAL.—The Secretary shall conduct—

''(A) an evaluation of the feasibility of integrating or consolidating all federally funded bone marrow transplantation scientific registries, regardless of the type of marrow reconstitution utilized; and

''(B) an evaluation of all federally funded bone marrow transplantation research to be conducted under the direction and administration of the peer review system of the National Institutes of Health.

''(2) REPORT.—Not later than 1 year after the date of enactment of this section, the Secretary shall prepare and submit to the Committee on Labor and Human Resources of the Senate a report concerning the evaluations conducted under paragraph (1).

''(3) DEFINITION.—As used in paragraph (1), the term 'marrow reconstitution' shall encompass all sources of hematopoietic cells including marrow (autologous, related or unrelated allogeneic, syngeneic), autologous marrow, allogeneic marrow (biologically related or unrelated), umbilical cord blood cells, peripheral blood progenitor cells, or other approaches that maybe utilized.''.

(f) BONE MARROW TRANSPLANTATION SCIENTIFIC REGISTRY.—Part I of title III of such Act (42 U.S.C. 274k et seq.) is amended by adding at the end thereof the following new section:

''SEC. 379B. BONE MARROW SCIENTIFIC REGISTRY.

''(a) ESTABLISHMENT.—The Secretary, acting through the Donor Registry, shall establish and maintain a bone marrow scientific registry of all recipients of biologic unrelated allogeneic marrow donors.

''(b) INFORMATION.—The bone marrow transplantation scientific registry established under subsection (a) shall include information with respect to patients who have received biologic unrelated allogeneic marrow transplant, transplant procedures, pretransplant and transplant costs, and other information the Secretary determines to be necessary to conduct an ongoing evaluation of the scientific and clinic status of unrelated allogeneic marrow transplantation.

''(c) REPORT.—The Donor Registry shall submit to the Secretary on an annual basis a report using data collected and maintained by the bone marrow transplantation scientific registry established under subsection (a) concerning patient outcomes with respect to each transplant center and the pretransplant comparative costs involved at such transplant centers.''.

(g) AUTHORIZATION OF APPROPRIATIONS.—Part I of title III of such Act (42 U.S.C. 274k et seq.) as amended by subsection (f), is further amended by adding at the end thereof the following new section:

''SEC. 379C. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out section 379, $13,500,000 for fiscal year 1997, $12,150,000 for fiscal year 1998, and such sums as may be necessary for fiscal year 1999.''.

SOLID ORGAN AND BONE MARROW TRANSPLANT PROGRAM REAUTHORIZATION ACT OF 1995—SUMMARY

TITLE I—SOLID ORGAN TRANSPLANT PROGRAM REAUTHORIZATION ACT OF 1995

I. Organ Procurement Organizations:

(1) The Secretary may enter into cooperative agreements and contracts with Organ Procurement Organizations (OPOs) and other public or nonprofit entities for the purpose of increasing organ donation.

The importance of increased donation and the recruitment of minority donors is reconfirmed.

(2) The Board of Directors (or an advisory board) of an OPO shall be diversified and composed of a ''reasonable balance of'' individuals, including individuals who have received a transplant (or a transplant candidate) and/or their family members.

(3) OPOs will be members of the Organ Transplant and Procurement Network (Network) and will abide by the Network rules.

(4) Allocation systems at a minimum shall allocate each type of solid organ on the basis of:

A single list encompassing the entire service area, or, a list encompassing at least an entire state, or, a list that encompasses an approved alternative local unit, or, a list

that encompasses another allocation system which is approved by the Network and the Secretary.

(5) The amendments included in this act do not interfere with Section 1138 of the Social Security Act (Medicare Technicals) pertaining to the relationships between hospitals and OPOs.

II. Transplant Network:

(1) The Secretary shall provide by Contract for the operation of the Network and the maintenance of a national waiting list. Implementation of the Contract will be carried out by the Network contractor.

Continuation of the partnership between the government and private entities is desirable.

The federal government shall oversee Network activities.

(2) The Network continues to be recognized as a private entity that has an expertise in organ procurement and transplantation.

(3) The Network contractor may collect a fee for listing each potential transplant recipient. This fee (known as the ''patient registration fee'') is to cover the cost of the Network's operation.

The fee amount will be determined by the Network, the Secretary is given 60 days after submission of a written request to increase ''the fee,'' to disapprove the proposed request.

Patient registration fee increases must be ''reasonable and customary'' and shall not occur more frequently than once per year.

Patient registration fees and or contract funds will be subject to an annual audit (OMB circular no. A–133). An audit report will be submitted to the Network, the contractor, and the Secretary.

III. The Scientific Registry:

(1) The Secretary shall provide by Contract for the operation of a Scientific Registry.

(2) The Secretary may institute and collect a ''data management fee'' from transplant centers and OPOs. These fees shall be directed to cover the costs of the Scientific Registry.

The ''data management fee'' shall be set annually by the Network and approved by the Secretary.

The data management fee will be calculated on a per-transplant basis. The fee will be divided in a 80/20 split between the responsible transplant center and OPO.

Expenditure of the ''data management fee'' will be subject to an annual audit. The audit report will be submitted to the Network, the Scientific Registry contractor, and the Secretary.

IV. Transplant Network Governance:

(1) Composition of the Network's Board of Directors and Committees shall include ''a reasonable number'' of individuals from the transplant community. This act confirms the importance and need for representation of transplant recipients (or candidates) and their family members.

(2) The Health Resources and Services Administration shall be represented on the Network's Board of Directors and all Committees. The government representative will be excluded from meetings in which the internal business of the Network contractor is discussed.

(3) The Network shall submit to the Secretary a biennial report which contains center specified data including survival, waiting list time, and qualifications of transplant physicians and surgeons.

(4) The Secretary's failure to issue within one year of enactment, a ''final rule'' establishing Network regulations, will initiate the following process:

The proposed rule making issued on September 8, 1994, (the ''proposed final rule'') shall be deemed the final rule.

The Secretary will enforce the ''proposed final rule'' until the final rule is issued.

Instances of conflict between the ''proposed final rule'' and existing or new Network policies shall be resolved through the policy development as described in 121.3(a)(6) of the ''Notice of Proposed Rule Making''.

V. Administration:

(1) The Secretary shall withhold annually, $250,000 or 10 percent of the collected ''data management fee'' (whichever amount is larger), to be used to fund contracts to increase organ donation.

No contract in excess of $25,000 may be made, using the above funds, unless an application is submitted to the Secretary, recommended by the Network, and approved by the Secretary.

(2) The Secretary through contract shall prepare a triennial OPO specific data report that includes an assessment of the effectiveness of OPOs in acquiring available organs.

The first OPO specific report should be completed within 18 months of enactment.

VI. Study:

(1) The Secretary will request the Institute of Medicine (IOM) to conduct a study and evaluation of:

The role of and the impact of the federal government in the oversight and support of solid organ transplantation, the Network (which presently carries out its functions by government contract) and the solid organ transplantation scientific registry.

The access of all interested constituencies to membership on the Network's Board of Directors and all its committees.

Recommendations from the second portion of the IOM study are to be implemented within one year of study completion.

VII. Authorization of Appropriation:

(1) A five year authorization is requested.

The authorization requests $1.95 million in 1997, $1.1 million for 1998 and $250,000 per year for 1999–2001.

TITLE II—''BONE MARROW TRANSPLANTATION PROGRAM REAUTHORIZATION OF 1995''

I. Donor Registry:

(1) The primary purpose of the ''Donor Registry'' is to increase the number of unrelated marrow donor transplants.

(2) The Board of Directors has been further clarified. A term of office is two years, with a limit of three terms of service.

(3) Composition of the Board of Directors and the Program's Committees will be composed of a ''reasonable balance'' of constituents including transplant recipients and their families.

The Program's Board of Directors and Committees shall include non-voting representation from the Health Resources and Services Administration and the Naval Medical Research and Development Command.

(4) A priority to increase the number of minority transplants and potential donors is mandated.

(5) Informational materials to educate and update potential donors shall be compiled and distributed.

''Donor Registry'' should be updated annually to account for changes in donor status.

(6) The Bone Marrow Program, in consultation with the Secretary, using the recommendations of the ongoing Inspector General study, ''Bone Marrow Program Inspection,'' shall develop and implement within one year of study completion, a plan to make more efficient the relationship between the donor registry and the donor centers.

(7) The Secretary may enter into contracts with public or nonprofit private entities for the purpose of increasing unrelated-donor marrow transplants.

Programs to provide information to educate the health community on the availability of unrelated marrow transplants.

Public information on the need for marrow donations.

Train individuals in requesting marrow donations.

Recruit, test, and enroll marrow donors with the primary priority being minority populations.

II. Patient Advocacy and Case Management:

(1) The office of patient advocacy and case management shall be established and maintained by the ''Donor Registry.''

The patient advocacy and case management office shall serve as an advocate for patients searching for a donor, physicians, and potential marrow donors.

Comparative costs incurred by patients prior to marrow transplantation shall be provided to constituents.

(2) The Secretary shall evaluate the patient advocacy and case management functions and make recommendations concerning the success or failure of these efforts.

A report shall be prepared no later than April 1, 1996, on the effectiveness of the Office of Patient Advocacy and Case Management.

III. Studies and Evaluations:

(1) The Secretary shall request the Institute of Medicine to conduct a study that evaluates:

What is the role of a government-supported ''National Bone Marrow Transplant Program'' in facilitating the maximum number of unrelated marrow donors transplants.

Other possible clinical and scientific uses for the Donor Registry's potential donor pool and or the unrelated marrow donor scientific registry.

This report is to be completed within two years of enactment.

(2) The Secretary shall evaluate the feasibility of consolidating:

All federally funded scientific bone marrow transplantation registries (regardless of the type of marrow reconstitution).

All federally funded bone marrow transplant research under the administration and direction of the National Institutes of Health.

IV. Unrelated Marrow Transplant Scientific Registry:

(1) The unrelated marrow transplant scientific registry is to be established and maintained on all recipients of biologically unrelated bone marrow transplants regardless of the method of marrow reconstitution.

The Donor Registry shall submit an annual report to the Secretary on the state of unrelated donor marrow transplantation, using information from the scientific registry.

V. Authorization of Appropriations:

(1) A three-year authorization is requested.

The authorization requests $13,500,000 for fiscal year 1997, $12,150,000 for fiscal year 1998, and such sums as necessary for fiscal year 1999.

By Mr. MCCAIN (for himself and Mr. KYL):

S. 1325. A bill to amend title XI of the Social Security Act to provide an incentive for the reporting of inaccurate Medicare claims for payment, and for other purposes; to the Committee on Finance.

THE MEDICARE WHISTLEBLOWER ACT

● Mr. MCCAIN. Mr. President, I am introducing legislation today with Senator KYL that will significantly reduce fraud and abuse by providers in the Medical Program. The Medicare Whistleblower Act of 1995 will efficiently and effectively create an army of private inspectors general intent upon wiping out Medicare provider fraud.

At Medicare town meetings throughout Arizona, we have heard over and over from senior citizens that the Medicare Program is rampant with negligent and fraudulent billings. They have told me, based on their personal experiences, that their Medicare bills frequently include services that they have not received, double billings for the same service, or charges that are disproportionate to the value of services received. Often, they have no idea what Medicare is being billed for on their behalf, and they are not able to obtain explanations from providers.

These perceptions of Medicare beneficiaries are confirmed by more systematic analyses. The General Accounting Office has estimated that fraud and abuse in our Nation's health care system costs taxpayers as much as $100 billion each year. Medicare fraud alone costs about $17 billion per year, which is 10 percent of the program's costs. A report by the Republican staff of the Senate Committee on Aging has documented a broad array of fraudulent activities, including false claims for services that were supposed to have been rendered after the beneficiaries had died.

The Medicare Program has many problems. A fundamental problem, and the source of many other problems, is that too few people are adequately concerned about its costs because the Government is paying most of the bills. One constituent informed me of a situation in which his provider double-billed for the same service and told him not to worry about it because ''Medicare is paying.'' This is an outrage and must be stopped. When Medicare overpays, we all overpay, and costs to beneficiaries and other taxpayers spiral.

The Medicare Whistleblower Act addresses this fundamental problem of the Medicare Program. It gives beneficiaries an added incentive to carefully scrutinize their bills and to actively pursue corrections when they believe that there has been inappropriate billing of Medicare. In particular, beneficiaries would be financially rewarded if they uncover negligence or fraud to the benefit of us all. Although such provider fraud is not the entire problem, and there is other legislation that I support which also addresses beneficiary fraud, studies clearly indicate that provider fraud is most prevalent and the greatest concern.

Under this bill, beneficiaries would have a right to receive in writing from their providers, within 30 days of when their request is received, an itemized bill for Medicare services provided to them. The beneficiary would then have 90 days to raise specific allegations of inappropriate billings to Medicare. The Medicare intermediaries and carriers would then have to make one of the following determinations: That the bill was: First, accurate; second, innocently inaccurate, for example, misinterpretation; third, negligent; or fourth, fraudulent. All overpayments resulting from inaccurate bills will be reimbursed to the Medicare Program.

If the Secretary of HHS confirms that the billing was either negligent or fraudulent, the beneficiary would receive a reward of 1 percent of the overpayment up to $10,000. Because these rewards would be paid directly out of the overpayments, they would not increase costs to the Federal Government. In the case of fraud, the rewards would be paid directly by the fraudulent provider as a penalty, and would therefore not even reduce the amount of the overpayment reimbursed to the Federal Government. The Secretary would be required to establish appropriate procedures to ensure that the incentive system is not abused.

Some will argue that many seniors and other beneficiaries do not need personal rewards for fighting fraud, and in any event, this is a matter of national duty. While I agree with this contention, I also recognize that these individuals would not be able to identify and report fraud without having access to the itemized bills that this legislation provides. Moreover, I see nothing wrong with giving beneficiaries an added financial incentive. After all, we pay Federal employees for ideas that save the taxpayers money, and we pay private citizens for identifying fraud by defense contractors.

Mr. President, we must put an end to rampant Medicare fraud and abuse. This bill would contribute significantly to this goal. I believe that there is no more effective approach to detecting and fighting fraud than giving individuals a personal financial interest in doing so. Just wait and see what will happen when we empower over 36 million Medicare beneficiaries to ensure that their program is no longer looted and abused. I request unanimous consent that this bill and letters of support from the Committee to Preserve Social Security and Medicare and the Seniors Coalition be included in the RECORD.

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

S. 1325

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medicare Whistleblower Act of 1995''.

SEC. 2. PURPOSE.

The purpose of this Act is to—

(1) reduce and eliminate fraud and abuse under the medicare program;

(2) reduce negligent and fraudulent medicare billings by providers;

(3) provide medicare beneficiaries with incentives to report inappropriate billing practices; and

(4) provide savings to the medicare trust funds by increasing the recovery of medicare overpayments.

SEC. 3. REQUEST FOR ITEMIZED BILL FOR MEDICARE ITEMS AND SERVICES.

(a) IN GENERAL.—Section 1128A of the Social Security Act (42 U.S.C. 1320a–7a) is amended by adding at the end the following new subsection:

''(m) WRITTEN REQUEST FOR ITEMIZED BILL.—

''(1) IN GENERAL.—A beneficiary may submit a written request for an itemized bill for medical or other items or services provided to such beneficiary by any person (including an organization, agency, or other entity) that receives payment under title XVIII for providing such items or services to such beneficiary.

''(2) 30-DAY PERIOD TO RECEIVE BILL.—

''(A) IN GENERAL.—Not later than 30 days after the date on which a request under paragraph (1) has been received, a person described in such paragraph shall furnish an itemized bill describing each medical or other item or service provided to the beneficiary requesting the itemized bill.

''(B) PENALTY.—Whoever knowingly fails to furnish an itemized bill in accordance with subparagraph (A) shall be subject to a civil fine of not more than $100 for each such failure.

''(3) REVIEW OF ITEMIZED BILL.—

''(A) IN GENERAL.—Not later than 90 days after the receipt of an itemized bill furnished under paragraph (1), a beneficiary may submit a written request for a review of the itemized bill to the appropriate fiscal intermediary or carrier with a contract under section 1816 or 1842.

''(B) SPECIFIC ALLEGATIONS.—A request for a review of the itemized bill shall identify—

''(i) specific medical or other items or services that the beneficiary believes were not provided as claimed, or

''(ii) any other billing irregularity (including duplicate billing).

''(4) FINDINGS OF FISCAL INTERMEDIARY OR CARRIER.—Each fiscal intermediary or carrier with a contract under section 1816 or 1842 shall, with respect to each claim submitted to the fiscal intermediary or carrier under paragraph (3), make one of the following determinations:

''(A) The itemized bill accurately reflects medical or other items or services provided to the beneficiary.

''(B) The itemized bill does not accurately reflect medical or other items or services provided to the beneficiary or contains a billing irregularity but the inaccuracy or irregularity is inadvertent or is the result of a misinterpretation of law.

''(C) The itemized bill negligently describes medical or other items or services not provided to the beneficiary or contains a negligent billing irregularity.

''(D) The itemized bill fraudulently describes medical or other items or services not provided to the beneficiary or contains a fraudulent billing irregularity.

''(5) REVIEW OF FINDINGS OF FISCAL INTERMEDIARY OR CARRIER.—

''(A) IN GENERAL.—If a fiscal intermediary or carrier makes a finding described in subparagraph (B), (C), or (D) of paragraph (4), the fiscal intermediary or carrier shall submit to the Secretary a report containing such findings and the basis for such findings.

''(B) DETERMINATION BY SECRETARY.—The Secretary shall determine whether the findings of the fiscal intermediary or carrier submitted under subparagraph (A) are correct.

''(6) RECOVERY OF AMOUNTS.—The Secretary shall require fiscal intermediaries and carriers to take all appropriate measures to recover amounts inappropriately paid under title XVIII with respect to a bill for which the Secretary makes a determination of correctness under paragraph (5)(B).

''(7) ANTIFRAUD INCENTIVE PAYMENTS.—

''(A) IN GENERAL.—If the Secretary makes a determination of correctness under paragraph (5)(B) with respect to a finding described in subparagraph (C) or (D) of paragraph (4), the Secretary shall make an antifraud incentive payment (in an amount determined under subparagraph (B)) to the beneficiary who submitted the request for the itemized bill under paragraph (1) that resulted in such findings.

''(B) ANTIFRAUD INCENTIVE PAYMENT DETERMINED.—

''(i) IN GENERAL.—The amount of the antifraud incentive payment determined under this subparagraph is equal to the lesser of—

''(I) 1 percent of the amount that the bill negligently or fraudulently charged for medical or other items or services; or

''(II) $10,000.

''(ii) LIMITATION OF AMOUNT.—The amount determined under this subparagraph may not exceed—

''(I) in the case of a negligent bill, the total amounts recovered with respect to the bill in accordance with paragraph (6); or

''(II) in the case of a fraudulent bill, the sum of the amounts assessed and collected with respect to the bill under paragraph (8).

''(8) PENALTY.—If the Secretary makes a determination of correctness with respect to a finding described in paragraph (4)(D) (relating to fraudulent billing), the provider or other person responsible for providing the beneficiary with the itemized bill that is the subject of such findings, shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty equal to the lesser of—

''(A) 1 percent of the amount that the bill fraudulently charged for medical or other items or services; or

''(B) $10,000.

''(9) PREVENTION OF ABUSE BY BENEFICIARIES.—The Secretary shall—

''(A) address abuses of the incentive system established under this subsection; and

''(B) establish appropriate procedures to prevent such abuses.

''(10) REQUIREMENT THAT BENEFICIARY DISCOVER NEGLIGENT OR FRAUDULENT BILL TO RECEIVE INCENTIVE PAYMENT.—No incentive payment shall be made under paragraph (7) to a beneficiary if the Secretary or the appropriate fiscal intermediary or carrier identified the bill that was the subject of the beneficiary's request for review under this subsection as being negligent or fraudulent prior to such request.''.

(b) PAYMENT OF ANTIFRAUD INCENTIVE TO MEDICARE BENEFICIARY.—Section 1128A(f) of the Social Security Act (42 U.S.C. 1320a–7a(f)) is amended—

(1) in paragraph (3), by striking ''(3)'' and inserting ''(4)''; and

(2) by inserting after paragraph (2) the following:

''(3) Any penalty recovered under subsection (m)(8) shall be paid as an antifraud incentive payment to the beneficiary who submitted the request for the itemized bill under subsection (m)(1) that resulted in the imposition of the penalty.''.

(c) CONFORMING AMENDMENT.—Subsections (c) and (d) of section 1128A of the Social Security Act (42 U.S.C. 1320a–7a) are each amended by striking ''(a) or (b)'' each place it appears and inserting ''(a), (b), or (m)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to medical or other items or services provided on or after January 1, 1996.

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE,
Washington, DC, October 16, 1995.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the nearly six million members and supporters of the National Committee to Preserve Social Security and Medicare, I offer our endorsement of the Medicare Whistleblower Act of 1995, legislation to strengthen procedures for identifying fraud and waste in the Medicare system.

A major effort to prevent fraud and abuse is essential and appropriate—particularly at a time when Congress is considering ways to reduce federal health care costs. It is essential that we enlist the cooperation of the public, beneficiaries, providers and carriers to curb fraud and waste in the Medicare program and ensure that Medicare funds go toward patient care. As you know, major and increasingly complex patterns of fraud and abuse have infiltrated many health sectors including ambulance and taxi services, clinical laboratories, home health and durable medical equipment providers.

Your legislation will strengthen the role of beneficiaries in detecting and reporting fraud and waste. Of particular importance are the provisions mandating that beneficiaries be provided, upon request, copies of itemized bills submitted on their behalf. Beneficiaries must have accurate information about bills submitted on their behalf in order to meaningfully participate in this program. It is also important for the Secretary to establish standards to prevent abuse or over-use of the reporting system.

Seniors thank you for your help in combating this growing problem.

Sincerely,

MARTHA A MCSTEEN,
President.

THE SENIORS COALITION,
October 12, 1995.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the two million members and supporters of The Seniors Coalition, I salute your efforts to reduce the fraud and abuse which have plagued the Medicare system. We also believe that seniors themselves are excellent ''Inspectors General,'' and, when empowered to do so will be a most effective whistleblower force.

The Seniors Coalition stands ready to work with you and every other member of Congress in taking action to put an end to rampant Medicare fraud and abuse.

Sincerely,

JAKE HANSEN,
Vice President for Government Affairs.●

By Mrs. FEINSTEIN:

S. 1326. A bill respecting the relationship between workers' compensation benefits and the benefits available under the Migrant and Seasonal Agricultural Worker Protection Act; to the Committee on Labor and Human Resources.

THE MIGRANT AND SEASONAL AGRICULTURAL WORKER PROTECTION ACT AMENDMENT ACT OF 1995

● Mrs. FEINSTEIN. Mr. President, I introduce legislation that would overturn a 1990 U.S. Supreme Court decision in Adams Fruit Co. versus Barrett and restore workers' compensation as the exclusive remedy for loss under the Migrant and Seasonal Agricultural Worker Protection Act where a State workers' compensation law is applicable and coverage is provided.

This legislation embodies an agreement worked out by the National Council of Agricultural Employers and the Farmworkers Justice Fund and other farm worker advocacy groups. In the House this compromise will be offered as a substitute amendment to H.R. 1715, sponsored by Congressmen GOODLING, FAZIO and others.

By way of background, in 1985, 19 migrant farmworkers employed by the Adams Fruit Co. suffered injuries in an accident while they traveled to work in an Adams Fruit van. The company was found liable and the injured farmworkers were awarded damages to the fullest extent under Florida's workers' compensation system. In addition, 10 of the workers filed suit against Adams Fruit for motor safety violations under the Migrant and Seasonal Agricultural Worker Protection Act.

In the Adams Fruit decision, the U.S. Supreme Court held that the injured farmworkers could bring an action for damages under the Migrant and Seasonal Agricultural Worker Protection Act even though they were covered under State workers' compensation for the same injuries. In so ruling, the court disregarded one of the basic concepts of workers' compensation, the assurance of a prompt remedy in exchange for limited liability on the part of the employer. As a result, agricultural employers who pay the cost of workers' compensation for farmworkers are not receiving the protection from lawsuits that all other employers providing workers' compensation receive.

The legislation I am introducing today would reverse the effects of the Adams Fruit decision and restore the exclusivity of workers' compensation. Specifically, the bill:

Amends the Migrant and Seasonal Agricultural Worker Protection Act to provide that where workers' compensation coverage is provided under a State workers' compensation law for a migrant or seasonal agricultural worker, workers' compensation will be the farmworker's exclusive remedy and the employer's sole liability under the act for bodily injury or death;

Provides for increased statutory damages under the Migrant and Seasonal Agricultural Worker Protection Act in cases where actual damages are precluded because the worker's injury is covered under a State workers' compensation law and the court finds the defendant's actions meet certain criteria set forth in the legislation, such as the defendant knowingly permitting a driver to drive farmworkers while under the influence of alcohol;

Provides for tolling of the statute of limitations on actions brought under the Migrant and Seasonal Agricultural Worker Protection Act during the period of time a claim under a State workers' compensation law is pending;

Requires disclosure of information regarding workers' compensation coverage to migrant farmworkers and upon request to seasonal farmworkers,

helping ensure that farmworkers have adequate information to file timely claims for workers' compensation; and

Allows the Secretary of Labor to determine the appropriate level of liability insurance required by employers engaged in transporting farmworkers, helping increase the ability of persons to obtain insurance.

Mr. President, the appropriate relationship between workers' compensation benefits and benefits available under the Migrant and Seasonal Agricultural Worker Protection Act has been debated at great length since the Adams Fruit decision. Many have tried to reconcile the legitimate interests of both agricultural employers and farmworkers in this issue. In the 102d Congress I sponsored legislation, and I worked very hard, meeting with representatives of agriculture from around the Nation, with representatives of farmworkers, with Congressman FAZIO, with Congressman BERMAN and others, in an effort to achieve consensus. I am pleased to say that there is now agreement. I hope the Senate will be able to move quickly to approve this agreement and pass this legislation.●

By Mr. MCCAIN (for himself and Mr. KYL):

S. 1327. A bill to provide for the transfer of certain lands to the Salt River Pima-Maricopa Indian Community and the city of Scottsdale, AZ, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE SADDLEBACK MOUNTAIN-ARIZONA SETTLEMENT ACT OF 1995

● Mr. MCCAIN. Mr. President, I am pleased to join with my colleague, Senator KYL, in introducing legislation to approve an agreement to settle a long-standing dispute over 701 acres of unique and valuable land within the city of Scottsdale, AZ, currently held by the Resolution Trust Corporation [RTC]. The agreement, which was negotiated by representatives of the Salt River Pima-Maricopa Indian Community, the city of Scottsdale, and the RTC, provides for the RTC to sell part of the property to the community and the remainder to the city.

The property is located in the eastern-most part of Scottsdale, abuts 1.7 miles of the northern boundary of the community's reservation, and is undeveloped. Its most distinctive feature is Saddleback Mountain, a striking landmark that rises abruptly from the desert floor to a height of some 900 feet. Due to its location, high conservation value and other special features, the property's use and disposition are of major importance both to the community and the city.

A dispute arose after the RTC, in its capacity as receiver for the Sun State Savings & Loan Association, acquired the Saddleback property in 1989 and subsequently noticed it for sale. The community submitted the highest cash bid for the property, conditioned upon being allowed to develop the flat portion of the property. The city, concerned about the direction that the development might follow, sued the RTC to acquire the property by eminent domain. The RTC then rejected all auction sale bids and determined to transfer the property to Scottsdale through the eminent domain litigation. The community thereupon sued the city and the RTC, seeking damages.

Rather than pursue the litigation, the city, the community, and the RTC sought to resolve their dispute through negotiation. The result of their efforts is a settlement agreement that will allow all parties to realize their respective goals for the Saddleback property. Under the agreement, the RTC will sell the property to Scottsdale and the community for a total of $6.5 million. The city will pay $636,000 to acquire approximately 125 acres, located north and south of Shea Boulevard, for preservation and future road expansion. The community will pay $5,864,000 to acquire 576 acres adjoining their reservation. The two lawsuits, which are pending in U.S. District Court in Phoenix, will be dismissed.

The agreement further provides that 365 acres of the property to be acquired by the community, including Saddleback Mountain, will be forever preserved in its natural State for use only as a public park and recreation area. Except for a limited number of sites that are of particular historical and cultural significance to the community, the public will have free access to this area. Together with the preservation property to be acquired by the city, it will be jointly managed by the city and the community. The remaining 211 acres to be acquired by the community will be subject to a detailed development agreement with the city, as well as the limitations and restrictions of current community zoning.

Mr. President, the bill that Senator KYL and I are introducing today has two primary objectives. First, it will approve and ratify the settlement agreement and ensure that its terms will be fully enforceable. Second, it provides that the property purchased by the community will be held in trust by the United States and become part of its reservation. Enactment of this legislation is a necessary step for the settlement's provisions to become effective.

Achievement of the Saddleback settlement agreement demonstrates once again the value and benefit of seeking to settle disputes through negotiation rather than litigation. The Salt River Pima-Maricopa Indian Community, its president and council, and the mayor and council of the city of Scottsdale, along with their representatives and those of the Resolution Trust Corporation who cooperated to make a settlement possible, deserve great credit for their leadership and hard work to resolve their differences amicably.

I believe the legislation to approve the Saddleback settlement agreement is noncontroversial and clearly in the public interest, and I note with satisfaction that no expenditure of funds from the U.S. Treasury will be necessary for its implementation. Accordingly, I am hopeful that the Congress will consider and approve this legislation in an expeditious manner.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1327

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Saddleback Mountain-Arizona Settlement Act of 1995''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) in its capacity as a receiver for the Sun State Savings and Loan Association, F.S.A., the Resolution Trust Corporation holds a tract of land consisting of approximately 701 acres within the city of Scottsdale, Arizona (referred to in this Act as the ''Saddleback Property'');

(2) the Saddleback Property abuts the north boundary of the Salt River Pima-Maricopa Indian Reservation;

(3) because the Saddleback Property includes Saddleback Mountain and scenic hilly terrain along the Shea Boulevard Corridor in Scottsdale, Arizona, a major portion of the Saddleback Property has significant conservation value;

(4) pursuant to section 10(b) of the Coastal Barrier Improvement Act of 1990 (12 U.S.C. 1441a–3(b)), the Resolution Trust Corporation identified the conservation value of the Saddleback Property and provided a description of the Saddleback Property in a notice of the availability of the property for sale;

(5) the use and disposition of the Saddleback Property are critical to the interests of both the City and the Salt River Pima-Maricopa Indian Community;

(6) during the course of dealings among the Community, the City, and the Resolution Trust Corporation, disputes arose regarding the ownership, conservation, use, and ultimate development of the Saddleback Property;

(7) the Community, the City, and the Resolution Trust Corporation resolved their differences concerning the Saddleback Property by entering into an agreement that provides for the sale, at an aggregate price equal to the highest cash bid that has been tendered to the Resolution Trust Corporation, of—

(A) a portion of the Saddleback Property to the City; and

(B) the remaining portion of the Saddleback Property to the Community; and

(8) the Settlement Agreement provides—

(A) for a suitable level of conservation for the areas referred to in paragraph (3); and

(B) that the portion of the Saddleback Property referred to in paragraph (7)(B) will become part of the Reservation.

(b) PURPOSES.—The purposes of this Act are—

(1) to approve and confirm the Settlement, Release, and Property Conveyance Agreement executed by the City, the Community, and the Resolution Trust Corporation; and

(2) to ensure that the Settlement Agreement (including the Development Agreement, the Use Agreement, and all other associated ancillary agreements and exhibits)—

(A) is carried out; and

(B) is fully enforceable in accordance with its terms, including judicial remedies and binding arbitration provisions.

SEC. 3. DEFINITIONS.

For the purposes of this Act, the following definitions shall apply:

(1) CITY.—The term ''City'' means the city of Scottsdale, Arizona, which is a municipal corporation in the State of Arizona.

(2) COMMUNITY.—The term ''Community'' means the Salt River Pima-Maricopa Indian Community, which is a federally recognized Indian tribe.

(3) DEDICATION PROPERTY.—The term ''Dedication Property'' means a portion of the Saddleback Property, consisting of approximately 27 acres of such property, that the City will acquire in accordance with the Settlement Agreement.

(4) DEVELOPMENT AGREEMENT.—The term ''Development Agreement'' means the agreement between the City and the Community, executed on September 11, 1995, that sets forth conditions and restrictions that—

(A) are supplemental to the Settlement, Release and Property Conveyance Agreement referred to in paragraph (11)(A); and

(B) apply to the future use and development of the Development Property.

(5) DEVELOPMENT PROPERTY.—The term ''Development Property'' means a portion of the Saddleback Property, consisting of approximately 211 acres, that the Community will acquire in accordance with the Settlement Agreement.

(6) MOUNTAIN PROPERTY.—The term ''Mountain Property'' means a portion of the Saddleback Property, consisting of approximately 365 acres, that the Community will acquire in accordance with the Settlement Agreement.

(7) PRESERVATION PROPERTY.—The term ''Preservation Property'' means a portion of the Saddleback Property, consisting of approximately 98 acres, that the City will acquire in accordance with the Settlement Agreement.

(8) RESERVATION.—The term ''Reservation'' means the Salt River Pima-Maricopa Indian Reservation.

(9) SADDLEBACK PROPERTY.—The term ''Saddleback Property'' means a tract of land that—

(A) consists of approximately 701 acres within the city of Scottsdale, Arizona; and

(B) includes the Dedication Property, the Development Property, the Mountain Property, and the Preservation Property.

(10) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(11) SETTLEMENT AGREEMENT.—The term ''Settlement Agreement''—

(A) means the Settlement, Release and Property Conveyance Agreement executed on September 11, 1995, by the Community, the City, and the Resolution Trust Corporation (in its capacity as the Receiver for the Sun State Savings and Loan Association, F.S.A.); and

(B) includes the Development Agreement, the Use Agreement, and all other associated ancillary agreements and exhibits.

(12) USE AGREEMENT.—The term ''Use Agreement'' means the agreement between the City and the Community, executed on September 11, 1995, that sets forth conditions and restrictions that—

(A) are supplemental to the Settlement, Release and Property Conveyance Agreement referred to in paragraph (11)(A); and

(B) apply to the future use and development of the Mountain Property.

SEC. 4. APPROVAL OF AGREEMENT.

The Settlement Agreement is hereby approved and ratified and shall be fully enforceable in accordance with its terms and the provisions of this Act.

SEC. 5. TRANSFER OF PROPERTIES.

(a) IN GENERAL.—Upon satisfaction of all conditions to closing set forth in the Settlement Agreement, the Resolution Trust Corporation shall transfer, pursuant to the terms of the Settlement Agreement—

(1) to the Secretary, the Mountain Property and the Development Property purchased by the Community from the Resolution Trust Corporation; and

(2) to the City, the Preservation Property and the Dedication Property purchased by the City from the Resolution Trust Corporation.

(b) TRUST STATUS.—The Mountain Property and the Development Property transferred pursuant to subsection (a)(1) shall, subject to sections 6 and 7—

(1) be held in trust by the United States for the Community; and

(2) become part of the Reservation.

(c) RECORDS.—Upon the satisfaction of all of the conditions of closing set forth in the Settlement Agreement, the Secretary shall file a plat of survey depicting the Saddleback Property (that includes a depiction of the Dedication Property, the Development Property, the Mountain Property, and the Preservation Property) with—

(1) the office of the Recorder of Maricopa County, Arizona; and

(2) the Titles and Records Center of the Bureau of Indian Affairs, located in Albuquerque, New Mexico.

SEC. 6. LIMITATIONS ON USE AND DEVELOPMENT.

Upon the satisfaction of all of the conditions of closing set forth in the Settlement Agreement, the properties transferred pursuant to paragraphs (1) and (2) of section 5(a) shall be subject to the following limitations and conditions on use and development:

(1) PRESERVATION PROPERTY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Preservation Property shall be forever preserved in its natural state for use only as a public park or recreation area that shall—

(i) be utilized and maintained for the purposes set forth in section 4(C) of the Settlement Agreement; and

(ii) be subject to the restrictions set forth in section 4(C) of the Settlement Agreement.

(B) SHEA BOULEVARD.—At the sole discretion of the City, a portion of the Preservation Property may be used to widen, reconfigure, repair, or reengineer Shea Boulevard in accordance with section 4(D) of the Settlement Agreement.

(2) DEDICATION PROPERTY.—The Dedication Property shall be used to widen, reconfigure, repair, or reengineer Shea Boulevard and 136th Street, in accordance with sections 4(D) and 7 of the Settlement Agreement.

(3) MOUNTAIN PROPERTY.—Except for the areas in the Mountain Property referred to as Special Cultural Land in section 5(C) of the Settlement Agreement, the Mountain Property shall be forever preserved in its natural state for use only as a public park or recreation area that shall—

(A) be utilized and maintained for the purposes set forth in section 5(C) of the Settlement Agreement; and

(B) be subject to the restrictions set forth in section 5(C) of the Settlement Agreement.

(4) DEVELOPMENT PROPERTY.—The Development Property shall be used and developed for the economic benefit of the Community in accordance with the provisions of the Settlement Agreement and the Development Agreement.

SEC. 7. AMENDMENTS TO THE SETTLEMENT AGREEMENT.

No amendment made to the Settlement Agreement (including any deviation from an approved plan described in section 9(B) of the Settlement Agreement) shall become effective, unless the amendment—

(1) is made in accordance with the applicable requirements relating to the form and approval of the amendment under sections 9(B) and 34 of the Settlement Agreement; and

(2) is consistent with the provisions of this Act.●

By Mr. DOLE (for Mr. HATCH (for himself, Mr. BIDEN, Mr. GRASSLEY, Mr. HEFLIN, Mr. SPECTER, Mr. SIMON, Mr. DEWINE, Mrs. FEINSTEIN, and Mr. ABRAHAM)):

S. 1328. A bill to amend the commencement dates of certain temporary Federal judgeships; read the first time.

THE JUDICIAL IMPROVEMENT ACT AMENDMENT ACT OF 1995

● Mr. HATCH. Mr. President, I introduce a bill to amend the commencement dates of certain temporary judgeships that were created under section 203(c) of the Judicial Improvements Act of 1990, Public Law 101–650, 104 Stat. 5101. The minor adjustment embodied in this bill should improve the efficiency of the courts involved, and is not expected to be controversial. I am pleased to have Senators BIDEN, GRASSLEY, HEFLIN, SPECTER, SIMON, DEWINE, FEINSTEIN, and ABRAHAM as original cosponsors.

The Judicial Improvements Act of 1990 created the temporary judgeships by providing that a new district judge would be appointed to each of 13 specified districts, and by providing that the first vacancy in the office of a district judge in those districts occurring after December 1, 1995 would not be filled.

The districts are as follows: the northern district of Alabama, the eastern district of California, the district of Hawaii, the central district of Illinois, the southern district of Illinois, the district of Kansas, the western district of Michigan, the eastern district of Missouri, the district of Nebraska, the northern district of New York, the northern district of Ohio, the eastern district of Pennsylvania, and the eastern district of Virginia.

In a given district, the new judgeship is temporary but the individual judge appointed serves on a permanent basis in the same manner as any other article III judge. The overlap in judgeships—between the appointment of a judge to a temporary judgeship and the point at which a vacant permanent judgeship is left unfilled—is what effectively adds another judge to the district for a temporary period of time.

Due to delays in nomination and confirmation, however, many districts have had only a relatively brief period of time in which to take advantage of their temporary judgeship. In the district of Hawaii and the southern district of Illinois, for example, new judges were not confirmed until October 1994. Other districts have faced similar delays. Those delays mean that many of the temporary judgeships will be unable to fulfill congressional intent to alleviate the backlog of cases in those districts. Many of the districts

faced a particularly heavy load of drug enforcement matters.

This bill changes the second part of the temporary judgeship calculus by providing that the first district judge vacancy occurring 5 years or more after the confirmation date of the judge appointed to fill the temporary judgeship would not be filled. In that way, each district would benefit from an extra active judge for at least 5 years, regardless of how long the appointment process takes. This will help alleviate the extra burden faced in those districts. The only district excluded from this treatment is the western district of Michigan. That district requested to be excluded because its needs will be met under the current scheme.

The Administrative Office of the United States Courts has requested that the Senate pass this bill before December 1, 1995. After that date, some vacant judgeships will be unable to be filled under current law. As Chairman of the Judiciary Committee, I will do my part to expedite this bill's passage.●

By Mr. DOLE:

S. 1329. A bill to amend title 38, United States Code, to provide for educational assistance to veterans, and for other purposes; to the Committee on Armed Services.

THE SERVICE PERSONS READJUSTMENT ACT OF 1995

Mr. DOLE. Mr. President, today I am proud to introduce the Service Persons Readjustment Act of 1995. This legislation will provide our brave service men and women with education benefits comparable to the benefits previously earned by generations of veterans. This measure is long overdue.

Fifty years ago, Congress and the American Legion worked diligently to pass the Servicemen's Readjustment Act of 1944, Better known as the GI bill of rights. That measure has been recognized as one of the greatest pieces of legislation ever enacted. As a result of educating its veterans, the United States experienced the greatest economic boom in our Nation's history. The Nation transformed from an industrial giant to a technological world leader. For the majority of veterans, including minorities and women, the dream of receiving a college education became a reality.

When the original GI bill was introduced in Congress, many Members feared that the cost of this program would bankrupt the country. Colleges and universities nationwide argued that such a program would lower educational standards. President Roosevelt initially opposed the idea because of the projected cost. Now, as history demonstrates, the dollars invested in veterans' education have returned to the Government 10 times. I ask my colleagues to demonstrate the same courage and resolve as the Members of Congress did in 1944, by making a financial investment in our Nation's future.

Unfortunately, the GI bill which once covered 100 percent of a veteran's education presently offsets educational costs by only 37 percent. Today, America's veterans are willing to work and invest more money than ever before for their educational benefits. Congress should provide them with that opportunity. The current Montgomery GI bill does not provide the flexibility to meet veterans needs. If a veteran wishes to attend a 1 year vocational school or a 4 year university, the program remains the same. The veteran who chooses a 1 year school will receive a disproportionately smaller benefit package.

Under my proposed legislation, benefits can be shaped to meet the educational or training goals of veterans by allowing them to choose the length of their benefit package.

An improved GI bill will create economic equality among many Americans. Because individuals from the lower and middle classes comprise the majority of the military, the bill will allow the less fortunate to earn their educations rather than depending on social handouts. With the percentage of women and minorities in the military growing steadily, improved benefits will also help level the playing field.

Presently, the GI bill is both a recruiting incentive and an educational opportunity. Current program values are simply inadequate to meet a veterans educational needs. Plenty of veterans sign up for the program. Few actually ever receive benefits. Sadly, once ready to start school, veterans quickly realize that their benefits pale in comparison to their financial obligations. America's veterans, thoroughly understand responsibility and sacrifice. However, veterans should not be forced to bear these burdens when other Government educational programs provide greater benefits to nonveterans with considerably less commitment.

The American Legion has repeatedly asked Congress to increase education benefits for our brave men and women who have served honorably. The legislation I am introducing will allow service members to invest more money. It will teach young men and women the value of working hard and saving money to reach one's goals and dreams. Educational assistance for veterans consistently proves to be a winning concept. Trained and educated individuals make more money, spend more money, and pay more taxes. Many of my colleagues are present today because of the GI bill. Their benefits were far more generous than today's educational package. I hope those Senators will support this measure. This new program, like the original GI bill, is a wise investment in America's future.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1329

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Servicepersons Readjustment Act of 1995''.

TITLE I—READJUSTMENT ASSISTANCE

SEC. 101. EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Title 38, United States Code, is amended by inserting after chapter 32 the following new chapter:

''CHAPTER 33—SERVICEPERSONS EDUCATIONAL ASSISTANCE PROGRAM

''SUBCHAPTER I—PURPOSES

''§ 3301. Purposes

''The purposes of this chapter are—

''(1) to provide a new educational assistance program to assist in the readjustment of members of the Armed Forces to civilian life after their separation from military service; and

''(2) to provide supplemental assistance to such members to facilitate that assistance.

''SUBCHAPTER II—BASIC EDUCATIONAL ASSISTANCE

''§ 3311. Basic educational assistance entitlement: service on active duty

''(a) Except as provided in subsection (c), each individual—

''(1) who first becomes a member of the Armed Forces or first enters on active duty as a member of the Armed Forces after April 1, 1996, and—

''(A) who serves as the individual's initial obligated period of active duty at least 2 years of continuous active duty in the Armed Forces; or

''(B) who serves in the Armed Forces and is discharged or released from active duty—

''(i) for a service-connected disability, for a medical condition which preexisted such service on active duty and which the Secretary determines is not service-connected, for hardship, or for a physical or mental condition that was not characterized as a disability and did not result from the individual's own willful misconduct but did interfere with the individual's performance of duty (as determined by the Secretary of the military department concerned in accordance with regulations prescribed under section 3011(a)(1)(A)(ii)(I) of this title);

''(ii) for the convenience of the Government in the case of an individual who completed not less than 20 months of continuous active duty, if the initial obligated period of active duty of the individual was less than 2 years, or in the case of an individual who

completed not less than 30 months of continuous active duty if the initial obligated period of active duty of the individual was at least 2 years; or

''(iii) involuntarily for the convenience of the Government as a result of a reduction in force (as determined by the Secretary of the military department concerned in accordance with regulations prescribed under section 3011(a)(1)(A)(ii)(III) of this title);

''(2) who has completed the requirements of a secondary school diploma (or equivalency certificate) not later than the original ending date of the individual's initial obligated period of active duty, regardless of whether the individual is discharged or released from active duty on such date;

''(3) who is not a graduate of a military academy or the recipient of financial assistance from the Government for participation in a Reserve Officers' Training Corps program; and

''(4) who, after the completion of the service described in paragraph (1)—

''(A) continues on active duty;

''(B) is discharged from active duty with an honorable discharge;

''(C) is released from service on active duty characterized by the Secretary concerned as honorable service and is placed on the retired list, is transferred to the Fleet Reserve or Fleet Marine Corps Reserve, or is placed on the temporary disability retired list; or

''(D) is released from active duty for further service in a reserve component of the Armed Forces after service on active duty characterized by the Secretary concerned as honorable service;

is entitled to basic educational assistance under this chapter.

''(b)(1) The basic pay of any individual described in subsection (a) who does not make an election under subsection (c) shall be reduced by $100 for each month of a period (as designated by the individual) of months in which the individual is entitled to such pay. The period shall begin upon the commencement of the person's initial period of obligated active duty as described in subsection (a)(1). The period shall be a multiple of 12 months and shall be not less than 12 months or more than 48 months.

''(2) Any amount by which the basic pay of an individual is reduced under this section shall revert to the Treasury and shall not, for purposes of any Federal law, be considered to have been received by or to be within the control of the individual.

''(c) An individual described in subsection (a) may make an election not to receive educational assistance under this chapter. Any such election shall be made at the time the individual initially enters on active duty as a member of the Armed Forces. Any individual who makes such an election is not entitled to educational assistance and supplemental assistance under this chapter.

''§ 3312. Basic educational assistance entitlement: service as a Reserve

''(a) Except as provided in subsection (b), each individual—

''(1)(A) who—

''(i) first becomes a member of a reserve component after April 1, 1996; or

''(ii) first enters on active duty as a member of the Armed Forces after that date;

''(B) beginning within 1 year after first becoming such a member or first entering on such duty, enters into an agreement to serve at least 6 years of continuous duty in a reserve component; and

''(C) serves at least 6 years of such duty during which the individual participates satisfactorily in training as determined by the Secretary concerned;

''(2) who, before completion of the duty described in paragraph (1) pursuant to the agreement in that paragraph, has completed the requirements of a secondary school diploma (or an equivalency certificate);

''(3) who is not a graduate of a military academy or the recipient of financial assistance from the Government for participation in a Reserve Officers' Training Corps program; and

''(4) who, after completion of the duty in a reserve component described in paragraph (1) pursuant to the agreement in that paragraph is discharged from service with an honorable discharge, is placed on the retired list, or continues on active duty or in a reserve component;

is entitled to basic educational assistance under this chapter.

''(b)(1) The requirement of 6 years of service under paragraph (1) of subsection (a) pursuant to an agreement referred to in such paragraph is not applicable to an individual—

''(A) who, during the active duty service described in such paragraph, was discharged or released from active duty in the Armed Forces for a service-connected disability, for a medical condition which preexisted such service on active duty and which the Secretary determines is not service connected, or for a physical or mental condition not characterized as a disability, as described in section 3011(a)(1)(A)(ii)(I) of this title, if the individual was obligated, at the beginning of such active duty service, to serve such 6 years of service;

''(B) who, during the 6 years of service, is discharged or released from service in a reserve component (i) for a service-connected disability, (ii) for a medical condition which preexisted the individual's becoming a member of the reserve component and which the Secretary determines is not service connected, (iii) for hardship, (iv) in the case of an individual discharged or released after 30 months of such service for the convenience of the Government, (v) involuntarily for the convenience of the Government as a result of a reduction in force (as determined by the Secretary of the military department concerned in accordance with regulations prescribed under section 3012(b)(1)(B)(ii)(V) of this title), or (VI) for a physical or mental condition not characterized as a disability, as described in section 3011(a)(1)(A)(ii)(I) of this title; or

''(C) who, before completing the 6 years of service described in such paragraph, ceases to be a member of any reserve component during the period beginning on October 1, 1991, and ending on September 30, 1999, by reason of the inactivation of the person's unit of assignment.

''(2) In the case of an individual described in paragraph (1) of subsection (a) who begins service in the Selected Reserve within one year after completion of the service described in such paragraph pursuant to an agreement referred to in such paragraph, the continuity of service of such individual as a member of the Selected Reserve shall not be considered to be broken—

''(A) by any period of time (not to exceed a maximum period prescribed by the Secretary concerned by regulation) during which the member is not able to locate a unit of the Selected Reserve of the member's Armed Force that the member is eligible to join or that has a vacancy; or

''(B) by any other period of time (not to exceed a maximum period prescribed by the Secretary concerned by regulation) during which the member is not attached to a unit of the Selected Reserve that the Secretary concerned, pursuant to regulations, considers to be inappropriate to consider for such purpose.

''(c) The basic pay of any individual described in subsection (a) who does not make an election under subsection (d) shall be reduced by $50 for each month of a period (as designated by the individual) of the months in which the individual is entitled to such pay. The period shall begin upon the commencement of the person's initial period of obligated duty in a reserve component as described in subsection (a)(1). The period shall be a multiple of 12 months and shall be not less than 12 months or more than 48 months.

''(2) Any amount by which the basic pay of an individual is reduced under this section shall revert to the Treasury and shall not, for purposes of any Federal law, be considered to have been received by or to be within the control of the individual.

''(d) An individual described in subsection (a) may make an election not to receive educational assistance under this chapter. Any such election shall be made at the time the individual initially enters on active duty as a member of the Armed Forces. Any individual who makes such an election is not entitled to educational assistance and supplemental assistance under this chapter.

''§ 3313. Duration of basic educational assistance

''(a) Subject to section 3695 of this title, each individual entitled to basic educational assistance under section 3311 of this title is entitled to 1 month of educational assistance benefits under this chapter for each month of continuous active duty served by the individual for which the basic pay of the individual is reduced by operation of subsection (b) of such section 3311.

''(b) Subject to section 3695 of this title, each individual entitled to basic educational assistance under section 3312 of this title is entitled to 1 month of educational assistance benefits under this chapter for each month of duty in a reserve component served by the individual for which the basic pay of the individual is reduced by operation of subsection (b) of such section 3312.

''(c) No individual may receive basic educational assistance benefits under this chapter for a period in excess of 48 months.

''§ 3314. Payment of basic educational assistance

''(a) The Secretary shall pay to each individual entitled to basic educational assistance under this chapter a basic educational assistance allowance to be used by the individual for the purposes described in subsection (b).

''(b) Subject to subsection (c), an individual shall use a basic educational assistance allowance under this chapter for the following purposes:

''(1) To pay the outstanding interest and principal on educational loans of the individual.

''(2) To meet the costs (including subsistence, tuition, fees, supplies, books, equipment, and other educational costs approved by the Secretary) of a program of institutional training, including a program of institutional training at an institution of higher learning and a program of institutional training that does not lead to a standard college degree.

''(3) To meet the costs of an approved on-the-job training program or apprentice training program.

''(4) To meet the costs of a program of correspondence courses.

''(5) To meet the costs of a cooperative training program.

''(6) To meet the costs of tutorial assistance.

''(7) To meet the costs of other educational programs, training programs, or other programs that the Secretary determines appropriate to achieve the purposes for which educational assistance is provided under this chapter.

''(c) An individual may not use a basic educational assistance allowance under this section unless such use is approved by the Secretary in accordance with such regulations as the Secretary shall prescribe. To the maximum extent practicable, the regulations shall conform to the provisions on approval of courses and programs of education set forth in chapter 36 of this title, and the regulations prescribed thereunder.

''§ 3315. Amount of basic educational assistance

''(a)(1) Subject to subsection (b), a basic assistance allowance under this chapter shall be paid as follows:

''(A) In the case of an individual entitled to the allowance under section 3311 of this title—

''(i) at the monthly rate of $800 for a program (including tutorial assistance) referred to in section 3315(b) of this title pursued on a full-time basis;

''(ii) at the monthly rate of $600 for such a program pursued on a three-quarters time basis; or

''(iii) at the monthly rate of $400 for such a program pursued on less than a three-quarters time basis.

''(B) In the case of an individual entitled to the allowance under section 3312 of this title—

''(i) at the monthly rate of $400 for a program (including tutorial assistance) referred to in section 3315(b) of this title pursued on a full-time basis;

''(ii) at the monthly rate of $300 for such a program pursued on a three-quarters time basis; or

''(iii) at the monthly rate of $200 for such a program pursued on less than a three-quarters time basis.

''(2) An individual receiving educational assistance benefits under this chapter for purposes of paying outstanding interest and principal on educational loans shall be considered to be an individual pursuing a program on a full-time basis.

''(b) With respect to any fiscal year beginning after fiscal year 1997, the Secretary shall continue to pay, in lieu of the rates payable under paragraph (1) or (2) of subsection (a), the monthly rates payable under this subsection for the previous fiscal year and shall provide, for any such fiscal year, a percentage increase in such rates equal to the percentage by which—

''(1) the Consumer Price Index (all items, United States city average) for the 12-month period ending on the June 30 preceding the beginning of the fiscal year for which the increase is made, exceeds

''(2) such Consumer Price Index for the 12-month period preceding the 12-month period described in paragraph (1).

''SUBCHAPTER III—TIME LIMITATION FOR USE OF ELIGIBILITY AND ENTITLEMENT; GENERAL AND ADMINISTRATIVE PROVISIONS

''§ 3321. Time limitation for use of eligibility and entitlement

''(a) The period during which an individual entitled to educational assistance under this chapter may use such individual's entitlement expires at the end of the 10-year period beginning on the date of such individual's initial discharge or release from active duty or service in a reserve component, as the case may be.

''(b) In the case of an individual eligible for educational assistance under this chapter—

''(1) who was prevented from pursuing the individual's chosen program of education before the expiration of the 10-year period for use of entitlement under this chapter otherwise applicable under this section because of a physical or mental disability which was not the result of the individual's own willful misconduct, and

''(2) who applies for an extension of such 10-year period within 1 year after (A) the last day of such period, or (B) the last day on which the individual was so prevented from pursuing the program, whichever is later,

the 10-year period shall not run with respect to the individual during the period of time that the individual was so prevented from pursuing the program and the 10-year period will again begin running on the first day following the individual's recovery from the disability on which it is reasonably feasible, as determined under regulations prescribed by the Secretary, for the individual to initiate or resume pursuit of a program of education or training with educational assistance under this chapter.

''(c)(1) If an individual eligible for educational assistance under this chapter is enrolled under this chapter in an educational institution regularly operated on the quarter or semester system and the period of such individual's entitlement under this chapter would, under section 3313, expire during a quarter or semester, such period shall be extended to the end of such quarter or semester.

''(2) If an individual eligible for educational assistance under this chapter is enrolled under this chapter in an educational institution not regularly operated on the quarter or semester system and the period of such individual's entitlement under this chapter would, under section 3313, expire after a major portion of the course is completed, such period shall be extended to the end of the course or for 12 weeks, whichever is the lesser period of extension.

''§ 3322. Bar to duplication of educational assistance benefits

''An individual entitled to educational assistance under this chapter who is eligible for educational assistance under a program under chapter 31, 32, or 35 of this title, under chapter 106 or 107 of title 10, or under the Hostage Relief Act of 1980 (Public Law 96–449; 5 U.S.C. 5561 note) may not receive assistance under two or more of such programs concurrently but shall elect (in such form and manner as the Secretary may prescribe) under which program to receive educational assistance.

''§ 3323. Program administration

''(a) The Secretary shall prescribe regulations governing the provision of educational assistance and supplemental assistance under this chapter and otherwise governing the administration of this chapter. To the maximum extent practicable, and except as provided in subsection (b), such regulations shall be consistent with relevant provisions on the administration of educational assistance benefits under chapters 30, 34, and 36 of this title.

''(b) Notwithstanding any limitation on the period of operation of an educational institution under section 3689 of this title, or under regulations prescribed thereunder, the Secretary may approve the enrollment of an eligible individual under this chapter in a course offered by a proprietary profit educational institution at a subsidiary branch or extension of such institution in operation for less than two years if—

''(1) the main branch of such institution has been in operation for more than two years at the time the course is offered; and

''(2) another subsidiary branch or extension of such institution has been in operation for more than two years at such time''.

(b) CLERICAL AMENDMENTS.—The table of chapters at the beginning of title 38, United States Code, and at the beginning of part III of such title, are each amended by inserting after the item relating to chapter 31 the following new item:

''33. SERVICEPERSONS EDUCATIONAL ASSISTANCE PROGRAM ..... 3301''.

(c) CONFORMING AMENDMENT.—Paragraph (4) of section 3695(a) of such title is amended to read as follows:

''(4) Chapters 30, 32, 33, 34, 35, and 36 of this title, and the former chapter 33 of this title that was repealed before the date of the enactment of the Servicepersons Readjustment Act of 1995.''.

SEC. 102. TAX TREATMENT OF EDUCATIONAL ASSISTANCE.

(a) TAX CREDIT FOR UNUSED EDUCATIONAL ASSISTANCE.—

(1) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

''SEC. 35. UNUSED PORTION OF VETERANS EDUCATIONAL ASSISTANCE.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual—

''(1) who is entitled to educational assistance under chapter 33 of title 38, United States Code, and

''(2) whose eligibility for such assistance expires under section 3331 of such title during the taxable year,

there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the unused portion of such educational assistance.

''(b) UNUSED PORTION.—For purposes of subsection (a), the term 'unused portion' means, with respect to any individual, an amount equal to the lesser of—

''(1) the total amount of reductions in the individual's basic pay under chapter 33 of title 38, United States Code, by reason of the individual having elected to receive educational assistance under such chapter, or

''(2) the excess (if any) of—

''(A) the total amount of basic educational assistance which the individual is entitled to under subchapter II of chapter 33 of title 38, United States Code, over

''(B) the sum of—

''(i) the total amounts received by such individual under subchapter II of chapter 33 of title 38, United States Code, and

''(ii) the total amounts received by such individual under any program described in section 3332 of such title which the individual elects to receive in lieu of amounts described in clause (i).''

(2) CONFORMING AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 35 and inserting the following new items:

''Sec. 35. Unused portion of veterans educational assistance.

''Sec. 36. Overpayments of tax.''

(b) EXCLUSION OF CERTAIN AMOUNTS.—Section 134 of the Internal Revenue Code of 1986 (relating to certain military benefits) is amended by adding at the end the following new subsection:

''(c) CERTAIN EDUCATIONAL BENEFITS.—

''(1) IN GENERAL.—For purposes of this section, any educational assistance provided under chapter 33 of title 38, United States Code, shall be treated as a qualified military benefit.

''(2) NO CONSTRUCTIVE RECEIPT.—No amount shall be included in the gross income of any individual solely because the individual's basic pay is reduced under chapter 33 of title 38, United States Code, by reason of the individual having elected to receive educational assistance under such chapter.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of enactment of this Act.

TITLE II—FUNDING

SEC. 201. VETERANS PROGRAMS.

(a) EXTENSION OF AUTHORITY TO REQUIRE COPAYMENTS IN EXCHANGE FOR RECEIVING HEALTH-CARE BENEFITS.—

(1) HOSPITAL AND MEDICAL CARE.—Section 8013(e) of the Omnibus Budget Reconciliation Act of 1990 (38 U.S.C. 1710 note) is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 2000''.

(2) OUTPATIENT MEDICATIONS.—Section 1722A(c) of title 38, United States Code, is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 2000''.

(b) EXTENSION OF AUTHORITY FOR MEDICAL CARE COST RECOVERY.—Section 1729(a)(2)(E) of such title is amended in the matter preceding clause (i) by striking out ''October 1, 1998,'' and inserting in lieu thereof ''October 1, 2000,''.

(c) REPEAL OF PROHIBITION ON OFFSETS FOR LIABILITIES ON LOAN GUARANTEES.—(1) Section 3726 of such title is repealed.

(2) The table of sections at the beginning of chapter 37 of such title is amended by striking out the item relating to section 3726.

(d) EXTENSION OF AUTHORITY TO COLLECT INCREASED LOAN FEES.—

(1) HOME LOAN FEES.—Section 3729(a)(4) of such title is amended by striking out ''October 1, 1998,'' and inserting in lieu thereof ''October 1, 2000,''.

(2) FEE FOR MULTIPLE USE OF HOUSING ASSISTANCE.—Section 3729(a)(5)(C) of such title is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 2000''.

(e) AUTHORITY TO COLLECT INCREASED LOAN FEES FOR MANUFACTURED HOUSING.—

(1) AUTHORITY.—Section 3729(a)(4) of such title, as amended by subsection (c)(1), is further amended by striking out '', (D)(ii),''.

(2) EXPIRATION.—The amendment made by paragraph (1) expires on September 30, 2000.

(f) EXTENSION OF PROCEDURES APPLICABLE TO LIQUIDATION SALES ON DEFAULTED HOME LOANS.—Section 3732(c)(11) of such title is amended by striking out ''October 1, 1998'' and inserting in lieu thereof ''October 1, 2000''.

(g) EXTENSION OF INCOME VERIFICATION AUTHORITY.—Section 5317(g) of such title is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 2000''.

(h) EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.—Section 5503(f)(7) of such title is amended by striking out ''September 30, 1998'' and inserting in lieu thereof ''September 30, 2000''.

(i) CLOSURE OF VA SUPPLY DEPOTS.—Notwithstanding the provisions of sections 510(b) and 8121 of title 38, United States Code, the Secretary of Veterans Affairs shall phase out and close the Department of Veterans Affairs Supply Depots located at Somerville, New Jersey, Hines, Illinois, and Bell, California, over 2 fiscal years, beginning in fiscal year 1995 and ending in fiscal year 1996, and shall transfer from the Department of Veterans Affairs Revolving Supply Fund to the General Fund of the Treasury, $45,000,000 by September 30, 1995, and $44,000,000 by September 30, 1996.

(j) PROVISION OF DATA BANK INFORMATION TO DEPARTMENT OF VETERANS AFFAIRS.—

(1) ADDITIONAL PURPOSE OF DATA BANK.—

(A) The heading to section 1144 of the Social Security Act (42 U.S.C. 1320b-14) is amended by striking ''**MEDICARE AND MEDICAID**'' and inserting ''**HEALTH CARE**''.

(B) Subsection (a) of that section is amended—

(i) in the matter preceding paragraph (1), by striking ''Medicare and Medicaid'' and inserting ''Health Care'';

(ii) by striking ''and'' at the end of paragraph (1);

(iii) by substituting '', and'' for the period at the end of paragraph (2); and

(iv) by adding at the end the following:

''(3) assist in the identification of, and the collection from, third parties responsible for payment for health care items and services furnished to veterans under chapter 17 of title 38, United States Code.''.

(2) DISCLOSURE OF DATA BANK INFORMATION TO SECRETARY OF VETERANS AFFAIRS.—Subsection (b)(2)(B) of that section is amended by inserting ''to the Secretary of Veterans Affairs and'' after ''Data Bank''.

SEC. 202. ANNUAL PAY ADJUSTMENTS FOR MEMBERS OF CONGRESS.

Effective as of December 31, 1995, paragraph (2) of section 601(a) of the Legislative Reorganization Act of 1946 is amended—

(1) by striking ''(2) Effective'' and inserting ''(2)(A) Subject to subparagraph (B), effective''; and

(2) by adding at the end the following:

''(B) In no event shall the percentage adjustment taking effect under subparagraph (A) in any calendar year exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule.''.

SEC. 203. DETERRENCE OF FRAUD AND ABUSE IN FECA PROGRAM.

(a) Section 8102 of title 5, United States Code, is amended to redesignate subsection (b) as subsection (c), and to add the following new subsection (b):

''(b) An individual convicted of a violation of 18 U.S.C. 1920, as amended, or of any other fraud related to the application for or receipt of benefits under subchapter I or III of chapter 81 of title 5, shall forfeit, as of the date of the conviction, all entitlement to any prospective benefits provided by subchapter I or III for any injury occurring on or before the date of the conviction. Such a forfeiture of benefits shall be in addition to any action the Secretary may take under section 8106 or 8129 of title 5, United States Code.''.

(b) Section 8116 of title 5, United States Code, is amended by adding the following new subsection (e):

''(e) Notwithstanding any other provision of this title, no benefits under sections 8105 or 8106 of this subchapter shall be paid or provided to any individual during any period during which such individual is confined in a jail, prison, or other penal institution or correctional facility, pursuant to that individual's conviction of an offense that constituted a felony under applicable law, except where such individual has one or more dependents within the meaning of section 8110 of this subchapter, in which case the Secretary may, during the period of incarceration, pay to such dependents a percentage of the benefits that would have been payable to such individual computed according to the percentages set forth in section 8133(a)(1)–(5) of this subchapter.''.

(c) Section 8116 of title 5, United States Code, is further amended by adding the following new subsection (f):

''(f) Notwithstanding the provisions of section 552a of this title, or any other provision of Federal or State law, any agency of the United States Government or of any State (or political subdivision thereof) shall make available to the Secretary, upon written request, the names and Social Security account numbers of individuals who are confined in a jail, prison or other penal institution or correctional facility under the jurisdiction of such agency, pursuant to such individuals' conviction of an offense that constituted a felony under applicable law, which the Secretary may require to carry out the provisions of this subsection.''.

(d) Section 1920 of title 18, United States Code, is amended to read as follows: ''Whoever knowingly and willfully falsifies, conceals, or covers up a material fact, or makes a false, fictitious, or fraudulent statement or representation, or makes or uses a false statement or report knowing the same to contain any false, fictitious or fraudulent statement or entry in connection with the application for or receipt of compensation or other benefit or payment under subchapter I or III of chapter 81 of title 5, United States Code, shall be punished by a fine of not more than $250,000, or by imprisonment for not more than five years, or both.''.

(e) Except as otherwise provided in this section, the amendments made by this section shall be effective on the date of enactment and shall apply to actions taken on or after the date of enactment both with respect to claims filed before the day of enactment and with respect to claims filed after such date.

(f) The amendments made by subsections (a), (b), and (c) of this section shall be effective on the date of enactment and shall apply to any person convicted or imprisoned on or after the date of enactment.

(g) The amendment made by subsection (d) of this section shall be effective on the date of enactment and shall apply to any claim, statement, representation, report, or other written document made or submitted in connection with a claim filed under subchapter I or III of chapter 81 of title 5, United States Code.

SEC. 204. ENHANCEMENT OF REEMPLOYMENT PROGRAMS FOR FEDERAL EMPLOYEES DISABLED IN THE PERFORMANCE OF DUTY.

(a) IN GENERAL.—Section 8104 of title 5, United States Code, is amended—

(1) by striking the comma after ''employment'' and by striking ''other than employment undertaken pursuant to such rehabilitation'' from subsection (b); and

(2) by adding the following new subsection (c):

''(c) The Secretary of Labor, as part of the vocational rehabilitation effort, may assist permanently disabled individuals in seeking and/or obtaining employment. The Secretary may reimburse an employer (including a Federal employer), who was not the employer at the time of injury and who agrees to employ a disabled beneficiary, for portions of the salary paid by such employer to the reemployed, disabled beneficiary. Any such sums shall be paid from the Employees' Compensation Fund.''.

(b) EXPANSION OF FEDERAL EMPLOYEES' COMPENSATION ACT PERIODIC ROLL MANAGEMENT PROJECT.—The Secretary of Labor may expand the Federal Employees' Compensation Act Periodic Roll Management Project to all offices of the Office of Workers' Compensation Program of the Department of Labor.

SEC. 205. SALE OF ALASKA POWER ADMINISTRATION.

(a) SNETTISHAM.—

(1) AUTHORITY TO SELL.—The Secretary of Energy may sell the Snettisham Hydroelectric Project (referred to in this section as ''Snettisham'') to the State of Alaska (referred to in this section as the ''Authority''), in accordance with the terms of this section and the February 10, 1989, Snettisham Purchase Agreement between the Alaska Power Administration of the United States Department of Energy and the Alaska Power Authority.

(2) AUTHORITY TO SELL TO MUNICIPALITY OF ANCHORAGE.—The Secretary of Energy may sell the Eklutna Hydroelectric Project (referred to in this section as ''Eklutna'') to the municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc. (referred to in this section as ''Eklutna Purchasers'') in accordance with the August 2, 1989, Eklutna Purchase Agreement between the United States Department of Energy and the Eklutna Purchasers.

(3) ASSISTANCE.—The heads of other affected Federal departments and agencies, including the Secretary of the Interior, shall assist the Secretary of Energy in implementing the sales authorized by this subsection.

(4) DISPOSITION OF PROCEEDS.—The Secretary of Energy shall deposit sale proceeds in the Treasury of the United States to the credit of miscellaneous receipts.

(5) AUTHORITY TO MAKE EXPENDITURES.—There are authorized to be expended such sums as are necessary to prepare or acquire Eklutna and Snettisham assets for sale and conveyance, such preparations to provide sufficient section to ensure the beneficial use, enjoyment, and occupancy to the purchasers of the assets to be sold.

(b) EXEMPTION FROM FEDERAL POWER ACT REQUIREMENTS.—

(1) EXEMPTIONS.—After the sales authorized by this section take place, Eklutna and Snettisham, including future modifications, shall continue to be exempt from the requirements of the Federal Power Act (16 U.S.C. 791a), including its requirements with respect to applications, permits, licenses, and fees, unless a future modification of Eklutna or Snettisham affects Federal lands not used for the two projects when this section takes effect. The foregoing exemptions are subject to the Memorandum of Agreement entered into between the State of Alaska, the Eklutna Purchasers, the Authority, and Federal fish and wildlife agencies regarding the protection, mitigation of, damages to, and enhancement of fish and wildlife, dated August 7, 1991, remaining in full force and effect. Nothing in this section or the Federal Power Act preempts the State of Alaska from carrying out the responsibilities and authorities of the Memorandum of Agreement.

(2) JURISDICTION.—The District Court of the United States for the District of Alaska has jurisdiction to review decisions made under the Memorandum of Agreement and enforce the provisions of the Memorandum of Agreement, including the remedy of specific performance. An action seeking review of a fish and wildlife program of the Governor of Alaska under the Memorandum of Agreement or challenging actions of any of the parties to the Memorandum of Agreement prior to the adoption of the program shall be brought within 90 days of the time the program is adopted by the Governor of Alaska, or be barred. An action seeking review of implementation of the program shall be brought within 90 days of the challenged act implementing the program, or be barred.

(3) RIGHTS-OF-WAY.—With respect to Eklutna lands described in Exhibit A of the Eklutna Purchase Agreement:

(A) The Secretary of the Interior shall issue rights-of-way to the Alaska Power Administration for subsequent reassignment to the Eklutna Purchasers—

(i) at no cost to the Eklutna Purchasers;

(ii) to remain effective for a period equal to the life of Eklutna as extended by improvements, repairs, renewals, or replacements; and

(iii) sufficient for operation, maintenance, repair, and replacement of, and access to, Eklutna facilities located on military lands and lands managed by the Bureau of Land Management, including land selected by the State of Alaska.

(B) If the Eklutna Purchasers subsequently sell or transfer Eklutna to private ownership, the Bureau of Land Management may assess reasonable and customary fees for continued use of the rights-of-way on lands managed by the Bureau of Land Management and military lands in accordance with current law.

(C) Fee section to lands at Anchorage Substation shall be transferred to Eklutna Purchasers at no additional cost if the Secretary of the Interior determines that pending claims to and selections of those lands are invalid or relinquished.

(D) With respect only to approximately 853 acres of Eklutna lands identified in paragraphs 1.a., b., and c. of Exhibit A of the Eklutna Purchase Agreement, the State of Alaska may select and the Secretary of the Interior shall convey to the State improved lands under the selection entitlements in section 6(a) of the Act of July 7, 1958 (Public Law 85–508) and the North Anchorage Land Agreement of January 31, 1983. This conveyance is subject to the rights-of-way provided to the Eklutna Purchasers under subparagraph (A).

(4) AUTHORITY TO SELECT LANDS.—With respect to the approximately 2,671 acres of Snettisham lands identified in paragraphs 1.a., and b. of Exhibit A of the Snettisham Purchase Agreement, the State of Alaska may select and the Secretary of the Interior shall convey to the State improved lands under the selection entitlements in section 6(a) of the Act of July 7, 1958 (Public Law 85–508).

(5) PROHIBITIONS.—Federal lands conveyed to the State of Alaska as part of, or in support of, the Snettisham transfer are specifically prohibited from being included in the Alaska Mental Health Enabling Act (70 Stat. 709) or any reconstitution thereof, under the Alaska Mental Health Trust Lands Settlement Act (Secs. 54–58, Ch. 66, Alaska Session Laws 1991), or any other law.

(6) INTERNAL REVENUE CODE OF 1986.—For purposes of section 147(d) of the Internal Revenue Code of 1986, ''1st use'' of Snettisham shall be considered to occur pursuant to acquisition of the property by or on behalf of the State of Alaska.

(7) CLOSING OF ALASKA POWER ADMINISTRATION.—No later than 1 year after both of the sales authorized in subsection (a) have occurred, as measured by the transaction dates, stipulated in the purchase agreements, the Secretary of Energy shall—

(A) complete the business of, and close out, the Alaska Power Administration;

(B) prepare and submit to Congress a report documenting the sales; and

(C) return unused balances of funds appropriated for the Alaska Power Administration to the Treasury of the United States.

(8) REPEAL OF ACT OF JULY 31, 1950.—The Act of July 31, 1950 (64 Stat. 382) is repealed effective on the date, as determined by the Secretary of Energy, when all Eklutna assets have been conveyed to the Eklutna Purchasers.

(9) REPEAL OF SECTION 204 OF THE FLOOD CONTROL ACT OF 1962.—Section 204 of the Flood Control Act of 1962 (76 Stat. 1193) is repealed effective on the date, as determined by the Secretary of Energy, when all Snettisham assets have been conveyed to the Authority.

(10) EFFECTIVE DATE OF AMENDMENTS.—As of the later of the two dates determined in paragraphs (8) and (9), section 302(a) of the Department of Energy Organization Act (42 U.S.C. 7152(a)) is amended—

(A) in paragraph (1), by striking subparagraph (C) and redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively; and

(B) in paragraph (2), by striking ''and the Alaska Power Administration'' and inserting ''and'' after ''Southwestern Power Administration,''.

(11) REPEAL OF ACT OF AUGUST 9, 1955.—The Act of August 9, 1955, concerning water resources investigations in Alaska (69 Stat. 618), is repealed.

(12) DISCLAIMER.—The sales of Eklutna and Snettisham under this section are not considered disposal of Federal surplus property under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) or the Act of October 3, 1944, popularly referred to as the ''Surplus Property Act of 1944'' (50 U.S.C. App. 1622).

SEC. 206. TERMINATION OF TRADE ADJUSTMENT ASSISTANCE.

(a) IN GENERAL.—Section 285 of the Trade Act of 1974 (19 U.S.C. 2271 preceding note) is amended by striking subsection (c) and inserting the following:

''(c) This chapter, other than sections 282 and 283, shall terminate on September 30, 1995.

''(d)(1) Except as provided in paragraph (2), chapters 2 and 3 shall terminate on September 30, 1995.

''(2) If, on or before September 30, 1995, a worker—

''(A) is eligible to apply for assistance under subchapter D of chapter 2; and

''(B) is otherwise eligible to receive assistance in accordance with section 250,

such worker shall continue to be eligible to receive such assistance for any week after such date for which the worker meets the eligibility requirements of such section.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) is amended by striking '', except that for fiscal year 1997, the total amount of payments made under paragraph (1) shall not exceed $70,000,000''.

(2) Section 245 of such Act (19 U.S.C. 2317) is amended—

(A) in subsection (a), by striking ''1995, 1996, 1997, and 1998'' and inserting ''and 1995''; and

(B) in subsection (b), by striking ''1996, 1997, and 1998'' and inserting ''1996, and 1997''.

SEC. 207. CONSOLIDATION OF SOCIAL SERVICE PROGRAMS.

(a) AT-RISK CHILD CARE PROGRAM MERGED INTO PROGRAM OF BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.—

(1) CONSOLIDATION OF SERVICES.—Section 2002(a)(2)(A) of the Social Security Act (42 U.S.C. 1397a(a)(2)(A)) is amended by inserting ''(including services that could have been provided under section 402(i), as in effect immediately before the date of enactment of the Servicepersons Readjustment Act of 1995'' after ''child care services''.

(2) CONSOLIDATION OF FUNDING.—Section 2003(c) of such Act (42 U.S.C. 1397b(c)) is amended—

(A) in paragraph (4), by striking ''and'';

(B) in paragraph (5), by striking ''each fiscal year after fiscal year 1989.'' and inserting ''the fiscal years 1990, 1991, 1992, 1993, and 1994; and''; and

(C) by adding at the end the following:

''(6) $2,976,000,000 for each of the fiscal years 1995, 1996, 1997, 1998, and 1999.''.

(b) CERTAIN DISCRETIONARY SOCIAL SERVICES PROGRAMS MERGED INTO PROGRAM OF BLOCK GRANTS TO STATES FOR SOCIAL SERVICES BUT LEFT DISCRETIONARY.—

(1) CONSOLIDATION OF SERVICES.—Section 2002 of such Act (42 U.S.C. 1397a) is amended—

(A) in subsection (a), by adding at the end the following:

''(3) In addition to payments pursuant to paragraph (1), the Secretary may make payments to a State under this title for a fiscal year in an amount equal to its additional allotment for such fiscal year, to be used by such State for services directed at the goals set forth in section 2001, subject to the requirements of this title.

''(4) For purposes of paragraph (3)—

''(A) services which are directed at the goals set forth in section 2001 include services that could have been provided under—

''(i) the Community Services Block Grant Act;

''(ii) the Child Care and Development Block Grant Act of 1990;

''(iii) title III or VII of the Older Americans Act of 1965; or

''(iv) the State Dependent Care Development Grants Act,

as in effect immediately before the date of enactment of the Servicepersons Readjustment Act of 1995; and

''(B) expenditures for such services may include expenditures described in paragraph (2)(B).''; and

(B) in each of subsections (b), (c), and (d), by inserting ''or additional allotment'' after ''allotment'' each place such term appears.

(2) CONSOLIDATION OF FUNDING.—Section 2003 of such Act (42 U.S.C. 1397b) is amended by adding at the end the following:

''(d) The additional allotment for any fiscal year to each State shall be determined in the same manner in which the allotment for the fiscal year is determined for the State under the preceding subsections of this section, except that, in making such determination the following amounts shall be used in lieu of the amount specified in subsection (c):

''(1) $2,298,000,000 for the fiscal year 1995.

''(2) $2,360,000,000 for the fiscal year 1996.

''(3) $2,424,000,000 for the fiscal year 1997.

''(4) $2,490,000,000 for the fiscal year 1998.

''(5) $2,557,000,000 for the fiscal year 1999.''.

(c) CONFORMING AMENDMENTS AND REPEALS.—

(1) COMMUNITY SERVICES BLOCK GRANT ACT.—The Community Services Block Grant Act (42 U.S.C. 9901 et seq.) is hereby repealed.

(2) CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is hereby repealed.

(3) OLDER AMERICANS ACT OF 1965.—The Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) is amended by striking titles III and VII.

(4) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—The State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.) is hereby repealed.

(5) AT-RISK CHILD CARE PROGRAM.—

(A) PROGRAM AUTHORITY.—Section 402 of the Social Security Act (42 U.S.C. 602) is amended—

(i) in subsection (g)(7), by striking ''and subsection (i)''; and

(ii) by striking subsection (i).

(B) FUNDING PROVISIONS.—Section 403 of the Social Security Act (42 U.S.C. 603) is amended by striking subsection (n).

(d) EFFECTIVE DATE.—The amendments and repeals made by this section shall take effect on October 1, 1995.

SEC. 208. FEDERAL CLEARINGHOUSE ON DEATH INFORMATION.

(a) CLEARINGHOUSE DESIGNATION.—The heading for section 205(r) of the Social Security Act is amended to read as follows: ''Clearinghouse on Death Information''.

(b) ACQUISITION OF DISCLOSABLE DEATH INFORMATION FROM STATES.—

(1) Section 205(r)(1)(A) of the Social Security Act is amended by striking ''to furnish the Secretary periodically with'' and inserting ''to furnish periodically to the Secretary, for use in carrying out subparagraph (B) and paragraphs (3) and (4),''.

(2)(A) Notwithstanding clause (ii) of section 6103(d)(4)(B) of the Internal Revenue Code of 1986 (as added by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66)), in order for a contract requiring a State to furnish the Secretary of Health and Human Services information concerning individuals with respect to whom death certificates (or equivalent documents maintained by the State or any subdivision thereof) have been officially filed with it to meet the requirements of such section 6103(d)(4)(B), such contract shall authorize the Secretary to use such information and to redisclose such information to any Federal agency or any agency of a State or political subdivision in accordance with section 205(r) of the Social Security Act.

(B) The provisions of subparagraph (A) of this paragraph and, notwithstanding subparagraph (C) of section 6103(d)(4) of the Internal Revenue Code of 1986 (as added by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66)), the provisions of subparagraphs (A) and (B) of such section 6103(d)(4) shall apply to all States, regardless of whether they were, on July 1, 1993, pursuant to a contract, furnishing the Secretary of Health and Human Services information concerning individuals with respect to whom death certificates (or equivalent documents maintained by the State or any subdivision thereof) have been officially filed with it.

(C) Subparagraphs (A) and (B) of this paragraph shall take effect at the same time as the amendment made by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 takes effect.

(D) For the purpose of applying the special rule contained in section 13444(b)(2) of the Omnibus Budget Reconciliation Act of 1993, the reference in such section to section 6103(d)(4)(B) of the Internal Revenue Code of 1986 shall be deemed to include a reference to subparagraph (A) of this paragraph.

(c) PAYMENT TO STATES FOR DEATH INFORMATION.—Section 205(r)(2) of the Social Security Act is amended—

(1) by striking ''the reasonable costs'' and inserting ''a reasonable amount''; and

(2) by striking ''transcribing and transmitting'' and inserting ''furnishing''.

(d) FEE FOR CLEARINGHOUSE INFORMATION.—

(1) Section 205(r)(3) of the Social Security Act is amended by striking out ''if'' and all that follows, and inserting '', provided that such agency agrees to pay the fees set by the Secretary pursuant to paragraph (8).''.

(2) Section 205(r)(4) of the Social Security Act is amended—

(A) by inserting ''and political subdivisions'' after ''States'' the first place such term appears;

(B) by striking ''the States'' and inserting ''any State, political subdivision, or combination thereof''; and

(C) by striking ''if'' and all that follows and inserting ''provided such States and political subdivisions agree to pay the fees set by the Secretary pursuant to paragraph (8).''.

(3) Section 205(r) of the Social Security Act is amended by adding at the end a new paragraph as follows: ''(8) The Secretary shall establish fees for the disclosure of information pursuant to this subsection. Such fees shall be in amounts sufficient to cover all costs (including indirect costs) associated with the Secretary's responsibilities under this subsection. Fees collected pursuant to this paragraph shall remain available, without fiscal year limitation, to the Secretary to cover the administrative costs of carrying out this subsection.''.

(e) TECHNICAL ASSISTANCE.—Section 205(r) of the Social Security Act is amended by adding at the end (after the paragraph added by subsection (d)(3)) the following new paragraph:

''(9) The Secretary may provide to any Federal or State agency that provides Federally funded benefits, upon the request of such agency, technical assistance on the effective collection, dissemination, and use of death information available under this subsection for the purpose of ensuring that such benefits are not erroneously paid to deceased individuals.''.

(f) TECHNICAL AMENDMENT.—Section 205(r) of the Social Security Act is amended by adding at the end (after the paragraph added by subsection (e)) the following new paragraph:

''(10) For purposes of this subsection, the term 'Federally funded benefit' means any payment funded in whole or in part by the Federal Government.''.

(g) EFFECTIVE DATE.—Except as otherwise provided, the amendments made by this section shall take effect upon their enactment.

SEC. 209. SECTION 235 MORTGAGE REFINANCING.

Section 235(r) of the National Housing Act is amended—

(1) in paragraph (2)(C), by inserting after ''refinanced'' the following: '', plus the costs incurred in connection with the refinancing as described in paragraph (4)(B) to the extent that the amount for those costs is not otherwise included in the interest rate as permitted by subparagraph (E) or paid by the Secretary as authorized by paragraph (4)(B)'';

(2) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by inserting after ''otherwise)'' the following: ''and the mortgagee (with respect to the amount described in subparagraph (A))''; and

(B) in subparagraph (A), by inserting after ''mortgagor'' the following: ''and the mortgagee''; and

(3) by amending paragraph (5) to read as follows:

''(5) The Secretary shall use amounts of budget authority recaptured from assistance payments contracts relating to mortgages that are being refinanced for assistance payments contracts with respect to mortgages insured under this subsection. The Secretary may also make such recaptured amounts available for incentives under paragraph (4)(A) and the costs incurred in connection with the refinancing under paragraph (4)(B). For purposes of subsection (c)(3)(A), the amount of recaptured budget authority that the Secretary commits for assistance payments contracts relating to mortgages insured under this subsection and for amounts paid under paragraph (4) shall not be construed as unused.''.

SEC. 210. HUD MULTIFAMILY HOUSING DISPOSITION PROCESS.

(a) FINDINGS.—The Congress finds that—

(1) the portfolio of multifamily housing project mortgages insured by the FHA is severely troubled and at risk of default, requiring the Secretary to increase loss reserves from $5,500,000,000 in 1991 to $11,900,000,000 in 1992 to cover estimated future losses;

(2) the inventory of multifamily housing projects owned by the Secretary of Housing and Urban Development has more than tripled since 1989, and, by the end of 1993, may exceed 75,000 units;

(3) the cost to the Federal Government of owning and maintaining multifamily housing projects escalated to approximately $250,000,000 in fiscal year 1992;

(4) the inventory of multifamily housing projects subject to mortgages held by the Secretary has increased dramatically, to

more than 2,400 mortgages, and approximately half of these mortgages, with over 230,000 units, are delinquent;

(5) the inventory of insured and formerly insured multifamily housing projects is rapidly deteriorating, endangering tenants and neighborhoods;

(6) over 5 million families today have a critical need for housing that is affordable and habitable; and

(7) the current statutory framework governing the disposition of multifamily housing projects effectively impedes the Government's ability to dispose of properties, protect tenants, and ensure that projects are maintained over time.

(b) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11) is amended to read as follows:

"SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.

''(a) GOALS.—The Secretary of Housing and Urban Development (in this section referred to as the 'Secretary') shall manage or dispose of multifamily housing projects that are owned by the Secretary or that are subject to a mortgage held by the Secretary in a manner that—

''(1) is consistent with the National Housing Act and this section;

''(2) will protect the financial interests of the Federal Government; and

''(3) will, in the least costly fashion among reasonable available alternatives, further the goals of—

''(A) preserving housing so that it can remain available to and affordable by low-income persons;

''(B) preserving and revitalizing residential neighborhoods;

''(C) maintaining existing housing stock in a decent, safe, and sanitary condition;

''(D) minimizing the involuntary displacement of tenants;

''(E) maintaining housing for the purpose of providing rental housing, cooperative housing, and homeownership opportunities for low-income persons; and

''(F) minimizing the need to demolish multifamily housing projects.

The Secretary, in determining the manner in which a project is to be managed or disposed of, may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

''(b) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) MULTIFAMILY HOUSING PROJECT.—The term 'multifamily housing project' means any multifamily rental housing project which is, or prior to acquisition by the Secretary was, assisted or insured under the National Housing Act, or was subject to a loan under section 202 of the Housing Act of 1959.

''(2) SUBSIDIZED PROJECT.—The term 'subsidized project' means a multifamily housing project receiving any of the following types of assistance immediately prior to the assignment of the mortgage on such project to, or the acquisition of such mortgage by, the Secretary:

''(A) Below market interest rate mortgage insurance under the proviso of section 221(d)(5) of the National Housing Act.

''(B) Interest reduction payments made in connection with mortgages insured under section 236 of the National Housing Act.

''(C) Direct loans made under section 202 of the Housing Act of 1959.

''(D) Assistance in the form of—

''(i) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965;

''(ii) housing assistance payments made under section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975); or

''(iii) housing assistance payments made under section 8 of the United States Housing Act of 1937 (excluding payments made for tenant-based assistance under section 8),

if (except for purposes of section 183(c) of the Housing and Community Development Act of 1987) such assistance payments are made to more than 50 percent of the units in the project.

''(3) FORMERLY SUBSIDIZED PROJECT.—The term 'formerly subsidized project' means a multifamily housing project owned by the Secretary that was a subsidized project immediately prior to its acquisition by the Secretary.

''(4) UNSUBSIDIZED PROJECT.—The term 'unsubsidized project' means a multifamily housing project owned by the Secretary that is not a subsidized project or a formerly subsidized project.

''(c) MANAGEMENT OR DISPOSITION OF PROPERTY.—

''(1) DISPOSITION TO PURCHASERS.—The Secretary is authorized, in carrying out this section, to dispose of a multifamily housing project owned by the Secretary on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate considering the low-income character of the project and the requirements of subsection (a), to a purchaser determined by the Secretary to be capable of—

''(A) satisfying the conditions of the disposition;

''(B) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and repair expenses to ensure that the project will remain in decent, safe, and sanitary condition;

''(C) responding to the needs of the tenants and working cooperatively with tenant organizations;

''(D) providing adequate organizational staff and financial resources to the project; and

''(E) meeting such other requirements as the Secretary may determine.

''(2) CONTRACTING FOR MANAGEMENT SERVICES.—The Secretary is authorized, in carrying out this section—

''(A) to contract for management services for a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), on a negotiated, competitive bid, or other basis at a price determined by the Secretary to be reasonable, with a manager the Secretary has determined is capable of—

''(i) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and maintenance expenses to ensure that the project will remain in decent, safe, and sanitary condition;

''(ii) responding to the needs of the tenants and working cooperatively with tenant organizations;

''(iii) providing adequate organizational, staff, and other resources to implement a management program determined by the Secretary; and

''(iv) meeting such other requirements as the Secretary may determine; and

''(B) to require the owner of a multifamily housing project that is subject to a mortgage held by the Secretary to contract for management services for the project in the manner described in subparagraph (A).

''(d) MAINTENANCE OF HOUSING PROJECTS.—

''(1) HOUSING PROJECTS OWNED BY THE SECRETARY.—In the case of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall—

''(A) to the greatest extent possible, maintain all such occupied projects in a decent, safe, and sanitary condition;

''(B) to the greatest extent possible, maintain full occupancy in all such projects; and

''(C) maintain all such projects for purposes of providing rental or cooperative housing.

''(2) HOUSING PROJECTS SUBJECT TO A MORTGAGE HELD BY THE SECRETARY.—In the case of any multifamily housing project that is subject to a mortgage held by the Secretary, the Secretary shall require the owner of the project to carry out the requirements of paragraph (1).

''(e) REQUIRED ASSISTANCE.—In carrying out the goal specified in subsection (a)(3)(A), the Secretary shall take not less than one of the following actions:

''(1) CONTRACT WITH OWNER.—Enter into contracts under section 8 of the United States Housing Act of 1937, to the extent budget authority is available, with owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary.

''(A) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING CERTAIN ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subparagraphs (A) through (C) of subsection (b)(2)—

''(i) the contract shall be sufficient to assist at least all units covered by an assistance contract under any of the authorities referred to in subsection (b)(2)(D) before acquisition, unless the Secretary acts pursuant to the provisions of subparagraph (C);

''(ii) in the case of units requiring project-based rental assistance pursuant to this paragraph that are occupied by families who are not eligible for assistance under section 8, a contract under this subparagraph shall also provide that when a vacancy occurs, the owner shall lease the available unit to a family eligible for assistance under section 8; and

''(iii) the Secretary shall take actions to ensure the availability and affordability, as defined in paragraph (3)(B), for the remaining useful life of the project, as defined by the Secretary, of any unit located in any project referred to in subparagraphs (A) through (C) of subsection (b)(2) that does not otherwise receive project-based assistance under this subparagraph. To carry out this clause, the Secretary may require purchasers to establish use or rent restrictions maintaining affordability, as defined in paragraph (3)(B).

''(B) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING OTHER ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subsection (b)(2)(D)—

''(i) the contract shall be sufficient to assist at least all units in the project that are covered, or were covered immediately before foreclosure on or acquisition of the project by the Secretary, by an assistance contract under any of the authorities referred to in such subsection, unless the Secretary acts pursuant to provisions of subparagraph (C); and

''(ii) in the case of units requiring project-based rental assistance pursuant to this paragraph that are occupied by families who are not eligible for assistance under section 8, a contract under this paragraph shall also provide that when a vacancy occurs, the owner shall lease the available unit to a family eligible for assistance under section 8.

''(C) EXCEPTIONS TO SUBPARAGRAPHS (A) AND (B).—In lieu of providing project-based assistance under subparagraph (A) or (B), the Secretary may require certain units in

unsubsidized projects to contain use restrictions providing that such units will be available to and affordable by very low-income families for the remaining useful life of the project, as defined by the Secretary, if—

''(i) the Secretary matches any reduction in units otherwise required to be assisted with project-based assistance under subparagraph (A) or (B) with at least an equivalent increase in units made affordable to very low-income persons within unsubsidized projects;

''(ii) low-income tenants residing in units otherwise requiring project-based assistance under subparagraph (A) or (B) upon disposition receive section 8 tenant-based assistance; and

''(iii) the units described in clause (i) are located within the same market area.

''(D) CONTRACT REQUIREMENTS FOR UNSUBSIDIZED PROJECTS.—Notwithstanding actions taken pursuant to subparagraph (C), in unsubsidized projects, the contract shall at least be sufficient to provide—

''(i) project-based rental assistance for all units that are covered or were covered immediately before foreclosure or acquisition by an assistance contract under—

''(I) section 8(b)(2) of the United States Housing Act of 1937 (as such section existed before October 1, 1983) (new construction and substantial rehabilitation); section 8(b) of such Act (property disposition); section 8(d)(2) of such Act (project-based certificates); section 8(e)(2) of such Act (moderate rehabilitation); section 23 of such Act (as in effect before January 1, 1975); or section 101 of the Housing and Urban Development Act of 1965 (rent supplements); or

''(II) section 8 of the United States Housing Act of 1937, following conversion from section 101 of the Housing and Urban Development Act of 1965; and

''(ii) tenant-based assistance under section 8 of the United States Housing Act of 1937 for tenants currently residing in units that were covered by an assistance contract under the Loan Management Set-Aside program under section 8(b) of the United States Housing Act of 1937 immediately before foreclosure or acquisition of the project by the Secretary.

''(2) ANNUAL CONTRIBUTION CONTRACTS.—In the case of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, enter into annual contribution contracts with public housing agencies to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 to all low-income families who are eligible for such assistance on the date that the project is acquired by the purchaser. The Secretary shall take action under this paragraph only after making a determination that there is available in the area an adequate supply of habitable affordable housing for low-income families. Actions taken pursuant to this paragraph may be taken in connection with not more than 10 percent of the aggregate number of units in subsidized or formerly subsidized projects disposed of by the Secretary annually.

''(3) OTHER ASSISTANCE.—

''(A) IN GENERAL.—In accordance with the authority provided under the National Housing Act, reduce the selling price, apply use or rent restrictions on certain units, or provide other financial assistance to the owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure, or after sale by the Secretary, on terms which will ensure that—

''(i) at least those units otherwise required to receive project-based section 8 assistance pursuant to subparagraphs (A), (B), or (D) of paragraph (1) are available to and affordable by low-income persons; and

''(ii) for the remaining useful life of the project, as defined by the Secretary, there shall be in force such use or rent restrictions as the Secretary may prescribe.

''(B) DEFINITION.—A unit shall be considered affordable under this paragraph if—

''(i) for very low-income tenants, the rent for such unit does not exceed 30 percent of 50 percent of the area median income, as determined by the Secretary, with adjustments for family size; and

''(ii) for low-income tenants other than very low-income tenants, the rent for such unit does not exceed 30 percent of 80 percent of the area median income, as determined by the Secretary, with adjustments for family size.

''(C) VERY LOW-INCOME TENANTS.—The Secretary shall provide assistance under section 8 of the United States Housing Act of 1937 to any very low-income tenant currently residing in a unit otherwise required to receive project-based assistance under section 8, pursuant to subparagraph (A), (B), or (D) of paragraph (1), if the rents charged such tenants as a result of actions taken pursuant to this paragraph exceed the amount payable as rent under section 3(a) of the United States Housing Act of 1937.

''(4) TRANSFER FOR USE UNDER OTHER PROGRAMS OF THE SECRETARY.—

''(A) IN GENERAL.—Enter into an agreement providing for the transfer of a multifamily housing project—

''(i) to a public housing agency for use of the project as public housing; or

''(ii) to an owner or another appropriate entity for use of the project under section 202 of the Housing Act of 1959 or under section 811 of the Cranston-Gonzalez National Affordable Housing Act.

''(B) REQUIREMENTS FOR AGREEMENT.—The agreement described in subparagraph (A) shall—

''(i) contain such terms, conditions, and limitations as the Secretary determines appropriate, including requirements to assure use of the project under the public housing, section 202, and section 811 programs; and

''(ii) ensure that no current tenant will be displaced as a result of actions taken under this paragraph.

''(f) OTHER ASSISTANCE.—In addition to the actions authorized by subsection (e), the Secretary may take any of the following actions:

''(1) SHORT-TERM LOANS.—Provide short-term loans to facilitate the sale of multifamily housing projects to nonprofit organizations or to public agencies if—

''(A) authority for such loans is provided in advance in an appropriations Act;

''(B) such loans are for a term of not more than 5 years;

''(C) the Secretary is presented with satisfactory documentation, evidencing a commitment of permanent financing to replace such short-term loan, from a lender who meets standards set forth by the Secretary; and

''(D) the terms of such loans are consistent with prevailing practices in the marketplace or the provision of such loans results in no cost to the Government, as defined in section 502 of the Congressional Budget Act.

''(2) TENANT-BASED ASSISTANCE.—In connection with projects referred to in subsection (e), make available tenant-based assistance under section 8 of the United States Housing Act of 1937 to very low-income families (as defined in section 3(b)(2) of the United States Housing Act of 1937) that do not otherwise qualify for project-based assistance.

''(3) ALTERNATIVE USES.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, and subject to notice to and comment from existing tenants, allow not more than—

''(i) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be made available for uses other than rental or cooperative uses, including low-income homeownership opportunities, or in any particular project, community space, office space for tenant or housing-related service providers or security programs, or small business uses, if such uses benefit the tenants of the project; and

''(ii) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be used in any manner, if the Secretary and the unit of general local government or area-wide governing body determine that such use will further fair housing, community development, or neighborhood revitalization goals.

''(B) DISPLACEMENT PROTECTION.—The Secretary shall make available tenant-based rental assistance under section 8 of the United States Housing Act of 1937 to any tenant displaced as a result of actions taken by the Secretary pursuant to subparagraph (A), and the Secretary shall take such actions as the Secretary determines necessary to ensure the successful use of any tenant-based assistance.

''(g) AUTHORIZATION OF USE OR RENT RESTRICTIONS IN UNSUBSIDIZED PROJECTS.—In carrying out the goals specified in subsection (a), the Secretary may require certain units in unsubsidized projects to contain use or rent restrictions providing that such units will be available to and affordable by very low-income persons for the remaining useful life of the property, as defined by the Secretary.

''(h) CONTRACT REQUIREMENTS.—

''(1) CONTRACT TERM.—

''(A) IN GENERAL.—Contracts for project-based rental assistance under section 8 of the United States Housing Act of 1937 provided pursuant to this section shall be for a term of not more than 15 years; and

''(B) CONTRACT TERM OF LESS THAN 15 YEARS.—Notwithstanding subparagraph (A), to the extent that units receive project-based assistance for a contract term of less than 15 years, the Secretary shall require that rents charged to tenants for such units not exceed the amount payable for rent under section 3(a) of the United States Housing Act of 1937 for a period of at least 15 years.

''(2) CONTRACT RENT.—

''(A) IN GENERAL.—The Secretary shall set contract rents for section 8 project-based rental contracts issued under this section at levels that, in conjunction with other resources available to the purchaser, provide for the necessary costs of rehabilitation of such project and do not exceed the percentage of the existing housing fair market rents for the area (as determined by the Secretary under section 8(c) of the United States Housing Act of 1937) as the Secretary may prescribe.

''(B) UP-FRONT GRANTS AND LOANS.—If such an approach is determined to be more cost-effective, the Secretary may utilize the budget authority provided for project-based section 8 contracts issued under this section to—

''(i) provide project-based section 8 rental assistance; and

''(ii)(I) provide up-front grants for the necessary cost of rehabilitation; or

''(II) pay for any cost to the Government, as defined in section 502 of the Congressional Budget Act, for loans made pursuant to subsection (f)(1).

''(i) DISPOSITION PLAN.—

''(1) IN GENERAL.—Prior to the sale of a multifamily housing project that is owned by the Secretary, the Secretary shall develop

a disposition plan for the project that specifies the minimum terms and conditions of the Secretary for disposition of the project, the initial sales price that is acceptable to the Secretary, and the assistance that the Secretary plans to make available to a prospective purchaser in accordance with this section. The initial sales price shall reflect the intended use of the property after sale.

''(2) COMMUNITY AND TENANT INPUT INTO DISPOSITION PLANS AND SALES.—

''(A) IN GENERAL.—In carrying out this section, the Secretary shall develop procedures to obtain appropriate and timely input into disposition plans from officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project.

''(B) TENANT ORGANIZATIONS.—The Secretary shall develop procedures to facilitate, where feasible and appropriate, the sale of multifamily housing projects to existing tenant organizations with demonstrated capacity or to public or nonprofit entities which represent or are affiliated with existing tenant organizations.

''(C) TECHNICAL ASSISTANCE.—

''(i) USE OF FUNDS.—To carry out the procedures developed under subparagraphs (A) and (B), the Secretary is authorized to provide technical assistance, directly or indirectly, and to use amounts appropriated for technical assistance under the Emergency Low Income Housing Preservation Act of 1987, the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or under this section for the provision of technical assistance under this section.

''(ii) SOURCE OF FUNDS.—Recipients of technical assistance funding under the Emergency Low Income Housing Preservation Act of 1987, the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or under this section shall be permitted to provide technical assistance to the extent of such funding under any of such programs or under this section, notwithstanding the source of funding.

''(j) RIGHT OF FIRST REFUSAL.—

''(1) PROCEDURE.—

''(A) NOTIFICATION BY SECRETARY OF THE ACQUISITION OF TITLE.—Not later than 30 days after acquiring title to a project, the Secretary shall notify the unit of general local government and the State agency or agencies designated by the Governor of the acquisition of such title.

''(B) EXPRESSION OF INTEREST.—Not later than 45 days after receiving notification from the Secretary under subparagraph (A), the unit of general local government or designated State agency may submit to the Secretary a preliminary expression of interest in the project. The Secretary may take such actions as may be necessary to require the unit of general local government or designated State agency to substantiate such interest.

''(C) TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency has expressed interest in the project before the expiration of the 45-day period referred to in subparagraph (B), and has substantiated such interest if requested, the Secretary, upon approval of a disposition plan for a project, shall notify the unit of general local government and designated State agency of the terms and conditions of the disposition plan and give the unit of general local government or designated State agency not more than 90 days after the date of such notification to make an offer to purchase the project.

''(D) NO TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency does not express interest before the expiration of the 45-day period referred to in subparagraph (B), or does not substantiate an expressed interest if requested, the Secretary, upon approval of a disposition plan, may offer the project for sale to any interested person or entity.

''(2) ACCEPTANCE OF OFFERS.—Where the Secretary has given the unit of general local government or designated State agency 90 days to make an offer to purchase the project, the Secretary shall accept an offer that complies with the terms and conditions of the disposition plan. The Secretary may accept an offer that does not comply with the terms and conditions of the disposition plan if the Secretary determines that the offer will further the goals specified in subsection (a) by actions that include extension of the duration of low-income affordability restrictions or otherwise restructuring the transaction in a manner that enhances the long-term affordability for low-income persons. The Secretary shall, in particular, have discretion to reduce the initial sales price in exchange for the extension of low-income affordability restrictions beyond the period of assistance contemplated by the attachment of assistance pursuant to subsection (e). If the Secretary and the unit of general local government or designated State agency cannot reach agreement within 90 days, the Secretary may offer the project for sale to the general public.

''(3) PURCHASE BY UNIT OF GENERAL LOCAL GOVERNMENT OR DESIGNATED STATE AGENCY.—Notwithstanding any other provision of law, a unit of general local government (including a public housing agency) or designated State agency may purchase a subsidized or formerly subsidized project in accordance with this subsection.

''(4) APPLICABILITY.—This subsection shall apply to projects that are acquired on or after the effective date of this subsection. With respect to projects acquired before such effective date, the Secretary may apply—

''(A) the requirements of paragraphs (2) and (3) of section 203(e) as such paragraphs existed immediately before the effective date of this subsection; or

''(B) the requirements of paragraphs (1) and (2) of this subsection, if the Secretary gives the unit of general local government or designated State agency—

''(i) 45 days to express interest in the project; and

''(ii) if the unit of general local government or designated State agency expresses interest in the project before the expiration of the 45-day period, and substantiates such interest if requested, 90 days from the date of notification of the terms and conditions of the disposition plan to make an offer to purchase the project.

''(k) DISPLACEMENT OF TENANTS AND RELOCATION ASSISTANCE.—

''(1) IN GENERAL.—Whenever tenants will be displaced as a result of the disposition of, or repairs to, a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall identify tenants who will be displaced, and shall notify all such tenants of their pending displacement and of any relocation assistance which may be available. In the case of a multifamily housing project that is not owned by the Secretary (and for which the Secretary is not mortgagee in possession), the Secretary shall require the owner of the project to carry out the requirements of this paragraph.

''(2) RIGHTS OF DISPLACED TENANTS.—The Secretary shall assure for any such tenant (who continues to meet applicable qualification standards) the right—

''(A) to return, whenever possible, to a repaired unit;

''(B) to occupy a unit in another multifamily housing project owned by the Secretary;

''(C) to obtain housing assistance under the United States Housing Act of 1937; or

''(D) to receive any other available relocation assistance as the Secretary determines to be appropriate.

''(l) MORTGAGE AND PROJECT SALES.—

''(1) IN GENERAL.—The Secretary may not approve the sale of any loan or mortgage held by the Secretary (including any loan or mortgage owned by the Government National Mortgage Association) on any subsidized project or formerly subsidized project, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of such loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the assignment of the loan or mortgage on such project to the Secretary.

''(2) SALE OF CERTAIN PROJECTS.—The Secretary may not approve the sale of any subsidized project—

''(A) that is subject to a mortgage held by the Secretary; or

''(B) if the sale transaction involves the provision of any additional subsidy funds by the Secretary or a recasting of the mortgage, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed sale of the project.

''(3) MORTGAGE SALES TO STATE AND LOCAL GOVERNMENTS.—Notwithstanding any provision of law that may require competitive sales or bidding, the Secretary may carry out negotiated sales of subsidized or formerly subsidized mortgages held by the Secretary, without the competitive selection of purchasers or intermediaries, to units of general local government or State agencies, or groups of investors that include at least one such unit of general local government or State agency, if the negotiations are conducted with such agencies, except that—

''(A) the terms of any such sale shall include the agreement of the purchasing agency or unit of local government or State agency to act as mortgagee or owner of a beneficial interest in such mortgages, in a manner consistent with maintaining the projects that are subject to such mortgages for occupancy by the general tenant group intended to be served by the applicable mortgage insurance program, including, to the extent the Secretary determines appropriate, authorizing such unit of local government or State agency to enforce the provisions of any regulatory agreement or other program requirements applicable to the related projects; and

''(B) the sales prices for such mortgages shall be, in the determination of the Secretary, the best prices that may be obtained for such mortgages from a unit of general local government or State agency, consistent with the expectation and intention that the projects financed will be retained for use under the applicable mortgage insurance program for the life of the initial mortgage insurance contract.

''(4) SALE OF MORTGAGES COVERING UNSUBSIDIZED PROJECTS.—Notwithstanding any other provision of law, the Secretary may sell mortgages held on unsubsidized

projects on such terms and conditions as the Secretary may prescribe.

''(m) REPORT TO CONGRESS.—Not later than June 1 of each year, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, a report describing the status of multifamily housing projects owned by or subject to mortgages held by the Secretary, which report shall include—

''(1) the name, address, and size of each project;

''(2) the nature and date of assignment;

''(3) the status of the mortgage;

''(4) the physical condition of the project;

''(5) an occupancy profile of the project, including the income, family size, and race of current residents as well as the rents paid by such residents;

''(6) the proportion of units in a project that are vacant;

''(7) the date on which the Secretary became mortgagee in possession;

''(8) the date and conditions of any foreclosure sale;

''(9) the date of acquisition by the Secretary;

''(10) the date and conditions of any property disposition sale;

''(11) a description of actions undertaken pursuant to this section, including—

''(A) a comparison of results between actions taken after enactment of the Housing and Community Development Act of 1993 and actions taken in years prior to such enactment;

''(B) a description of any impediments to the disposition or management of multifamily housing projects, together with a recommendation of proposed legislative or regulatory changes designed to ameliorate such impediments;

''(C) a description of actions taken to restructure or commence foreclosure on delinquent multifamily mortgages held by the Department; and

''(D) a description of actions taken to monitor and prevent the default of multifamily housing mortgages held by the Federal Housing Administration;

''(12) a description of any of the functions performed in connection with this section that are contracted out to public or private entities or to States, including—

''(A) the costs associated with such delegation;

''(B) the implications of contracting out or delegating such functions for current Department field or regional personnel, including anticipated personnel or work load reductions;

''(C) necessary oversight required by Department personnel, including anticipated personnel hours devoted to such oversight;

''(D) a description of any authority granted to such public or private entities or States in conjunction with the functions that have been delegated or contracted out or that are not otherwise available for use by Department personnel; and

''(E) the extent to which such public or private entities or States include tenants of multifamily housing projects in the disposition planning for such projects;

''(13) a description of the activities carried out under subsection (j) during the preceding year; and

''(14) a description and assessment of the rules, guidelines, and practices governing the Department's management of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession) as well as the steps that the Secretary has taken or plans to take to improve the management performance of the Department.''.

(c) EFFECTIVE DATE.—The Secretary of Housing and Urban Development shall, by notice published in the Federal Register, which shall take effect upon publication, establish such requirements as may be necessary to implement the amendments made by this section. The notice shall invite public comments, and the Secretary shall issue final regulations based on the initial notice, taking into account any public comments received.

ADDITIONAL COSPONSORS

S. 96

At the request of Mr. HATCH, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 96, a bill to amend the Public Health Service Act to provide for the conduct of expanded studies and the establishment of innovative programs with respect to traumatic brain injury, and for other purposes.

S. 643

At the request of Mrs. MURRAY, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 643, a bill to assist in implementing the plan of action adopted by the World Summit for Children.

S. 832

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 832, a bill to require the Prospective Payment Assessment Commission to develop separate applicable percentage increases to ensure that medicare beneficiaries who receive services from medicare dependent hospitals receive the same quality of care and access to services as medicare beneficiaries in other hospitals, and for other purposes.

S. 863

At the request of Mr. GRASSLEY, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 863, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 864

At the request of Mr. GRASSLEY, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 864, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for nurse practitioners and clinical nurse specialists to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 955

At the request of Mr. HATCH, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 955, a bill to clarify the scope of coverage and amount of payment under the medicare program of items and services associated with the use in the furnishing of inpatient hospital services of certain medical devices approved for investigational use.

S. 974

At the request of Mr. GRASSLEY, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 974, a bill to prohibit certain acts involving the use of computers in the furtherance of crimes, and for other purposes.

S. 1136

At the request of Mr. HATCH, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1136, a bill to control and prevent commercial counterfeiting, and for other purposes.

S. 1160

At the request of Mr. ROCKEFELLER, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1160, a bill to amend the Internal Revenue Code of 1986 to provide that the depreciation rules which apply for regular tax purposes also shall apply for alternative minimum tax purposes.

S. 1219

At the request of Mr. FEINGOLD, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1219, a bill to reform the financing of Federal elections, and for other purposes.

S. 1289

At the request of Mr. KYL, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1289, a bill to amend title XVIII of the Social Security Act to clarify the use of private contracts, and for other purposes.

SENATE RESOLUTION 177

At the request of Mr. BIDEN, the names of the Senator from Michigan [Mr. ABRAHAM], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Mississippi [Mr. COCHRAN], the Senator from New Mexico [Mr. DOMENICI], the Senator from Hawaii [Mr. AKAKA], the Senator from California [Mrs. BOXER], the Senator from New Jersey [Mr. BRADLEY], the Senator from Kansas [Mr. DOLE], the Senator from New York [Mr. D'AMATO], the Senator from Louisiana [Mr. BREAUX], the Senator from Nevada [Mr. BRYAN], the Senator from Tennessee [Mr. FRIST], the Senator from South Dakota [Mr. DASCHLE], the Senator from Connecticut [Mr. DODD], the Senator from Iowa [Mr. GRASSLEY], the Senator from New Hampshire [Mr. GREGG], the Senator from Utah [Mr. HATCH], the Senator from North Dakota [Mr. DORGAN], the Senator from Texas [Mrs. HUTCHISON], the Senator from Wisconsin [Mr. FEINGOLD], the Senator from California [Mrs. FEINSTEIN], the Senator from Ohio [Mr. GLENN], the Senator from Kentucky [Mr. FORD], the Senator from Florida [Mr. MACK], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Delaware [Mr. ROTH], the Senator from Vermont [Mr. LEAHY], the Senator from New Hampshire [Mr. SMITH], the Senator from Maine [Ms. SNOWE], the Senator from