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Senate

The Senate met at 10 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

God of all nations, Lord of all life, we thank You that You place within all of us the pursuit of excellence. The longing to be our best is stirred in us as we watch the creative competition of the Olympics in Atlanta. It is inspiring to see men and women press the limits as they go for the gold. Whether it is the 100-meter short run for lasting fame, or the daring high dive with no splash, we look on with renewed desire to live at full potential in our own responsibilities and relationships. We admire the dedication, the sacrifice, the indefatigable practice, the mastery, the joy of the Olympic athletes. Today we join the Nation in cheering Tom Dolan's gallant victory over physical limitations to win the swimming 400-meter individual medley.

Then we wonder about our own discipline in prayer, spiritual growth, and character development. What could happen in our lives if we had the commitment of these runners, gymnasts, swimmers, and team players have to their sport and their nation. Today we want to run the race of our lives, stretching every part of our being toward the high calling of serving You with excellence in our work in Government. Bless the men and women of this Senate and all of us called to work with them as we make this a day to go for the gold of glorifying You with all the intellect of our minds, the passion of our hearts, and the strength of our souls. Through our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able chairman of the Budget Committee, Senator DOMENICI, is recognized.

SCHEDULE

Mr. DOMENICI. This morning the Senate will immediately resume consideration of the reconciliation bill until the hour of 2 p.m. Any Senator still intending to offer an amendment to that bill must do so prior to that time. Under the consent agreement reached on Friday, all previously ordered votes on amendments as well as votes ordered today will begin at 9:30 a.m. tomorrow morning. No rollcall votes will occur today. However, all Senators should be notified that there will be a lengthy series of rollcall votes on Tuesday morning. Also, at 2 o'clock today the Senate will begin the Agriculture appropriations bill, and once again any votes ordered in relation to that bill will occur following the stacked votes at 9:30 a.m. tomorrow morning.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The PRESIDENT pro tempore. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for the fiscal year 1997.

The Senate resumed consideration of the bill.

Pending:

Faircloth amendment No. 4905, to prohibit recruitment activities in SSI outreach programs, demonstration projects, and other administrative activities.

Harkin amendment No. 4916, to strike section 1253, relating to child nutrition requirements.

D'Amato amendment No. 4927, to require welfare recipients to participate in gainful community service.

Exon (for Simon) amendment No. 4928, to increase the number of adults and to extend the period of time in which educational training activities may be counted as work.

Feinstein-Boxer amendment No. 4929, to provide that the ban on supplemental security income benefits apply to those aliens entering the country on or after the enactment of this bill.

Chafee amendment No. 4931, to maintain current eligibility standards for Medicaid and provide additional State flexibility.

Roth amendment No. 4932 (to amendment No. 4931), to maintain the eligibility for Medicaid for any individual who is receiving Medicaid based on their receipt of AFDC, foster care or adoption assistance, and to provide transitional Medicaid for families moving from welfare to work.

Chafee amendment No. 4933 (to amendment No. 4931), to maintain current eligibility standards for Medicaid and provide additional State flexibility.

Conrad amendment No. 4934, to eliminate the State food assistance block grant.

Santorum (for Gramm) amendment No. 4935, to deny welfare benefits to individuals convicted of illegal drug possession, use or distribution.

Graham amendment No. 4936, to modify the formula for determining a State family assistance grant to include the number of children in poverty residing in a State.

Helms amendment No. 4930, to strengthen food stamp work requirements.

Graham (for Simon) amendment No. 4938, to preserve eligibility of immigrants for programs of student assistance under the Public Health Service Act.

Shelby amendment No. 4939, to provide a refundable credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRA's for certain adoption expenses.

Mr. DOMENICI. Mr. President, let me summarize where we are for Senators and staffers. We have used approximately 16 of the 20-hour statutory time. Amendments can be offered and debated today between 10 a.m. and 2 p.m. The amendments have to be on the general list of amendments agreed to last Thursday.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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As of today, we will have disposed of over 23 amendments. We have had 10 rollcall votes and 13 voice votes. As of Friday night, we have 15 amendments pending for possible votes beginning tomorrow at 9:30, and we could add to that list today as many as another 19 amendments. I am not saying we will, but we could if all of those remaining on the agreed-on list that we agreed on Thursday night are offered today. So it is possible that beginning tomorrow we could have as many as 34 rollcall votes but certainly at least 20, not counting final passage.

It is my understanding that the distinguished Senator from Kentucky [Mr. FORD], is first. It is on that side.

The PRESIDENT pro tempore. The distinguished Democratic whip is recognized.

AMENDMENT NO. 4940

(Purpose: To allow States the option to provide non-cash assistance to children after the 5-year time limit, as provided in report No. 104-430 (the conference report to H.R. 4 as passed during the 1st session of the 104th Congress))

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD] proposes an amendment numbered 4940.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 250, line 4, insert "cash" before "assistance".

Mr. FORD. Mr. President, this is an amendment that I think could almost be accepted. Although we could not agree on the Breaux amendment of last week regarding noncash assistance for children, I hope we can agree on this one. One of the reasons welfare reform is so complicated is that it is usually hard to separate the adults on welfare from the children. Many want to get tougher on the adults, especially those who have been on welfare for a long period of time. But I do not hear anyone who says get tougher on children. This amendment separates those issues because it is about how we as a Nation are ultimately responsible for the welfare of our children.

Under the Republican bill, after 5 years, States may not use any Federal block grant money to assist families whatsoever. This applies to cash and noncash benefits as well. The current bill goes much further than H.R. 4, which passed Congress last year and was vetoed by the President. In my view, this makes the bill much tougher on children. H.R. 4 prohibited cash assistance after 5 years. It did not prohibit noncash assistance like vouchers that could be used for clothing or medicine or other needs of our children.

My amendment makes this bill identical to H.R. 4 by allowing States to

use Federal block grant funds to provide noncash assistance after adults on welfare have reached their 5-year limit.

If you favor State flexibility, you should support this amendment. Some supporters of this bill have said State flexibility is one of their top priorities, yet on this issue the bill is less flexible than H.R. 4. We say send this welfare reform back to the States, but yet we say: States, do it the way we tell you to do it. That is not flexibility for the States.

The National Governors' Association supports this amendment. This amendment does not increase the cost of the bill, nor add to the deficit. It deals with how the Federal block grant funds allocated to each State may be used. And so, Mr. President, in a letter dated June 26, 1996, the National Governors' Conference urged support for an amendment to apply the time limit in the bill only to cash assistance.

I ask unanimous consent that a copy of this letter be printed in the RECORD.

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

NATIONAL GOVERNORS ASSOCIATION,
Washington, DC, June 26, 1996.

SENATE FINANCE COMMITTEE,
U.S. Senate, Washington, DC.

DEAR FINANCE COMMITTEE MEMBER: The nation's Governors appreciate that S. 1795, as introduced, incorporated many of the National Governors' Association's (NGA) recommendations on welfare reform. NGA hopes that Congress will continue to look to the Governors' bipartisan efforts on a welfare reform policy and build on the lessons learned through a decade of state experimentation in welfare reform.

However, upon initial review of the Chairman's mark, NGA believes that many of the changes contained in the mark are contradictory to the NGA bipartisan agreement. The mark includes unreasonable modifications to the work requirement, and additional administrative burdens, restrictions and penalties that are unacceptable. Governors believe these changes in the Chairman's mark greatly restrict state flexibility and will result in increased, unfunded costs for states, while at the same time undermining states ability to implement effective welfare reform programs. These changes threaten the ability of Governors to provide any support for the revised welfare package, and may, in fact, result in Governors opposing the bill.

As you mark up the welfare provisions of S. 1795, the Personal Responsibility and Work Opportunity Act of 1996, NGA strongly urges you to consider the recommendations contained in the welfare reform policy adopted unanimously by the nation's Governors in February. Governors believe that these changes are needed to create a welfare reform measure that will foster independence and promote responsibility, provide adequate support for families that are engaged in work, and accord states the flexibility and resources they need to transform welfare into a transitional program leading to work.

Below is a partial list of amendments that may be offered during the committee markup and revisions included in the Chairman's mark that are either opposed or supported by NGA. This list is not meant to be exhaustive, and there may be other amendments or revisions of interest or concern to Governors that are not on this list. In the NGA welfare

reform policy, the Governors did not take a position on the provisions related to benefits for immigrants, and NGA will not be making recommendations on amendments in these areas. As you mark up S. 1795, NGA urges you to consider the following recommendations based on the policy statement of the nation's Governors on welfare reform.

THE GOVERNORS URGE YOU TO SUPPORT THE FOLLOWING AMENDMENTS:

Support the amendment to permit states to count toward the work participation rate calculation those individuals who have left welfare for work for the first six months that they are in the workforce (Breaux). The Governors believe states should receive credit in the participation rate for successfully moving people off of welfare and into employment, thereby meeting one of the primary goals of welfare reform. This will also provide states with an incentive to expand their job retention efforts.

Support the amendment that applies the time limit only to cash assistance (Breaux). S. 1795 sets a sixty-month lifetime limit on any federally funded assistance under the block grant. This would prohibit states from using the block grant for important work supports such as transportation or job retention counseling after the five-year limit. Consistent with the NGA welfare reform policy, NGA urges you to support the Breaux amendment that would apply the time limit only to cash assistance.

Support the amendment to restore funding for the Social Service Block Grant (Rockefeller). This amendment would limit the cut in the Social Services Block Grant (SSBG) to 10 percent rather than 20 percent. States use a significant portion of their SSBG funds for child care for low-income families. Thus, the additional cut currently contained in S. 1795 negates much of the increase in child care funding provided under the bill.

Support technical improvements to the contingency fund (Breaux). Access to additional matching funds is critical to states during periods of economic recession. NGA supports two amendments proposed by Senator Breaux. One clarifies the language relating to maintenance of effort in the contingency fund and another modifies the fund so states that access the contingency fund during only part of the year are not penalized with a less advantageous match rate.

Support the amendment to extend the 75 percent enhanced match rate through fiscal 1997 for statewide automated child welfare information systems (SACWIS), (Chafee, Rockefeller). Although not specifically addressed in the NGA policy, this extension is important for many states that are trying to meet systems requirements that will strengthen their child welfare and child protection efforts.

Governors urge you to oppose amendments or revisions to the Chairman's mark that would limit state flexibility, create unreasonable work requirements, impose new mandates, or encroach on the ability of each state to direct resources and design a welfare reform program to meet its unique needs.

In the area of work, Governors strongly oppose any efforts to increase penalties, increase work participation rates, further restrict what activities count toward the work participation rate or change the hours of work required. The Governors' policy included specific recommendations in these areas, many of which were subsequently incorporated into S. 1795, as introduced. The recommendations reflect a careful balancing of the goals of welfare reform, the availability of resources, and the recognition that economic and demographic circumstances differ among states. Imposing any additional limitations or modifications to the work requirements would limit state flexibility.

THE GOVERNORS URGE YOU TO OPPOSE THE FOLLOWING AMENDMENTS OR REVISIONS IN THE AREA OF WORK

Oppose the revision in the Chairman's mark to increase the number of hours of work required per week to thirty-five hours in future years. NGA's recommendation that the work requirement be set at twenty-five hours was incorporated into S. 1795. Many states will set higher hourly requirements, but this flexibility will enable states to design programs that are consistent with local labor market opportunities and the availability of child care.

Oppose the revision in the Chairman's mark to decrease to four weeks the number of weeks that job search can count as work. NGA supports the twelve weeks of job search contained in S. 1795, as introduced. Job search has proven to be effective when an individual first enters a program and also after the completion of individual work components, such as workfare or community service. A reduction to four weeks would limit state flexibility to use this cost-effective strategy to move recipients into work.

Oppose the revision in the Chairman's mark to increase the work participation rates. NGA opposes any increase in the work participation rates above the original S. 1795 requirements. Many training and education activities that are currently counted under JOBS will not count toward the new work requirements. Consequently, states will face the challenge of transforming their current JOBS program into a program that emphasizes quick movement into the labor force. An increase in the work rates will result in increased costs to states for child care and work programs.

Oppose the revision in the Chairman's mark to increase penalties for failure to meet the work participation requirements. The proposed amendment to increase the penalty by 5 percent for each consecutive failure to meet the work rate is unduly harsh, particularly given the stringent nature of the work requirements. Ironically, the loss of block grant funds due to penalties will make it even more difficult for a state to meet the work requirements.

Oppose the amendment requiring states to count exempt families in the work participation rate calculation (Gramm). This amendment would retain the state option to exempt families with children below age one from the work requirements but add the requirement that such families count in the denominator for purposes of determining the work participation rate. This penalizes states that grant the exemption, effectively eliminating this option. The exemption in S. 1795 is an acknowledgment that child care costs for infants are very high and that there often is a shortage of infant care.

Oppose the amendment to increase work hours by ten hours a week for families receiving subsidized child care (Gramm). This amendment would greatly increase child care costs as well as impose a higher work requirement on families with younger children, because families with other children—particularly teenagers—are less likely to need subsidized child care assistance.

Oppose the revision in the Chairman's mark to exempt families with children below age eleven. S. 1795, as introduced, prohibits states from sanctioning families with children below age six for failure to participate in work if failure to participate was because of a lack of child care. This revision would raise the age to eleven. NGA is concerned that this revision effectively penalizes states because they still would be required to count these individuals in the denominator of the work participation rate.

THE GOVERNORS URGE YOU TO OPPOSE THE FOLLOWING AMENDMENTS OR REVISIONS IN THE CHAIRMAN'S MARK IN THESE ADDITIONAL AREAS

Oppose the revision in the Chairman's mark to increase the maintenance-of-effort requirement above the 75 percent in the cash assistance block grant or further narrow the definition of what counts toward maintenance-of-effort.

Oppose the revisions in the Chairman's mark that increase state plan requirements and include additional state penalties.

Oppose the amendment to limit hardship exemption to 15 percent (Gramm). NGA policy supports the current provision in S. 1795, as introduced, that allows states to exempt up to 20 percent of their caseload from the five-year lifetime limit on benefits.

Oppose the amendment to mandate that states provide in-kind vouchers to families after a state or federal time limit on benefits is triggered (Breau, Moseley-Braun). NGA believes that states should have the option to provide non-cash forms of assistance after the time limit, but they should not be mandated to do so.

Oppose the provision in the Chairman's mark to restrict the transferability of funds out of the cash assistance block grant to the child care block grant only. The Governors believe that it is appropriate to allow a transfer of funds into the foster care program or the Social Services Block Grant.

Oppose a family cap mandate in the Chairman's mark. NGA supports a family cap as an option, rather than a mandate, to prohibit benefits to additional children born or conceived while the parent is on welfare.

Governors urge you to consider the above recommendations.

Sincerely,

RAYMOND C. SCHEPPACH.

Mr. FORD. The administration supports this amendment, Mr. President. In a letter dated July 16, 1996, the acting OMB Director urges the adoption of voucher language that protects children.

I ask unanimous consent that a copy of this letter be printed in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, July 16, 1996.

Hon. JOHN R. KASICH,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to transmit the Administration's views on the welfare provisions of H.R. 3734, the "Welfare and Medicaid Reform Act of 1996." We understand that the Rules Committee plans to separate the welfare and Medicaid portions of the bill and consider only the welfare provisions on the House floor.

We are pleased that the Congress has decided to separate welfare reform from a proposal to repeal Medicaid's guarantee of health care for the elderly, poor, pregnant and people with disabilities. We hope that removing this "poison pill" from welfare reform is a breakthrough that indicates that the Congressional leadership is serious about passing bipartisan welfare reform this year.

It is among the Administration's highest priorities to achieve bipartisan welfare reform reflecting the principles of work, family, and responsibility. For the past three and a half years, the President has demonstrated his commitment to enacting real welfare reform by working with Congress to create legislation that moves people from

welfare to work, encourages responsibility, and protects children. The Administration sent to Congress a stand-alone welfare bill that requires welfare recipients to work, imposes strict time limits on welfare, toughens child support enforcement, is fair to children, and is consistent with the President's commitment to balance the budget.

The Administration is also pleased that the bill makes many of the important improvements to H.R. 4 that we recommended—improvements that were also included in the bipartisan National Governors' Association and Castle-Tanner proposals. We urge the Committee to build upon these improvements. At the same time, however, the Administration is deeply concerned about certain provisions of H.R. 3734 that would adversely affect benefits for food stamp households and legal immigrants, as well as with the need for strong State accountability and flexibility. And, the bill would still raise taxes on millions of working families by cutting the Earned Income Tax Credit (EITC).

IMPROVEMENTS CONTAINED IN H.R. 3734

We appreciate the Committees' efforts to strengthen provisions that are central to work-based reform, such as child care, and to provide some additional protections for children and families. In rejecting H.R. 4, the President singled out a number of provisions that were tough on children and did too little to move people from welfare to work. H.R. 3734 includes important changes to these provisions that move the legislation closer to the President's vision of true welfare reform. We are particularly pleased with the following improvements:

Child Care. As the President has insisted throughout the welfare reform debate, child care is essential to move people from welfare to work. The bill reflects a better understanding of the child care resources that States will need to implement welfare reform, adding \$4 billion for child care above the level in H.R. 4. The bill also recognizes that parents of school-age children need child care in order to work and protect the health and safety of children in care.

Food Stamps. The bill removes the annual spending cap on Food Stamps that was included in H.R. 4, preserving the program's ability to expand during periods of economic recession and help families when they are most in need.

Child Nutrition. The bill no longer includes the H.R. 4 provisions for a child nutrition block-grant demonstration, which would have undermined the program's ability to respond automatically to economic changes and maintain national nutrition standards.

Child Protection. We commend the Committee for preserving the open-ended nature of Title IV-E foster care and adoption assistance programs, current Medicaid coverage of eligible children, and the national child data collection initiative.

Supplemental Security Income (SSI). The bill removes the proposed two-tiered benefit system for disabled children receiving SSI that was included in H.R. 4, and retains full cash benefits for all eligible children.

Work Performance Bonus. We commend the Committee for giving states an incentive to move people from welfare to work by providing \$1 billion in work performance bonuses by 2003. This provision is an important element of the Administration's bill, and will help change the culture of the welfare office.

Contingency Fund. The bill adopts the National Governors Association (NGA) recommendation to double the size of the Contingency Fund to \$2 billion, and add a more responsive trigger based on the Food Stamp caseload changes. Further steps the Congress should take to strengthen this provision are outlined below.

Hardship Exemption. We commend the Committee for following the NGA recommendation and the Senate-passed welfare reform bill by allowing states to exempt up to 20% of hardship cases that reach the five-year time limit.

We remain pleased that Congress has decided to include central elements of the President's approach—time limits, work requirements, the toughest possible child support enforcement, requiring minor mothers to live at home as a condition of assistance—in this legislation.

The Administration strongly supports several provisions included in S. 1795, as reported by the Senate Finance Committee. These provisions include: allowing transfers only to the child care block grant, increasing the maintenance of effort requirement with a tightened definition of what counts toward this requirement, improving the fair and equitable treatment and enforcement language, and eliminating the child protection block grant. We urge the Congress to include these provisions in H.R. 3734.

KEY CONCERNS WITH H.R. 3734

The Administration however remains deeply concerned that the bill still lacks other important provisions that have earned bipartisan endorsement.

Size of the cuts. The welfare provisions incorporate most of the cuts that were in the vetoed bill—\$59 billion over 6 years (including the EITC and related savings in Medicaid) over six years. These cuts far exceed those proposed by the NGA or the Administration. Cuts in Food Stamps and benefits to legal immigrants are particularly deep. The President's budget demonstrates that cuts of this size are not necessary to achieve real welfare reform, nor are they needed to balance the budget.

Food Stamps. The Administration strongly opposes the inclusion of a Food Stamp block grant, which has the potential to seriously undermine the Federal nature of the program, jeopardizing the nutrition and health of millions of children, working families, and the elderly, and eliminating the program's ability to respond to economic changes. The Administration is also concerned that the bill makes deep cuts in the Food Stamp program, including a cut in benefits to households with high shelter costs that disproportionately affects families with children, and a four-month time limit on childless adults who are willing to work, but are not offered a work slot.

Legal Immigrants. The bill retains the excessively harsh and uncompromising immigration provisions of last year's vetoed bill. While we support the strengthening of requirements on the sponsors of legal immigrants applying for SSI, Food Stamps, and AFDC, the bill bans SSI and Food Stamps for virtually all legal immigrants, and imposes a five-year ban on all other Federal programs, including non-emergency Medicaid, for new legal immigrants. These bans would even cover legal immigrants who become disabled after entering the country, families with children, and current recipients. The bill would deny benefits to 0.3 million immigrant children and would affect many more children whose parents are denied assistance. The proposal unfairly shifts costs to States with high numbers of legal immigrants. In addition, the bill requires virtually all Federal, State, and local benefits programs to verify recipients' citizenship or alien status. These mandates would create significant administrative burdens for State, local, and non-profit service providers, and barriers to participation for citizens.

Medical Assistance Guarantee. Even after the proposed removal of the Medicaid reconciliation provisions from H.R. 3734, the Ad-

ministration opposes provisions that do not guarantee continued Medicaid eligibility when States change AFDC rules. Specifically, we are concerned that families who reach the 5 year time limit or additional children born to families that are already receiving assistance could lose their Medicaid eligibility and would be unable to receive the health care services that they need.

Protection in Economic Downturn. Although the contingency fund is twice the size of that contained in the vetoed bill, it still does not allow for further expansions during poor economic conditions and periods of increased need. We are also concerned about provisions that reduce the match rate on contingency funds for states that access the fund for periods of less than one year.

State Maintenance of Effort. Under H.R. 3437, States could reduce the resources they provide to poor children. We are deeply concerned that the bill provides the proposed cash assistance block grant with transfer authority to the Social Services Block Grant (SSBG). Transfers to SSBG could lead States to substitute Federal dollars for State dollars in an array of State social services activities, potentially cutting the effective State maintenance of effort levels required for the cash block grant.

Resources for Work. Based on Congressional Budget Office (CBO) estimates, H.R. 3734 would leave states with a \$9 billion shortfall over six years in resources for work if they maintained their current level of cash assistance. Moreover, the Economic and Educational Opportunity Committee increased this shortfall and cut State flexibility by raising the weekly number of hours that States must place recipients in work activities and increasing the participation rates. The Economic and Educational Opportunities amendments would also create a shortfall in child care funding. As CBO has noted, most states would probably accept block grant penalties rather than meet the bill's participation rates and truly refocus the system on work.

Vouchers. The bill actually reduces State flexibility by prohibiting States from using block grant funds to provide vouchers to children whose parents reach the time limit. H.R. 4 contained no such prohibition, and the NGA opposes it. We strongly urge the adoption of the voucher language that protects children similar to that in the Administration's bill and Castle-Tanner.

Worker Displacement. We are deeply concerned that the bill does not include adequate protections against worker displacement. Workers are not protected from partial displacement such as reduction in hours, wages, or benefits, and the bill does not establish any avenue for displaced employees to seek redress.

Family Caps. The House bill reverts back to the opt-out provision on family caps which would restrict State flexibility in this area. The Administration, as well as NGA, seeks complete State flexibility to set family cap policy.

EITC. The Administration opposes the provisions in H.R. 3734 that increase the EITC phase-out rates thereby raising taxes on more than four million low-income working families, with seven million children. In addition, the budget resolution instructs the revenue committees to cut up to \$18.5 billion more from the EITC. Thus, EITC cuts could total over \$2 billion, and such large increases on working families are particularly ill-conceived when considered in the context of real welfare reform—that is, encouraging work and making work pay.

We are also concerned that the bill repeals the Family Preservation and Support program, which may mean less State spending on abuse and neglect prevention activities.

We strongly support the bipartisan welfare reform initiatives from moderate Republicans and Democrats in both Houses of Congress. The Castle-Tanner proposal addresses many of our concerns, and it would strengthen State accountability efforts, welfare to work measures, and protections for children. It provides a foundation on which this Committee should build in order to provide more State flexibility, incentives for AFDC recipients to move from welfare to work; more parental responsibility; and protections for children. It is a good strong bill that would end welfare as we know it. Castle-Tanner provides the much needed opportunity for a real bipartisan compromise and should be the basis for a quick agreement between the parties.

The President stands ready to work with the Congress to address the outstanding concerns so that we can enact a strong bipartisan welfare reform bill to replace the current system with one that demands responsibility, strengthens families, protects children, and gives States broad flexibility and the needed resources to get the job done.

Sincerely,

JACOB J. LEW,
Acting Director.

Mr. FORD. As I have stated, my amendment makes the bill identical to H.R. 4. If we are serious about passing a welfare reform bill acceptable to both the Congress and the administration, why should we allow this bill to be even tougher on children than H.R. 4 which the President vetoed?

Mr. President, the American Public Welfare Association also supports this amendment. I ask unanimous consent that a copy of a June 26, 1996, letter from APWA be printed in the RECORD.

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

AMERICAN PUBLIC
WELFARE ASSOCIATION,
Washington, DC, June 26, 1996.

DEAR SENATOR: As the Senate Finance Committee considers amendments to S. 1795, the Personal Responsibility and Work Opportunity Act of 1996, the American Public Welfare Association (APWA) urges your commitment to increased state flexibility in the design and implementation of welfare programs in light of the promising reform efforts underway in states throughout the country. Listed below are amendments that may be offered during the Committee's consideration of S. 1795. In accordance with the policies adopted by the APWA, we urge your support or opposition to the following amendments:

AMENDMENTS TO SUPPORT

Calculation of Work Participation Rate (Breaux): An amendment to count clients who leave welfare for work in the work participation rate calculation. States would be permitted to count their participation for the first 6 months they are engaged in at least 25 hours of work per week in a private sector job. APWA strongly supports this amendment to credit states with successfully moving welfare clients off welfare and into private sector employment.

Child Welfare Information Systems (Chafee/Rockefeller): An amendment to extend the enhanced match rate of 75% for federal fiscal year 1997 for the statewide automated child welfare information systems (SACWIS). APWA strongly supports continued funding for SACWIS systems which are critical to improving child welfare services.

Title XX Reductions (Rockefeller): An amendment to reduce the proposed 20 percent cut in the Social Services Block Grant

(Title XX) to 10 percent. APWA urges the adoption of this amendment to reduce cuts in the Title XX Block Grant which states use to provide critical supportive work and family services.

AMENDMENTS TO SUPPORT

Contingency Fund (Breau): An amendment to clarify the calculation of state maintenance of effort in the contingency fund. APWA strongly supports this clarification of qualified state expenditures for the purpose of calculating state maintenance of effort.

Contingency Fund (Breau): An amendment to modify the contingency fund to provide that states which access contingency fund during only part of the year are not penalized. APWA strongly supports this amendment to ensure that states do not have their federal match rate for contingency funds reduced if these states only require funds for part of the year.

Child Welfare Services (Chafee): An amendment to retain current law that makes alien children, who do not qualify for AFDC, eligible for IV-E foster care and adoption assistance if they meet the other eligibility requirements. APWA policy supports current law for Title IV-E or its optional block grant proposal for this program. Consistent with this policy, APWA supports retaining this particular provision in current law that has been omitted in the bill.

Five Year Time Limit (Breau): An amendment to provide states with the flexibility to use Temporary Assistance to Needy Family (TANF) block grant funds as in-kind assistance to children of families which have reached the 5 year lifetime time limit.

AMENDMENTS TO OPPOSE

Work Exemption (Conrad): An amendment to exempt single parents with children under age 11 who cannot find child care from the penalties for refusing to meet work requirements. APWA opposes this amendment because it would exempt single adults from work requirements, yet financially penalizes states for failure to meet the bills work participation rates.

Increased Hours of Work (Pressler): An amendment to increase hours of work required per week. APWA opposes this amendment because it fails to provide additional funds for the provision of child care services needed to meet increased hours of work.

AMENDMENTS TO OPPOSE

Decreased Job Search (Pressler): An amendment to decrease the number of weeks job search activities can count towards the work participation rate. APWA supports job search as a valid work activity that should count toward work participation.

Increase work participation rate (Pressler): An amendment to increase work participation rates contained in the bill. APWA opposes this amendment because it fails to provide additional funds for placement, child care and other supportive work services needed to meet increased work participation rates.

Work Participation Rate Penalties (Gramm): An amendment to impose an additional 5 percent penalty on states for consecutive failure to meet the work participation requirements. APWA opposes this amendment to increase penalties on states beyond those contained in the bill.

Work Participation Rate (Gramm): An amendment to limit to one year the exception to the work participation rate calculation for families with children under 1 year of age.

Exemption (Gramm): An amendment to allow states to exempt families with children under 1 year of age from the work requirement, but require that such exempt

families count for purposes of determining the work participation rate. APWA opposes this amendment because it would exempt single adults from work requirements, yet financially penalizes states for failure to meet the bills work participation rates.

Work Requirement (Gramm): An amendment to increase the work requirement on families if they receive federally funded child care assistance by: 1) 10 additional hours a week for a single parents and b) 30 hours per week for the nonworking spouse in a two-parent family. APWA opposes this amendment because it fails to recognize the additional funds required for placement, child care and other supportive work services needed to meet increased work requirements.

Paternity Establishment (Gramm): An amendment to strengthen the requirements for paternity establishment as a condition for receiving benefits, with a state option to exempt as much as 25% of the population. APWA believes states should have the option to impose this requirement, but it should not be a mandate.

Hardship Exemption (Gramm): An amendment to limit the hardship exemption from the five year lifetime time limit to 15 percent from the 20 percent exemption in S. 1795. APWA supports the hardship exemption of at least 20 percent of the entire caseload.

Thank you for your consideration of these APWA positions. If you have any questions, please feel free to contact me or Elaine Ryan at (202) 682-0100.

Sincerely,

A. SIDNEY JOHNSON III,
Executive Director.

Mr. FORD. Mr. President, we can keep the restriction on cash assistance after 5 years, but let us not take a step backward and prohibit all forms of noncash assistance. This prohibition is aimed directly at our children, and I think it is misguided.

If we want a welfare reform compromise, if we want to avoid being unnecessarily harsh on our children, if we want to maximize State flexibility, we should pass this amendment. It is supported by the National Governors' Association, and it makes the bill identical to H.R. 4, which passed the Congress last year. It does not add to the cost of the bill and it promotes State flexibility.

During the conference last year, the Governors lobbied hard for this particular amendment. I know none of my colleagues take these decisions lightly, but I hope you will remember that each one of us will be forever wedded to these decisions. We are essentially providing a road map for the future, the futures of hundreds of thousands of children in this country. Make no mistake about it, 5 or 10 or 15 years from now, when these children have become young adults, you and I must take some responsibility for their successes or failures.

Of course, they will have their setbacks, just like you and me. But let us assure that those setbacks are not set in motion by the decisions we make today. By passing this amendment, I believe one day each of us can look at our future parents, doctors, lawyers, farmers and teachers, taking pride in our role to assure they grew up with a safe place to sleep at night, clothes on

their backs, and food in their stomachs.

If we fail to pass this amendment, the children who become trapped in lives of mediocrity or fall through the cracks to obscurity will belong to us as well.

Mr. President, I ask unanimous consent a letter from my Governor in Kentucky, who is now part of the leadership of the National Governors' Association, supporting this amendment be printed in the RECORD at this point.

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

COMMONWEALTH OF KENTUCKY,
OFFICE OF THE GOVERNOR,
Frankfort, KY, July 18, 1996.

Hon. WENDELL FORD,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR FORD: As the Senate begins its welfare debate this week, I understand you plan to offer an amendment that would allow states to use federal block grant funds to provide non-cash assistance to the children of welfare families, after a family has reached the proposed five-year lifetime limit on benefits. I am writing to offer my full support of that amendment.

Welfare has always been a federal-state partnership and responsibility. The federal government must continue to assist states' efforts to support children of welfare parents. To abandon these children after any amount of time is a horrible breach of this partnership and adds up to nothing but an over-burdensome unfunded mandate on the states. As a nation, we have committed ourselves to protecting the lives and well-being of the innocent. In this case, we are talking about the most innocent of all—our children.

Any welfare reform legislation must include provisions to move recipients to work. I support a tough and responsible approach that makes welfare recipients work and urges them to move off the program. However, any welfare reform must also continue to provide a safety net for those recipients' children. These children have no control over the direction of their young lives.

It is also conceivable that in a span of 20-30 years, a hard working family trying to carry their own weight in our society and provide for their families could fall on hard times during downturns in the economy. It would be particularly unfortunate to punish these families who are attempting to contribute to society but who from time to time need limited assistance.

Therefore, I fully support your amendment to insure the federal government does not shirk its responsibility to our children and lay an inappropriate fiscal burden on the states. You will find that other governors across the nation will also support this action. The National Governors' Association, in a June 26 letter to Congress, expressed its support for the content included in this amendment. Congress should defer to this bipartisan support from the nation's governors. After all, it is we governors who will be charged with implementing any national welfare reform program.

Thank you and please contact me if I can be of any further assistance on this matter.

Sincerely,

PAUL E. PATTON.

Mr. FORD. Mr. President, the Catholic Bishops' Conference supports this amendment. I ask unanimous consent a letter from the Catholic Bishops' Conference in support of my amendment be printed in the RECORD.

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

U.S. CATHOLIC CONFERENCE,
Washington, DC, July 17, 1996.

DEAR SENATOR: The Catholic Bishops' Conference has long suggested genuine welfare reform that strengthens families, encourages productive work, and protects vulnerable children. We believe genuine welfare reform is an urgent national priority, but we oppose abandonment of the federal government's necessary role in helping families overcome poverty and meet their children's basic needs. Simply cutting resources and transferring responsibility is not genuine reform.

As Chairman of the Domestic Policy Committee of the United States Catholic Conference, I share the goals of reducing illegitimacy and dependency, promoting work and empowering families. However, I am writing to you to express our concern about provisions in S 1795, (Senate Budget Committee's Reconciliation report S 1956), which would result in more poverty, hunger and illness for poor children. As the Senate considers this bill, we strongly urge you to support amendments in five essential areas.

(1) FAMILY CAP

We urge the Senate to support efforts to *remove the family cap* which denies increased assistance for additional children born to mothers on welfare unless state law repeals it. See the attached briefing sheet on why the "opt out" is effectively a mandatory cap which the Senate rejected on a bipartisan basis 66-34. We urge the Senate again to reject this measure which will encourage abortions and hurt children.

We believe the so-called "opt-out" provision is, in reality, a federally mandated family cap because it can only be removed by the unprecedented and extreme requirement that both houses of a state legislative pass and the Governor sign a law repealing the federal mandate. The Bishops' Conference's opposition to the family cap is based on the belief that children should not be denied benefits because of their mothers' age or dependence on welfare. These provisions, whatever their intentions, are likely to encourage abortion, especially in those states which pay for abortions, but not for assistance to these children. These states say to a young woman, we will pay for your abortion, but we will not help you to raise your child in dignity.

New Jersey is the state with the most experience with a family cap. In May 1995, New Jersey welfare officials announced that the abortion rate among poor women increased 3.6% in the eight months after New Jersey barred additional payments to women on welfare who gave birth to additional children. This increase is exactly what pro-life opponents of the family cap predicted. A study conducted by Rutgers University also has shown that the New Jersey law barring additional payments to welfare mothers who have more children has not affected birthrates significantly among those women. The study refutes several earlier announcements that birth rates among New Jersey welfare mothers had dropped dramatically since the state implemented the policy in 1992. While state officials recently reported a drop in the birth rate among welfare mothers, officials are wary of linking this decline with imposition of the family cap.

Although these results are preliminary, the abortion increase coupled with the absence of an association between the family cap and birth rates suggest that the policy of denying children benefits doesn't do much to reduce illegitimate births except by increasing abortions.

On a related matter, we support efforts to assure that teen parents are offered the edu-

cation, training and supervision necessary for them to become good parents and productive adults. We also believe that teen parents should be discouraged from setting up independent households and endorsed this approach in our own statement on welfare reform.

(2) NATIONAL SAFETY NET

We urge the Senate to permit states to provide vouchers or cash payments for the needs of children after the time limits have been reached. The Senate bill cuts off all assistance after two consecutive years on welfare and five years in a lifetime, regardless of the efforts of the family or the needs of children.

We support more creative and responsive federal-state-community partnership, but we cannot support destruction of the social safety net which will make it more difficult for poor children to grow into productive individuals. We cannot support reform that destroys the structures, ends entitlements, and eliminates resources that have provided an essential safety net for vulnerable children or permits states to reduce their commitment in these areas. Society has a responsibility to help meet the needs of those who cannot care for themselves especially young children. In the absence of cash benefits, vouchers would provide essential support for poor children.

(3) FOOD AND NUTRITION

We urge the Senate to remove the optional state block grant and reduce the cuts in food stamps. The Senate bill cuts more than \$25 billion in food assistance to poor children and families, permits a state block grant of the federal food stamp program, and cuts single adults (18-50) from food stamps even if they have made every effort to find a job or a training slot.

We cannot support "reform" that eliminates resources that have provided an essential safety net for vulnerable families and children. Over half the cuts in this bill are in the Food Stamp program. These cuts will likely create an even greater burden on children and families when coupled with other changes called for in this bill. The optional food stamp block grant also troubles us. These fixed payments will make it difficult for states to respond to increased need in times of economic downturns.

(4) EARNED INCOME TAX CREDIT

We urge the Senate to reduce the cuts in the EITC. S 1795, as passed by the Finance Committee, includes \$5 billion in EITC cuts, nearly 40% coming from the credit for low-income working families without significant assets. These reductions would affect nearly five million families with children.

We support real welfare reform which leads to productive work with wages and benefits that permit a family to live in dignity. Real jobs at decent wages, and tax policies like an effective Earned Income Tax Credit [EITC], can help keep families off welfare.

(4) LEGAL IMMIGRANTS

We urge the Senate to permit legal immigrants to receive essential benefits and at the very least to receive health care through Medicaid. The Senate bill denies assistance to all legal immigrants in "means-tested programs" (i.e., AFDC, Medicaid, Food Stamps). We urge the Senate to reject this unfair provision and, at least, substitute the less punitive restrictions contained in the recently passed Immigration bill (i.e., permit Medicaid assistance, etc.).

We cannot support punitive approaches that target immigrants, including legal residents, and take away the minimal benefits that they now receive. The provisions in the Immigration and Reform Act of 1995 [H.R.2202] would at least leave fewer families

and children without essential health care and cash supports, even though these provisions go beyond what the bishops would support.

In summary, we urge you to support genuine welfare reform, not this legislation which simply reduces resources and reallocates responsibilities without adequately protecting children and helping families overcome poverty. Without substantial changes, this legislation falls short of the criteria for welfare reform articulated by the nation's Roman Catholic bishops and we urge you to oppose it.

Sincerely,

Rev. WILLIAM S. SKYLSTAD,

Bishop of Spokane,

Chair, Domestic Policy Committee.

Mr. FORD. Mr. President, the Catholic Conference of Kentucky has written a letter endorsing and supporting my amendment. I ask unanimous consent it be printed in the RECORD also.

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

CATHOLIC CONFERENCE OF KENTUCKY,

Frankfort, KY, July 19, 1996.

Senator WENDELL FORD,
Senate Office Building, Washington, DC.

DEAR SENATOR FORD: As you are well aware from previous correspondence with the Catholic Conference of Kentucky, the Bishops have major concerns about the welfare reform legislation which passed the House on Thursday. The United States Catholic Conference Office of Government Liaison has informed staff that the Senate is expected to take this up immediately. On behalf of the Bishops, I'd like to touch upon key issues with you.

The Family Cap, which your voting record has been perfect on, will prohibit states from using federal funds to provide cash assistance to children born to current welfare recipients. The "opt-out" provision is virtually a federal mandatory cap. We ask you to continue to support removing this prohibition on Kentucky's use of federal funds for Kentucky's children.

The Social Safety Net would no longer exist as this bill ends the guarantee of basic assistance to poor children and families. Please support any amendments which would allow Kentucky to meet their needs through continued support either as cash payments or vouchers when they reach the time limit.

The Food Stamp program would experience massive spending reductions. Please support any amendments to remove the optional food stamp block grant and ease the harshness of the provision which terminates food stamps to individuals, 18 to 50 years old, who cannot find work.

Legal Immigrants would be denied benefits when, despite their contributions through work and taxes, they fall on hard times. Please support any amendments which would permit legal immigrants to receive benefits and, at the very least, to receive health care through Medicaid.

We know that the debate will be heated and the rhetoric will flow, but we know that Kentuckians can look to their Senior Senator for balance. Thanks so much for your consideration of these matters and for all that you do for us in Washington, D.C. Please do not hesitate to call if you have questions concerning any of this. See you at Fancy Farm!

Sincerely,

JANE J. CHILES.

Mr. FORD. So, Mr. President, I think this amendment moves us closer to compromise. I urge the adoption of my amendment. As I said earlier, this is

one that ought to be accepted. The distinguished former Governor of New Hampshire, on the floor of the Senate last week said, as it related to the Breaux amendment, he did not like the first half, but the second half of the amendment he liked very much, which is basically the amendment I offered here today.

I yield the floor.

The PRESIDENT pro tempore. The distinguished chairman of the Budget Committee is recognized.

Mr. DOMENICI. Mr. President, as I understand it, nothing we are doing here today precludes us from raising a point of order on this amendment?

The PRESIDENT pro tempore. The Senator is correct.

Mr. DOMENICI. If one lies. We are not sure at this point. We are going to go see if it does.

Mr. FORD. If I may say to my friend, Mr. President, the point of order would lie against the Breaux amendment. But in talking with the Parliamentarian and others, this particular amendment would not have a point of order against it. I hope the Senator would not do that.

Mr. DOMENICI. We are not going to do that unless it lies. If it lies, we will do that.

Mr. FORD. Fine. Let us find out.

Mr. DOMENICI. Let me say, the arguments have been made more eloquently than I can make them. As I understand it, tomorrow, when this matter comes up for a vote, we will each have a minute to respond. I think I will not respond at this point other than to say clearly there are benefits beyond the cash assistance benefit that is being modified here. That program called AFDC, the cash assistance, we are trying to terminate that as a way of life after 5 years. That does not mean that other programs that assist people who are poor, including poor children, are terminated by this bill. So voucher-type programs in the housing area and others are still going to be available.

The question is, Do you want to break the cycle of dependency in this basic AFDC Program at 5 years, or do you want to break that and then start up another one? That is the issue. Do you want to start up a whole new bureaucracy of vouchers and the like, or do you want to break that dependency and get on with changing the very culture of the welfare system.

I think part of that is what this amendment addresses. We will have to decide as a Senate what we want to do about that.

I yield back any time I have in opposition to the amendment at this point. I assume the Senator is going to yield his back shortly, I say to my colleague?

Mr. FORD. Yes, I will.

The PRESIDENT pro tempore. The distinguished Democratic whip is recognized.

Mr. FORD. Mr. President, flexibility by the Governors of the various States,

I think, is very important. Regarding the Governors who will be responsible for this, their association has asked they be allowed to do this without being cut off.

Last week they said this amendment would be unnecessary because States can already use title XX money, the social services block grant, to fund these vouchers. Social services block grant, title XX, is simply inadequate to meet those needs. Title XX has been funded at essentially the same level since 1991. There is a greater demand on these funds today than ever before.

Title XX funds are used to provide—now listen to this—title XX funds are used to provide aid to the homebound elderly. What the opponents of this amendment are saying to States is: Choose between your homebound elderly and your poorest children, but do not expect any State flexibility to use your welfare block grant. That is what they are saying.

I have never seen and heard people being against poor children as I have heard for the last several days. Everyone says to Governors, to whom we want to give flexibility and give this block grant to, that you cannot have flexibility with children. It just does not make sense. I have been a Governor. We have had hard times. My State is one of the States that has not asked for a waiver. Our welfare rolls are down 23 percent. It is because of the economy, basically. We still have about 14 or 15 counties that are in double-digit unemployment. They have problems.

What if we have an economic downturn? We are going to need all the flexibility in the States we can have. But we come here and listen, day after day after day: "There are other programs you can use. You can use title XX," the Republicans said last week. But that is aid to the homebound elderly. Are you going to force a Governor to make the decision between the homebound elderly and our poorest children? Do not expect any State flexibility to use your welfare block grant, Governor.

Title XX block grants are also used for preventing or remedying neglect, abuse, exploitation of children unable to protect their own interests, like preventing or reducing inappropriate institutional care by providing community-based or home-based care, or other alternatives. That is title XX.

Why not give the Governors and the States the flexibility they are asking for? All we are doing is just returning this bill to the same position as H.R. 4, in the last session, that most people on the other side voted for.

Now we say, "Oh, they've got other places." This bill allows States to exempt 20 percent of the welfare rolls, it does not count time spent on welfare as a minor—it allows all these things. But after 5 years, you are through. Period.

If you are going to give them the welfare block grant, they ought to have an opportunity. It is just beyond me, after

you work your heart out to try to eliminate poverty in your State and your counties and your cities and you know what needs to be done, that we say up here, for sound bites—sound bites—we are going to give it back to the States, but we are going to tell the States how to do it. That does not make sense to a former Governor. It does not make sense. If you are going to put the responsibility on my back, if you are going to put the responsibility on a Governor somewhere, give him the ability to make decisions and not strip him of that ability, do not keep him in a box where he cannot reach out and help children.

That is all I am asking for, Mr. President, is the ability of a Governor to have flexibility to use the money that we send to him, and it will be shorter than it is this year. Do not kid yourself about title XX. It has not been increased in 5 years. It is the same amount of money, and we are growing—more people. The percentage of elderly is growing every year, but we are not sending any more money. It is the same amount. It has been level, it has been flat for 5 years, and they say, take it out of title XX, take it out of homebound elderly, and give it to the poorest of children? That is a heck of a choice to give to an individual who has the responsibility of leading his State.

So, Mr. President, I hope that my colleagues will join with me in saying to those Governors out there, "We're going to give you a very heavy load to carry, and that load is trying to work out welfare reform and make it work in your State." Let's not handcuff him or her. Let's give him or her the flexibility to do what is in the best interest, particularly for children.

I yield the floor.

I yield back the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDENT pro tempore. The distinguished chairman of the Budget Committee.

Mr. DOMENICI. I yield back the remainder of my time.

I gather now, under previous arrangements, Senator ASHCROFT is going to offer an amendment. Mr. President, is the Senator ready?

Mr. ASHCROFT. Yes, I am.

The PRESIDENT pro tempore. The junior Senator from Missouri is recognized.

Mr. FORD. Will the Senator yield for 10 seconds? I apologize for this.

Mr. ASHCROFT. No problem at all.

Mr. FORD. Mr. President, I ask unanimous consent that Senator REID be added as a cosponsor of my amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FORD. I thank the Senator from Missouri.

The PRESIDENT pro tempore. The able Senator from Missouri is recognized.

AMENDMENT NO. 4941

(Purpose: To provide that a family may not receive TANF assistance for more than 24 consecutive months at a time unless an adult in the family is working or a State exempts an adult in the family from working for reasons of hardship, and that a family may not receive TANF assistance if the family includes an adult who fails to ensure that their minor dependent children attend school or such adult does not have, or is not working toward attaining, a high school diploma or its equivalent)

Mr. ASHCROFT. Mr. President, I send an amendment to the desk for consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 4941.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Strike section 408(a)(8) of the Social Security Act, as added by section 2103(a)(1), and insert the following:

(8) NO ASSISTANCE FOR MORE THAN 5 YEARS; FOR FAILURE TO ENSURE MINOR DEPENDENT CHILDREN ARE IN SCHOOL; OR FOR FAILING TO HAVE OR WORK TOWARD A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance—

(i) to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government—

(I) for 60 months (whether or not consecutive) after the date the State program funded under this part commences; or

(II) for more than 24 consecutive months after the date the State program funded under this part commences unless such adult is engaged in work as required by section 402(a)(1)(A)(ii) or exempted by the State by reason of hardship pursuant to subparagraph (C); or,

(ii) to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, unless such adult ensures that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside; or,

(iii) to a family that includes an adult who is older than age 20 and younger than age 51 who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent unless such adult has been determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program

funded under this part for purposes of subparagraph (A)(i), the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

(i) a minor child; and

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

(C) HARDSHIP EXCEPTION.—

(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) of this paragraph, or subparagraph (B) of paragraph (1), by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

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

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

(II) sexual abuse;

(III) sexual activity involving a dependent child;

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

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

(VI) mental abuse; or

(VII) neglect or deprivation of medical care.

(D) RULE OF INTERPRETATION.—Subparagraph (A)(i) of this paragraph and subparagraph (B) of paragraph (1) shall not be interpreted to require any State to provide assistance to any individual for any period of time under the State program funded under this part.

Mr. DOMENICI. Mr. President, I say to the Senator from Missouri, do we have a copy of the Senator's amendment?

Mr. ASHCROFT. The Senator will be pleased to send a copy of the amendment to the Senator from New Mexico.

The Senator from Missouri inquires, should we be operating under a time agreement here?

Mr. DOMENICI. We do not have to. I know of no other Senator prepared to offer an amendment. Take as much time as you like. You are entitled to an hour.

Mr. ASHCROFT. I am sure we will be able to accomplish what we need to accomplish in substantially less time.

Mr. President, thank you for this opportunity to offer an amendment. I believe that it is important for us in this Congress, and in the bill which is before the Senate, to change the character of welfare. That is the challenge which is before us. We have to change a system which has provided people with a condition—a condition of dependence, a condition of relying on others, a condition which has been a trap—and we need to change welfare from being a condition to being a transition.

The welfare situation should be a time when we prepare ourselves for the next step in our lives, when we prepare

ourselves to be out of dependence and out of reliance on others, we prepare ourselves to be industrious, to be independent and reliant upon ourselves.

Welfare cannot be something that is a lifestyle. It has to be something that is just for a while. It has to be something that moves us forward. I believe there are fundamental components of this bill which will do that, but we can enhance them substantially in their capacity to change the character of welfare, to change it from a way of life, to change it to a way of escape, to change it from a lifestyle, to change it to being a transition, to change it from a condition to being a transition.

Mr. President, according to Senator MOYNIHAN, the average welfare recipient spends 12.98 years on the rolls. That is a substantial and monumental waste of human resource. We have individuals who are reliant, who are dependent, whose level of contribution and productivity in our culture is very, very, very low, and that 12 years is a teaching time as well as a time of existence.

Unfortunately, that 12 years becomes a time when young people are taught dependence instead of independence. They are taught reliance on Government instead of self-reliance.

One of the things we should ask ourselves about everything we do in Government is: What does it teach? What does it reinforce? What basic principles and values are advanced by it? And a welfare system that provides for 12.98 years as the average time a welfare recipient spends on the rolls—what about those that are on there longer? This is not teaching something that is valuable to our culture. We need to be reinforcing, providing incentives for support for a system that does not institute a condition for life, making a career of welfare, but energizes a transition for life, leaving welfare and going to work.

The 12.98 years is reflected in the fact that we have had soaring rates in the kind of social conditions that intensify the challenge and the condition of welfare—a 600-percent increase in illegitimacy over the last three decades. I think we can agree that the welfare system we now have is a miserable failure, but if we do not build into this system things to change the outcomes, we are going to end up with the same problems just being tougher and tougher to solve.

Industrialist friends of mine tell me that whatever system you have, you can be assured that it is perfectly designed to give you what you are getting, and if you do not like what you are getting, you need to change the system.

This welfare bill that we are debating today will shorten the time from 12.98 years down. It will limit most welfare recipients to a 5-year lifetime limit on temporary assistance to needy families.

The big challenge of the 12-year problem is, What kind of habits do you build in 12 years?

I suspect that if you involve yourself in a routine for 12 years, it is very difficult ever to break that routine. Sociologists tell us, if you want to lose weight—that is one of the things I want to do—they say you have to change your habits for about 6 or 7 weeks in order to have a new habit of diet, a new way to consume food. We are talking about changing habits that people have hardened for 12.98 years on average.

One of the problems I have is that we have said we are going to change this by shortening the time period to 5 years. Well, 5 years will build a habit which is so strong that it is almost impossible to break. I think we need to find a way to restructure the system so that everyone looks at that 5-year period as if it is an insurance policy and they do not want to take any more out of that bank of 5 years than they need to at the moment because there might come a time sometime later in life when they would have a desperate need for assistance. I believe that is what we need to do.

So we need to help people understand that there is 5 years. That is a lifetime limit. You should only draw from that savings account or reserve for emergencies what you desperately need and not use that 5 years as a way to create the habit of dependence which will be almost impossible for you to break.

But this bill would allow for most individuals 5 years—5 years—without work. Five years without work would build such a habit that I believe we would nearly disable the individuals, as we have with our current system.

I was stunned when I read in one of my home State papers last year that there was an experiment under a waiver granted by the Federal Government where they invited 140 welfare recipients to show up at a Tyson Foods plant. Only half of them showed up for work. They were invited to come in to look for a job. Of the half that showed up, only 39 accepted jobs. Of the 39 that accepted jobs, fewer than 30 were on the job a week after.

See, what we have done is we have built habits. We have established a condition for welfare. We do not have welfare as a transition, as a place of movement; it has become a place of repose. I believe we need to change that. For us to say that, even under this bill, which is a significant reform, for us to say that we would allow people to have 5 straight years without work, where your self-esteem or your skills, your motivation would atrophy, would wither—if you do not use a muscle for 5 weeks, it gets weak. If you do not do not use it for 5 months, it almost disappears. If you do not use it for 5 years, it is gone.

We have here the most important muscle in human character—self-esteem, skills, motivations. We are still providing in this bill that for as long as 5 years you can simply be there not working. The bill, as it stands, requires 15 percent of the unexempted popu-

lation to work in the first year period, and 25 percent in the second year period—25 percent. That is one out of four. So for three out of four, they could go right by the first 2-year period and not even be involved in work.

I believe, though, as a result of this, that welfare recipients, other than that 25 percent who actually went to work, could just choose to coast along for the full 5 years of benefits with no additional incentive to get a job. I think that is where this bill needs correction. It needs dramatic correction.

I propose to amend this welfare bill to allow welfare recipients, able-bodied welfare recipients without infant children, to collect only 24 months of consecutive temporary assistance-to-needy-families benefits. At the end of those 2 years, if the recipient still refuses to work, I say, cut the benefit. What this really does is not result in cut benefits; this results in more people being willing to work.

Instead of saying to an individual who gets on welfare, if you work the system, you can last for 5 years, create the habits of reliance, create the habits of repose, reject the habits of industry and work; this would basically say, you better get to work, learning to get a job right away, because after 2 years, in spite of the fact that there is a 5-year lifetime limit, there is a 24-month consecutive receipt-of-benefit limit for able-bodied adults without infant children.

If a welfare recipient then decides not to work in the 2-year time span, the payment would cease. By doing this, we simply hope to inject a concept which is too novel which ought to be commonplace. That is the concept that work is beneficial and that it pays better and is better than welfare. Otherwise, we are simply going to be tempting people to stay on and approximate, or approach at least, as much as they can of the 12.98 years of time on welfare, which is now a debilitating and disabling influence in the American culture for too many Americans.

Our intention is to leave the time period between any times you consume your 24 consecutive months total up to the States, so that recipients could not leave the welfare rolls and sign up again a week later. I think States could make these judgments about what kind of interval that would be needed between the 24-month periods. Our central point, our responsibility here, is to say that we want to provide as part of the structure of our reform the energy to change, legislation that changes welfare from being a lifestyle to being a transition. We want to start to energize a commitment on the part of recipients to make the changes in the way they live so that they avoid prolonged exposures to the welfare system and find themselves at an earlier time being capable of sustaining themselves.

We want welfare recipients to look at this 5-year period as a lifetime cushion, not to be consumed in the first need or

the second need, hopefully never to be consumed. Our objective should be that no one ever bumps the 5-year limit. Our objective should be that we energize people to go to work so quickly and so enthusiastically that they maintain their reserve to the day they die.

Permitting able-bodied welfare recipients to remain on assistance for a straight 5-year-long block of time simply would reinforce, reteach, perpetuate, and underscore the current cycle of dependence. We need to stop this cycle of dependence, not just for individuals, but for what it teaches to our children. Welfare has become an intergenerational phenomenon, where people are on so long that their children grow up knowing only one lifestyle—it is welfare. By limiting the uninterrupted block of time that welfare recipients remain on the rolls, we will reduce the level of dependence on government assistance.

Welfare can be habit forming, and has been habit forming. It can be addictive. It can be destructive, and it has been. We need to take the structural components of the welfare system, which are dehumanizing, demeaning and disabling, out of the system. We need to energize each individual to view welfare as transitional. We should do that by saying there can be no more than 24 consecutive months on welfare for any able-bodied individual without infant children, unless they will work.

I just indicate that on Tuesday of this last week President Clinton ordered that in case we do not pass welfare reform in the next few months, the Department of Health and Human Services will give States the power to cut off benefits if an able-bodied adult refuses to work after 2 years. This is not a Draconian message. This is a message and this is a concept called for by the President of the United States.

For us to deliver a welfare system back to the American people which reinforces, underlines, and strengthens the bad habit of long-term dependency would not only be an affront to the American people, but it would be our failure to respond to a President who has asked us to do much better. There is something much better that we should be doing, and something we can do. If we want to break the long-term aspects, the intergenerational aspects of welfare, we have to be a part of this teaching idea in a real way.

When I was Governor of the State of Missouri and I had the great privilege of serving the people of my State, we came to Washington to ask for a waiver, a waiver from the regulations of the Federal Government. The waiver was simply this: We said, please give Missouri the right to say to welfare recipients, if you do not make sure your kids are in school, you will not get your full benefit. It was a way of saying welfare is not a place where you can throw responsibility to the wind. It was a way of saying, if you are a parent, you have to be responsible for at least some fundamental basic things, like getting

your kids to school, because we do not want your kids to stay at home and learn welfare, we want your kids to go to school and learn how to be productive. We were able to get that waiver. The program was called People Attaining Self-Sufficiency, PASS. PASS had some reference to school. We wanted kids to pass in school by having good attendance.

I think there is another part of the structure of welfare reform that we should embrace as we send the bill to the President of the United States. We should not have to have States coming to Washington, waiting 2 or 3 years, filling out enough paperwork to choke a horse in order to have the privilege of saying to people, "We expect you to make sure your kids are in school or we are not going to make sure your check is in the mail." It is that simple. It is very fundamental. If you are on welfare, your kids should be in school, because it is especially important to break the intergenerational chain of dependence. Part of this measure is to make sure we say to the individuals, "You have some responsibility."

Another important concept of this amendment is that it would allow States to require temporary assistance to needy families and food stamp recipients to either have a high school education or work toward attaining a high school education. It is my judgment that it is not very realistic to say to people, "We are sending you to work, but you do not have to have the kind of fundamental and basic skills that come from education." I am not talking about worker training here, I am talking about education. I am talking about the fact that an educated person can read the manual and train himself or herself. I am talking about the fundamental responsibility of culture, not the responsibility of a business to train people to do its business. I am talking about the fundamental responsibility of a culture to train its citizens by way of education.

Education is different, really, from training. Education is the basis upon which training builds. A person who cannot read or write will have a hard time, no matter how much training she gets. I believe if a person is going to be receiving this assistance that we need to say to them, "You are going to have to invest in yourself to the extent of having a high school education or a general equivalency diploma. The truth of the matter is you have a responsibility, and you have to be prepared to meet that responsibility."

As a matter of fact, this is a far more important thing than it has ever been before, because once we put a time limit on these matters, we need to energize people to be ready in order to fend for themselves when the time limit has expired. I hope we will have a 2-year time length on consecutive months of benefits, 24 months, and I believe in a 5-year lifetime benefit, as well. With that in mind we will have to make sure that people can fend for

themselves at the expiration of that time.

Mr. President, I reserve the balance of my time, but I am happy to yield back my time on the amendment when all time is ready to be yielded back.

Mr. LEAHY. Mr. President, I see the distinguished chairman of the Budget Committee on the floor; is he seeking recognition?

Mr. DOMENICI. I wondered who on the Democratic side was going to oppose this amendment.

Mr. LEAHY. Mr. President, I was going to make a general statement. I will be introducing an amendment later. I was going to be making a short but general statement, if there is no objection to that.

Mr. DOMENICI. Mr. President, might I ask staff, perhaps they could confer with Senator LEAHY.

Is there somebody on your side that wants to respond to this amendment?

Mr. LEAHY. Mr. President, I say to the distinguished Senator from New Mexico, I came to the floor because there was not anybody on the floor at this moment. I notice there that have been some quorum calls. I thought rather than hold up anything later on, as I would take probably less time than it would take now in discussing this, if I could just make a couple of comments about the nutrition aspects of the reconciliation bill.

Mr. DOMENICI. Mr. President, I have no objection if the distinguished Senator from Missouri has no objection to temporarily setting this aside while the Senator from Vermont proceeds.

Mr. LEAHY. Mr. President, I wish to speak just briefly on matters involving nutrition aspects of the reconciliation bill. I will, later on, have amendments in that regard. It seems like this was a good time to speak.

Mr. DOMENICI. Mr. President, we need not set anything aside, but give him unanimous consent to proceed on a matter not related to this amendment.

The PRESIDING OFFICER (Mr. MCCAIN). The unanimous-consent request by the Senator from New Mexico is agreed to, and the Senator from Vermont is recognized to speak.

Mr. LEAHY. I thank my distinguished friend from New Mexico, the distinguished Presiding Officer from Arizona, and the distinguished Senator from Missouri.

Mr. President, my message today is very simple—my concern is that the nutrition cuts in the reconciliation bill are going to make children go hungry if they are allowed to stay as they are.

At the beginning of this Congress, I attacked some of those people with the Contract With America crowd because they wanted to repeal the School Lunch Act, at that time in the name of balancing the budget. I also attacked them because they wanted to repeal the school breakfast program and then they wanted to repeal the summer food service program. I am not sure why they did that, but it was interesting to see how the American public reacted. They reacted with outrage.

Now I am afraid that the same American public is being fooled, because these nutrition cuts are now being made in a reconciliation bill. The same nutrition cuts that could not be made frontally are going to be made indirectly in the reconciliation bill.

It appears to me that the Contract With America crowd has totally abandoned its effort to balance the budget. Now they will settle for just taking food from children. The amendment to strike Medicaid without an offset means that senior citizens vote, but it shows they understand that children do not vote. If children could vote, there is no doubt in my mind these nutrition cuts would not be in this bill. In fact, if children could vote, the nutrition cuts that cut the school lunch, school breakfast, and summer reading programs would not even be attempted.

Nationwide, the nutrition cuts will take the equivalent of 20 billion meals from low-income families over the next 6 years. Children do not have political PAC's. Children do not vote. But now we find out what happens, children are the ones that will be hurt by these cuts.

If these cuts had something to do with balancing the budget, or were part of a larger effort to balance the budget, that would at least provide some justification. These programs that the Republican majority propose in child care food programs, these cuts hurt preschool-age children in day care homes in my home State of Vermont and in the rest of the Nation. Families with children will absorb at least 70 percent of the food stamp reductions. The impact on Vermont will be significant. The average food stamp benefit will drop to 65 cents per person per meal. Defy anybody to eat at 65 cents per meal. I think parents will have a very difficult time feeding hungry children on a 65-cent budget. I remember my three children when they were going up could eat you out of house and home. They certainly could not be fed on 65 cents a meal.

Most of these food stamp cuts are done cleverly. There is \$23 billion that comes from provisions that alter the mathematical factors and formula used in computer software, so nobody sees or figures it out. But the end result is there are lower benefits for children.

Children will go hungry because new computer programs are used. These hungry children will not even know they have been reformed; neither will their parents. All they will know is they are going to be a lot, lot hungrier once the computers turn on.

Over 95 percent of the cuts in nutrition programs are unrelated to welfare reform. Most cuts are simply implemented by computer software. I do not know how that represents reform—unless somebody feels that a computer can think and feed and knows hunger, and a computer can recognize hungry children.

In fact, in a couple of years, hunger among Vermont children will dramatically increase under this bill. As it is

now written in the nutrition areas, it is antifamily, antichild, it is mean-spirited, and it is really beneath what a great country should stand for. It takes food from children, and it does virtually nothing to reform or improve nutrition programs. In fact, it is not even an attempt to balance the budget, so we can at least say we are doing that for the children in future years.

A lot of talk was made last year about the Contract With America and about how the budget will be balanced with real cuts. I said at that time that I did not think the people who were "talking that talk" would "walk the walk" by making the real cuts. I was right.

That net result of this Congress will be that the Agriculture Committee baseline is greatly reduced, and that other committees will get away without contributing a penny, let alone their fair share, toward balancing the budget. But what that means is, when it works its way down, it works its way down to children. Why? As I said before, children do not vote, children do not contribute to PAC's, children do not hire lobbyists, children do not get involved in campaigns. So children will go hungry. It is as simple as that. Everybody else gets protected.

The distinguished chairman of the Budget Committee was on the floor here a minute ago. I remember when he came before the Agriculture Committee in 1990. He called the Food Stamp Program "the backbone of our way of helping the needy in this country." I agreed with Senator DOMENICI when he said that. But now that backbone is being broken in this bill. In a couple of years, there will be a stream of news stories about hungry children standing in lines at soup kitchens, because over 80 percent of food stamp benefits go to families with children.

Let us not have a bill that punishes children because they cannot vote. Let us do what the distinguished Senator from New Mexico said in 1990. Let us remember our children. Let us remember the Food Stamp Program, which, as he said so eloquently, "is the backbone of our way of helping the needy in this country."

So, Mr. President, I will have amendments later on to improve this, unless improvements are made before that time. I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I understand that the Democratic side will have no one responding to the Senator from Missouri. If the Senator finishes, he can yield back the remainder of his time, and we will ask that they yield back any time they have, and the Senator's amendment will be final, unless the point of order lies, and the Senator will have time tomorrow to explain it.

I appreciate the comments of the distinguished Senator from Vermont. I say, however, that statements I made with reference to food stamps should

not mean that the Senator from New Mexico does not think that, from time to time, we must look at the program, because it is frequently abused and abused in many ways. We have lent ourselves to some of that abuse by the way we have written the law.

I know we are setting about in this bill to reform food stamps and make sure that it is less fraudulently used. But I wanted to make sure that my entire thoughts about it, as I went before the committee in 1990, are at least here in principle in the RECORD today.

Mr. LEAHY. If the Senator will yield on that point, would the Senator from New Mexico agree with me that the Food Stamp Program, properly used, can be of extreme benefit to low-income children.

Mr. DOMENICI. There is no question about it. We do not have a better program—

The PRESIDING OFFICER. I admonish both Senators to observe the rules of the Senate. You must address each other through the Chair.

Mr. LEAHY. I believe I had, Mr. President. I believe I asked if the Senator would yield so I might ask him a question.

The PRESIDING OFFICER. But the Chair did not rule. Without objection, the Senator from Vermont is recognized to ask a question of the Senator from New Mexico.

I think the Senator from Vermont knows the rules.

Mr. LEAHY. Mr. President, I repeat my question to the Senator from New Mexico. Would he not agree that the food stamp proposal, properly used, is extremely helpful in feeding low-income children in this country?

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I was going to respond to the question.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Certainly, I agree. I do not know that we have found a better way, yet, even with all of its faults, to get nutrition into the hands of the poor. I repeat that, however, I think the Senator from Vermont knows that no matter how good it is, it is frequently abused. We sometimes "right it" in ways that make it subject to being abused more so. I only wanted to make that comment. I agree that we have not yet found a better way. Cash benefits do not seem to work as well because, indeed, they are not used for nutritional items. If we keep a tight grasp on making sure they are not fraudulently traded and they are used for nutrition, we do not have anything better yet that I am aware of.

Mr. LEAHY. Mr. President, my point is that we have seen some great changes in the Food Stamp Program, some very significant improvements, over the years. We have seen other improvements that we wait to come forth, like the use of electronic benefit transfer.

I have been very proud to work very closely with the now chairman of the

Senate Agriculture Committee and, before that, the ranking member of the Senate Agriculture Committee, the senior Senator from Indiana, in making these improvements. They have saved a lot of money. I also point out that the Food Stamp Program is extremely important.

During the last administration, 40,000 to 45,000 people were added every single week in the 4 years President Bush was President—40,000 to 45,000 every single week for 4 years were added. That is, in over 200 weeks they were added to the food stamp rolls.

Let me just remind my friend from New Mexico and others about this. When we talk about whether this program is utilized in a Republican or Democratic administration, it is a program for everybody. During the Bush administration, every single week, because of the way the economy was, 40,000 people were added, at the taxpayers' expense, to the food stamp rolls.

We have been fortunate with the efforts to balance the budget and improve the economy, and since President Clinton came in, 2 million people have been able to drop from the food stamp rolls, as compared to 40,000 people a week being added in the 200 weeks during the past administration. Two million people have now been taken off in this administration. That is good news for the economy and good news for the taxpayers. But it also points out that in both Democratic and Republican administrations, we should be protecting the Food Stamp Program.

Reform it? Yes. My point is, of course, that a computer program that simply cuts children off without reform is not reform. We should be willing to stand up as legislators and make the tough decisions on how to reform the Food Stamp Program, and not simply say to a computer program: Here, you do it. We cannot totally cut off children because they do not vote, they do not contribute, and they are not part of the political process. They will never complain.

We will not touch anything in areas of senior citizens, or anybody else, because they do vote and they do complain. By golly, those children—tough. Go hungry.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. HATFIELD). Who seeks recognition?

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Thank you, Mr. President. I will make a few remarks about the amendment which I proposed.

I want to reinforce again the concept that we need to change the character of welfare. We need to change welfare from being a condition in which people exist to being a transition from dependency—not only from dependency but long-term dependency—to independence, to work, to growth, and to opportunity. If we are going to do that,

we should not acquiesce to a 5-year limit which allows people to go onto welfare and just get on it and stay for 5 years without doing anything. We should require of individuals—or at least provide that States require of individuals—that a number of things be done.

One, we should say no longer can you stay on welfare for more than 24 months in any one stretch without going to work or preparing for work by taking work training and getting an education.

Second, we should say never can you stay on welfare if you do not fulfill your responsibility to send your kids to school. If you are going to be on welfare, your kids ought to be in school. Children who are in school are less of a burden to individuals on welfare than children who are allowed to stay home or otherwise avoid their responsibility.

Third, if we expect people eventually to become self-reliant in their own setting, we are going to have to ask those individuals to have fundamental educational qualifications as well. In my judgment, that is the reason we ought to allow States to require that individuals who are seeking to continue to receive welfare benefits either have or be in the process of attaining the kind of educational qualifications that would come with a high school diploma or a GED.

Mr. President, I ask unanimous consent that all time be yielded back on the amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 4942 TO AMENDMENT NO. 4941

(Purpose: To provide that a family may not receive TANF assistance for more than 24 consecutive months at a time unless an adult in the family is working or a State exempts an adult in the family from working for reasons of hardship)

Mr. ASHCROFT. Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri (Mr. ASHCROFT) proposes an amendment numbered 4942 to amendment No. 4941.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

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

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

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

for 60 months (whether or not consecutive) after the date the State program funded under this part commences. However, a State shall not use any part of such grant to provide assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government for more than 24 consecutive months unless such an adult is—

(i) engaged in work as required by Section 402(a)(1)(A)(ii); or,

(ii) exempted by the State from such 24 consecutive month limitation by reason of hardship, pursuant to subparagraph (C)."

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

(i) a minor child; and

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

(C) HARDSHIP EXCEPTION.—

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

(ii) Limitation.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

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

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

(II) sexual abuse;

(III) sexual activity involving a dependent child;

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

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

(VI) mental abuse; or

(VII) neglect or deprivation of medical care.

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

Mr. ASHCROFT. I ask unanimous consent that all time be yielded back on the amendment.

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

AMENDMENT NO. 4943 TO AMENDMENT NO. 4941

(Purpose: To provide that a state may sanction a family's TANF assistance if the family includes an adult who fails to ensure that their minor dependent children attend school)

Mr. ASHCROFT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri (Mr. ASHCROFT) proposes an amendment numbered 4943 to amendment No. 4941.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. DOMENICI. I object. I do not know what the amendment is.

Mr. President, I no longer have an objection, if he would renew his request. I understand what he is doing now. I did not understand. I do now.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In the language proposed to be inserted by the amendment, strike all after the first word and insert the following:

SANCTION WELFARE RECIPIENTS FOR FAILING TO ENSURE THAT MINOR DEPENDENT CHILDREN ATTEND SCHOOL.—

(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult fails to ensure that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside.

Mr. ASHCROFT. Mr. President, I send an amendment to the desk.

Mr. DOMENICI. Mr. President, without the Senator losing his right to the floor, might I ask unanimous consent to have the privilege of the floor to ask a question of the Senator?

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

Mr. DOMENICI. Is it the purpose of the amendment—it is perfectly legitimate and proper—to make sure that there is no second-degree amendment offered to the Senator's amendment?

Mr. ASHCROFT. That is correct.

Mr. DOMENICI. I believe I have authority from the other side. If the Senator wants to propose a unanimous consent request that there be no second-degree amendment, it would be granted. Does the Senator prefer not to do that?

Mr. ASHCROFT. Yes. I would prefer to have the amendment.

AMENDMENT NO. 4944 TO AMENDMENT NO. 4941

(Purpose: To provide that a state may sanction a family's TANF assistance if the family includes an adult who does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent)

Mr. ASHCROFT. Mr. President, I send an amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri (Mr. ASHCROFT) proposes an amendment numbered 4944 to amendment No. 4941.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In the language proposed to be stricken by the amendment, strike all after the first word and insert the following:

REQUIREMENT FOR HIGH SCHOOL DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who is older than age 20 and younger than age 51 and who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent unless such adult has been determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

Mr. ASHCROFT. Mr. President, there are three basic thrusts that are undertaken in these amendments. They are the conversion of a system from being a system of conditioning people to be dependent to transitioning people to be at work.

The first thrust is that we would have a 24-consecutive-month limit on welfare for those who refuse to work or get training at the end of the 24 months. It seems to me that is something that the President of the United States called for last week and which we ought to have.

The second component of this strategy is to say that those who are on welfare should have their children in school. It is not something that is unknown or mysterious. The fact of the matter is that high school dropouts average \$12,809 a year, a poverty-level standard of living for a family of three. For an individual who has a high school degree, the average is \$18,737, a 46-percent higher income than the average for dropouts.

Half of those arrested for drug violations in 1995 did not have a high school diploma. And the preponderance of all crimes, 40 percent of all crimes, were committed by those who did not finish high school. It is time for us to ask those who are involved in the welfare system by way of receiving benefits under temporary assistance to needy families to make sure that their children are in school.

A high school degree is a key to escaping from the welfare trap. Statistics show that it keeps kids out of jail. Every parent has a principal and primary responsibility to make sure their children receive the kinds of fundamentals that will allow them to fend for themselves. Every child can attend school in America. Every child can earn a high school diploma. It costs nothing but commitment and responsibility. Too often this opportunity is ignored—even trashed. Teens drop out of school, grade school, or skip classes. This is a tragic waste of a precious resource, one on which our culture must rely.

All of our Government institutions should do everything possible to ensure

that children go to school and earn a degree. Government should certainly not be paying parents to let their kids play hooky and skip school. If you are on welfare, your kids should be in school. Parents should not be co-conspirators in perpetuating their children in a lifetime on and off of welfare, in and out of minimum-wage jobs, and irresponsibility. Children must go to school in order to break the cycle of dependency, to change welfare from being a long-term condition into being a transition.

The amendment that I propose allows States—I repeat, allows States—to sanction welfare recipients of the temporary assistance to needy families that do not ensure that their children are attending school. It also allows States to sanction food stamp recipients who do not send their children to school. Children who graduate from a welfare system should be armed with a degree rather than with a habit of dependence. It is the key to self-reliance and success.

We have watched, as the Nation has watched, the Olympics. We need our full team on the field whenever we play. Even “The Dream Team” would have a tough time if they did not have the entire capacity of the team available as a resource. And yet we allow our citizens sometimes to ask for our help and to persist in receiving it without equipping themselves, without making a commitment to themselves. The last component of my amendments is really a way of saying if you are going to be on welfare, you have to have or be working toward a high school diploma so you can work for yourself and help yourself.

It is no mystery. States may require that temporary assistance to needy families and food stamp recipients work toward attaining a high school diploma or its equivalent as a condition of receiving welfare assistance. This requirement would not apply if an individual was determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to attain a high school diploma or GED.

During the debate this year in the Senate, Senator SIMON once said, “We can have all the job training in the world, but if we do not face the problem of basic education, we are not going to do what we ought to do for this country.”

I cannot agree more with that statement. It does not pay us to provide job training upon job training upon job training when welfare recipients have not achieved proficiency in the fundamental underlying skills of mathematics, English, and reading which provide people with the tools to benefit from job training and to assimilate changes in the job market. We do not have jobs and crafts that do not change. They all have new processes and new procedures. As technology marches on, it is important to make sure that individuals cannot only get

the right kind of job training but they possess the fundamental characteristic of being educated in order to be able to take advantage of job training when it comes along.

A person over 18 without a high school diploma averages \$12,800 in earnings; with a high school diploma, \$18,700 in earnings. A \$6,000 difference is the difference between dependence and independence, the difference between self-reliance and reliance on Government. The U.S. Sentencing Commission determined that 40 percent of the individuals who commit crimes are individuals without high school diplomas. The Commission also found that these individuals are responsible for 50 percent of all drug violations. If people are going to receive welfare benefits, they should at least be working toward the fundamental equipping, enabling, freeing achievement of having a high school education.

Mr. President, I would be pleased together with the opponents of this amendment on the other side of the aisle to yield back the remainder of the time.

The PRESIDING OFFICER. The Senator has yielded back the remainder—

Mr. DOMENICI. Mr. President, I need somebody from the other side of the aisle to yield back their time or we cannot proceed with any other amendments.

Mr. CONRAD. We are willing to yield back the time on this side.

The PRESIDING OFFICER. All time has been yielded back.

Mr. DOMENICI. Mr. President, pursuant to the previous understanding, I believe the distinguished Senator is entitled to offer his amendment at this point.

AMENDMENT NO. 4945

(Purpose: To expand State flexibility in order to encourage food stamp recipients to look for work and to prevent hardship)

Mr. CONRAD. Mr. President, I would call up my amendment that is at the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself and Mr. LEAHY, proposes an amendment numbered 4945.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 6, strike lines 14 through 16 and insert the following:

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking “21 years of age or younger” and inserting “19 years of age or younger (17 years of age or younger in fiscal year 2002)”.

On page 21, line 3, strike “\$5,100” and insert “\$4,650”.

On page 49, line 3, strike “10” and insert “20”.

On page 49, line 12, strike “1 month” and insert “2 months”.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank the Chair.

I am joined in this amendment by my colleague from Vermont, Senator LEAHY, the ranking member of the Senate Agriculture Committee. This amendment addresses a serious problem with the food stamp provisions of the welfare bill that is before us now.

As I describe our amendment, I would like to bring my colleagues' attention to the chart beside me and the number 600,000 because that is the impact of the food stamp provisions before us; 600,000 Americans will lose eligibility each month under the provision that is in the bill before us.

The 600,000 estimated by the Congressional Budget Office is to be the number of people who would be terminated from the Food Stamp Program in any given month because they are unable to find a job within the 4-month time limit provided for in this legislation. Our amendment insists on work, and that is as it should be. But it promotes State flexibility by giving States an option to assist people who would otherwise be at risk of going hungry. Our amendment achieves these goals in two ways. First, the amendment would expand the State option to exercise a hardship exemption. The amendment increases the hardship exemption from 10 percent to 20 percent of the eligible population and makes it consistent with the AFDC block grant.

Simply stated, we are allowing States, instead of being able to declare 10 percent of their eligible population hardship cases not bound by the 4-month limit, to increase that at State option to 20 percent.

Second, the amendment allows States to count job search as work for 2 months instead of the 1 month provided in the bill before us. I want to be clear to my colleagues that the cost of this amendment is fully offset over the 6-year budget period. The Agriculture Committee will still be in full compliance with its budget reconciliation target.

Mr. DOMENICI. Will the Senator yield?

Mr. CONRAD. I would be happy to yield to my colleague if we do not have an interruption.

Mr. DOMENICI. I want to use my time.

Mr. President, in behalf of the distinguished chairman of the Agriculture Committee, I understand the amendment offered by Senator CONRAD allows States to exempt up to 20 percent of the able-bodied 18 to 50-year-olds from the work requirement and allow up to 2 months of job search per year to count as work.

Mr. CONRAD. That is correct.

Mr. DOMENICI. I believe the Food Stamp Program should have a strong work requirement as the Senator has indicated. I am now speaking in behalf of the chairman of the Agriculture Committee. Senator LUGAR understands the Senator's concern about the individuals who are willing to work may be unable to find a job due to cir-

cumstances beyond their control. Senator LUGAR continues on that in behalf of the Agriculture Committee, he finds the offsets acceptable and the amendment acceptable.

So at this point I want the Senator to know I am going to yield back all the time we have in opposition and indicate for the RECORD we are willing to accept the amendment.

Mr. CONRAD. I appreciate that from the able manager of the bill. I will just proceed briefly to outline the rationale for the amendment and then yield back our time as well.

Mr. President, everybody here agrees that work is important and that food stamp benefits should be temporary. But the work requirement provision in the pending welfare bill would have the unintended effect of preventing people who want to find work from securing a job. How can my colleagues seriously argue that people can be expected to find a job, to sit through an interview when they have not eaten? It does not work. I understand and support the work ethic in America, but I also believe our society has achieved a level of decency where we will not deny food assistance to people who have been unable to find a job in just 4 months.

The reason I felt it was important to offer this amendment is I have dealt with people who are in this exact circumstance. I remember very well a young fellow who worked construction in my State—very frankly, not the smartest guy in the world, and he had a hard time finding work, but he was able to work construction. He was a strong kid and he was able to work in that way. But the construction season in my state is not very long. You are lucky if you can be in construction 6 months out of the year in North Dakota some years.

This young fellow would work during the construction season, which usually starts in April in North Dakota, but come winter, November, the construction season ended. He was not able to find additional work. And I tell you, he came from a family that had next to nothing. He had next to nothing, lived in a very modest basement apartment, and that fellow needed some help during the winter to eat. That is just the reality of the circumstance.

Under this legislation, after 4 months, that guy would not get any help. Is that really what we want to do in America? Is that really what we want to do? We want to say to somebody, if you cannot find a job in 4 months, you do not get any food assistance? Is that what we have come to in this country? I find that hard to believe.

I really must say to my colleagues, if that is where we are, then something is radically wrong in this country. America is better than that. We are a wealthy nation, with a rich and abundant food supply. We should not knowingly adopt a national policy which promotes hunger. Certainly we should promote work, but not cut people off

from food if they have not been able to find a job in 4 months. This amendment gives States the option to provide food for people who are unable to find a job within 4 months, at least 20 percent they can exempt as hardship cases, and they can count 2 months of looking for work as part of work.

As I already mentioned and as the chart serves to remind us, in addition to the number of people cut off the Food Stamp Program because of the tightened eligibility requirements and work registration requirements, the Congressional Budget Office has estimated the welfare bill before us will cut 600,000 people off of food stamps each month because they cannot find a job within the 4-month time limit. These 600,000 people will then be at risk of going hungry, more worried about finding their next meal than finding a job.

I cannot believe that is what we are about here in the U.S. Senate. According to a study done in 1993, 83 percent of the people who would be affected by this draconian provision are below 50 percent of the poverty line. We are talking about folks who do not have anything. Now we are going to say to them, "If you do not get a job within 4 months, you do not get to eat"? I cannot believe we are going to do that.

I am all for strong work requirements. I introduced my own welfare reform bill that had the toughest work requirements of any bill before us. But this is not a work provision. This is a hunger provision. We are talking about food for people who cannot find a job. I think it is entirely reasonable to give States the option to continue food stamp coverage for an additional month of intensive job search, to help make sure that poor people complete the transition from welfare to work.

The Senate-passed welfare reform bill that was supported by 87 Senators contained 6 months of food stamp eligibility for people in this category. Bipartisan efforts to reform the welfare system, including the Chafee-Breaux approach and the Specter-Biden proposal, also contained a 6-month food stamp time limit. These are far more humane and realistic provisions.

Mr. President, for those who think the majority of people affected by this provision are just scamming the system and are not interested in working, let me put this in perspective by translating it into dollar terms. Under the Food Stamp Program, the maximum level of benefits for a single person is \$119 a month. That is about \$4 a day. The Congressional Budget Office estimates that every one of the 600,000 who cannot find a job would accept job training or a work slot if one was available through the Food Stamp Employment Training Program. These 600,000 people are, consequently, receiving less than \$4 a day in food stamps.

I ask my colleagues to think seriously about what this means, less than \$4 a day in food stamps. Does it not make sense if there were actually minimum wage jobs available for \$4.25 an

hour that individuals would work at these jobs? Why would anyone trade a \$4.25-an-hour job for \$4 a day in food stamps? I do not think the vast majority of people would make that kind of trade. Clearly, we are talking about circumstances in which those jobs are not available. People cannot find those jobs. This is not a case of they are better off taking welfare than taking a job for \$4 in food assistance. You would be much better off, clearly, with \$4 an hour in a job.

Before I close, I want to spend just a minute talking about the hardship exemption. Again, I share the view of those who believe we must set limits and push people from welfare to work. But I think it is important to recognize there are people who just do not have the skills to find a job, or else have some personal hardship that means they will not be employed after 4 months on food stamps. Every one of us know people who, frankly, are marginal in the employment arena. They cannot find work. They are not educated, they are not trained, they may have one or more disabilities.

It is important, I think, also, to consider the devastating effects of natural disasters or economic downturn on a particular area, which may make it difficult for people to find employment in 4 months. If you have a natural disaster like a hurricane, tornado, earthquake, or a series of disasters as we have seen in California, all of a sudden an area may not have much in the way of employment. People may not be able to find a job.

I think it is also important for us to understand this issue affects urban areas and could cause increased tensions in some of America's biggest cities. A recent study showed that for every McDonald's opening in New York City, there were 14 applicants. They wanted to work, wanted to have a job. For whatever reason, they were not able to find a job. That circumstance has improved because the national economy has improved, but we all know the economy is subjected to cycles. Sometimes it is good and strong and sometimes it is not so good, not so strong.

What are we going to say to people who cannot find a job after 4 months? We are going to deny them food stamps? What are we telling them? Telling them to go to the garbage can to find something to eat?

I have people right now going through my neighborhood who are looking in garbage cans trying to find something to eat, and my neighborhood in this town is eight blocks from where we are right now, eight blocks due east of the Capitol of the United States. I have people every day going through my neighborhood, going through garbage cans. If we want more of it, I suppose we just stick with what is in the underlying bill.

I might say it is not just urban areas, but rural areas as well. There are parts of my State which have very low popu-

lations, small communities, and jobs are scarce in some of these areas. An individual who has worked hard for 20 years in a small business in a rural area, and maybe that business fails, now this person may be willing to work all night and all day if given the chance, but the harsh reality is he or she may not be able to find a job. The truth of the matter is, it may take more than 4 months for a new business to come to that community.

We need to give States the option to offer food assistance to hard-working people who experience extreme hardship. It is wrong to force States to cut these people off from food assistance. Instead, we should give States the flexibility to continue to provide food stamps to a limited number, up to 20 percent of individuals who face some special hardship. Mr. President, 20 percent of the eligible population, instead of 10 percent that is in the underlying bill.

Mr. President, it may not be politically popular to care about adults who are hungry and cannot find a job, but I want my colleagues to think about what it would be like to be without food. We are not talking here about the luxuries. We are talking about food. It strikes me it is bad policy, and bad for the country, to knowingly create a class of desperate people across the country, struggling for the most basic human necessity, food.

Fundamentally, it does not make sense to deny food to people who are working hard to find a job and cannot find one. These people are less, not more likely to find a job if they are spending their time trying to find their next meal instead of trying to find their next job.

I ask my colleagues to join me in giving States additional flexibility to continue to provide food assistance to people who are unable to find work within the 4 months provided for in this legislation.

Mr. President, I yield the floor.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 4945) was agreed to.

Mr. CONRAD. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DOMENICI. Mr. President, I have two amendments by Senator LIEBERMAN which we are going to accept.

AMENDMENT NO. 4946

(Purpose: To add provisions to reduce the incidence of statutory rape)

Mr. DOMENICI. Mr. President, on behalf of Senator LIEBERMAN, I send an amendment to the desk. This amendment has been agreed to on both sides. I ask unanimous consent that it be agreed to and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. LIEBERMAN, proposes an amendment numbered 4946.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Section 2101 is amended—

(1) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively;

(2) in paragraph (10), as so redesignated, by inserting “, and protection of teenage girls from pregnancy as well as predatory sexual behavior” after “birth”; and

(3) by inserting after paragraph (6), the following:

(7) An effective strategy to combat teenage pregnancy must address the issue of male responsibility, including statutory rape culpability and prevention. The increase of teenage pregnancies among the youngest girls is particularly severe and is linked to predatory sexual practices by men who are significantly older.

(A) It is estimated that in the late 1980's the rate for girls age 14 and under giving birth increased 26 percent.

(B) Data indicates that at least half of the children born to teenage mothers are fathered by adult men. Available data suggests that almost 70 percent of births to teenage girls are fathered by men over age 20.

(C) Surveys of teen mothers have revealed that a majority of such mothers have histories of sexual and physical abuse, primarily with older adult men.

Section 402(a)(1)(A) of the Social Security Act, as added by section 2103(a)(1), is amended—

(1) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(2) by inserting after clause (v), the following:

“(vi) Conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

Section 2908 is amended—

(1) by inserting “(a) SENSE OF THE SENATE.—” before “It”; and

(2) by adding at the end the following:

(b) JUSTICE DEPARTMENT PROGRAM ON STATUTORY RAPE.—

(1) ESTABLISHMENT.—Not later than January 1, 1997, the Attorney General shall establish and implement a program that—

(A) studies the linkage between statutory rape and teenage pregnancy, particularly by predatory older men committing repeat offenses; and

(B) educates State and local criminal law enforcement officials on the prevention and prosecution of statutory rape, focusing in

particular on the commission of statutory rape by predatory older men committing repeat offenses, and any links to teenage pregnancy.

(c) "VIOLENCE AGAINST WOMEN INITIATIVE.—The Attorney General shall ensure that the Department of Justice's Violence Against Women initiative addresses the issue of statutory rape, particularly the commission of statutory rape by predatory older men committing repeat offenses.

The PRESIDING OFFICER. The amendment is agreed to.

The amendment (No. 4946) was agreed to.

Mr. DOMENICI. Mr. President, that was an amendment to minimize the incidence of statutory rape that is occurring in the United States.

AMENDMENT NO. 4947

(Purpose: To require States which receive grants under title XX of the Social Security Act to dedicate 1 percent of such grants to programs and services for minors)

Mr. DOMENICI. Mr. President, I have a second amendment on behalf of Senator LIEBERMAN. I make the same unanimous-consent request. I ask unanimous consent that this amendment be agreed to and that the motion to reconsider be laid upon the table.

I send the amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. LIEBERMAN, proposes an amendment numbered 4947.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Section 2903 is amended—

(1) by inserting "(a) IN GENERAL.—" before "Section"; and

(2) by adding at the end the following:

(b) DEDICATION OF BLOCK GRANT SHARE.—Section 2001 of the Social Security Act (42 U.S.C. 1397) is amended—

(1) in the matter of preceding paragraph (1), by inserting "(a)" before "For"; and

(2) by adding at the end the following:

"(b) For any fiscal year in which a State receives an allotment under section 2003, such State shall dedicate an amount equal to 1 percent of such allotment to fund programs and services that teach minors to—

"(1) avoid out-of-wedlock pregnancies; and"

The PRESIDING OFFICER. The amendment is agreed to.

The amendment (No. 4947) was agreed to.

Mr. DOMENICI. Mr. President, the subject matter of this amendment is a 1 percent setaside from the social services block grant which has been agreed to on our side by the respective chairmen of the committee.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DORGAN. If I might ask the manager of the bill, Senator BYRD and I would like to introduce a piece of legislation. Inasmuch as I see no other Member seeking recognition to offer an amendment to the pending business, I ask unanimous consent to proceed as if in morning business with the understanding that if additional amendments become available, we—

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, could you give us an estimate as to how much time you might use?

Mr. DORGAN. I ask for 30 minutes and would expect not to use the entire 30 minutes.

Mr. DOMENICI. Mr. President, I will not object so long as the Senator would add that the time used, even though it is as in morning business, would be charged against the time remaining on the bill.

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

Mr. DORGAN. Mr. President, I thank the Chair.

(The remarks of Mr. DORGAN and Mr. BYRD pertaining to the introduction of S. 1978 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER (Mr. MACK). The Senator from Arkansas.

Mr. BUMPERS. Mr. President, the Senator from Florida, Senator GRAHAM, offered an amendment on behalf of himself and the Senator from Arkansas Friday afternoon. Unhappily, I was not here and did not get a chance to speak on it. I would like to seize the opportunity now to just make a few remarks.

Before doing that, I ask unanimous consent that I be permitted to yield to the Senator from North Dakota to allow him to lay down an amendment without debate.

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

AMENDMENT NO. 4948

(Purpose: To strike provisions relating to the Indian child care set aside)

Mr. DORGAN. Mr. President, I send an amendment to the desk sponsored by myself and cosponsored by Senator MCCAIN and Senator INOUE.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. MCCAIN, and Mr. INOUE, proposes an amendment numbered 4948.

Mr. DORGAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In section 2813(l), strike subparagraph (B).

Mr. DORGAN. Mr. President, I intend to discuss this amendment briefly at

some point following the presentation by the Senator from Arkansas, and I very much appreciate his indulgence.

Mr. DOMENICI. Mr. President, will the Senator yield for a moment?

Mr. BUMPERS. Yes.

Mr. DOMENICI. This is child support regarding Indians?

We passed it on voice vote on Thursday.

Mr. BUMPERS. Will the Senator repeat that. I am sorry; I did not hear him.

Mr. DOMENICI. I just addressed the amendment sent to the desk.

Mr. DORGAN. It is a different amendment. It deals with the 3 percent set aside, and I do not believe it has been passed.

Mr. DOMENICI. Could we have the amendment?

I thank the Senator.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 4936

Mr. BUMPERS. Mr. President, the amendment being offered by Senator GRAHAM of Florida and me is the same one we offered last year. It might have a few minor changes in it, but essentially it simply says that the block grant formula in this welfare bill should be changed to take into consideration the number of poor children in each State.

I am not very crazy about this bill to begin with, but I cannot possibly vote for a bill that discriminates against the State of Arkansas to the extent this one does. It is not just Arkansas, it is particularly Southern States, but a lot of other States get caught up in it, too.

Under the formula, the District of Columbia will get \$4,222 for each welfare recipient and the State of Arkansas will get \$390. Why is a child in the District of Columbia worth 11 times as much as a poor child in Arkansas? That is a legitimate question, is it not?

I will tell you the answer. The answer is, through the years, the Federal Government has matched the States to some percentage or another. It is not the same in every State. For example, in my State, because we are a relatively poor State, we get a big match, I think 73 to 75 percent. So for every dollar we put up, we get about \$3 from the Federal Government. The District of Columbia does not do quite as well. But the reason the District of Columbia gets such a staggering amount of money per child is because they have used a tremendous amount of their resources to put into the AFDC Program.

That is perfectly laudable and I am not criticizing the District of Columbia. But I will tell you something, and it gives me no joy to say it publicly, I come from a State which has one of the lowest per capita incomes in the Nation. We are a poor State. We have been ever since the War Between the States. We have tried everything in the world and continue to strive to do everything we can to improve the plight of our people. We tried to improve our

economy so there would be more jobs and better paying jobs, and in the past several years we have met with some success. But we are not New York, California, or New Jersey in per capita income.

The reason this bill is fundamentally flawed and unfair is because it says to you, the State of Arkansas, this is what you have received for the last 3 years, 1991 through 1994, and that is what you are going to continue to receive. In short, if you were poor, no matter how hard you tried to do better under the AFDC program, if you were poor and simply could not do it, it is tough.

What does this bill do? It says we are locking you in on the basis of what you got during that 3-year period. I do not care if you had floods, tornadoes, if you had a wave of immigrants move into your State, which brings a lot of poverty to States like Florida, you are still going to get what you got for 3 years, on average. There is a little 2½ percent "gimmie" in the bill, but not enough to amount to anything.

One of the things that really is a travesty in this bill is the treatment of AFDC administrative costs. I hate to say these things because I am not jumping on other States. I am simply trying to defend my own. But look what has happened in New York and New Jersey. The nationwide average, in 1994, of administrative costs for administering the program we have now was \$53.42. During that same period of time, the average cost of administering the program in New York was \$106.68 and in New Jersey \$105.26. What do we do under this bill? We lock that administrative cost in and say we will continue to compensate you, no matter how inefficient you may have been.

I am sorry the Senator from West Virginia left the floor. The average administrative cost for administering the AFDC Program in West Virginia is \$13.34, and that is what they are going to get through the year 2000 if this bill passes, while New York will be receiving eight times as much. We are going to give them that, lock them in, no matter how inefficient they may be in administering the program.

One of the interesting things about this bill was pointed out in the New York Times this morning. Let us take my State as an example, and let us assume push comes to shove and we are running out of money, we are suddenly not going to be able to continue. The Federal Government says, "That's tough, we gave you the block grant, you have to live with it. We do not care how many poor children you have, we are going to give you what you got as an average between 1991 and 1994, and you will live with it. Do not come back up here with your hand out."

Do you know what they allow the States to do? Kick people off welfare. Each State can make it's work requirements as stringent as they want to make them. What does the Federal Government do in such a case? We do

not say, "If you kick those people off welfare we are going to quit giving you the money for that family." We continue to give them the money for the family. So there is an incentive to the States, if they have any difficulty at all with the program, to kick people off, knowing they are going to continue to get the same amount of money.

I do not want to take too much time. I know there is not a lot of time between now and 2 o'clock when we go to the agricultural appropriations bill. But one of the most troubling things about this bill, completely aside from this grossly unfair funding formula, is that I have heard people in the U.S. Senate and in Congress say things that are so punitive in nature. It is as though we are passing this bill to punish people for being poor. You can call that bleeding heart liberalism—call it whatever you want to call it. I am not for keeping people on the welfare cycle. I am for reforming welfare, to make jobs a lot more attractive to those people. I am for reforming welfare so women can have day care for their children and get job training and find a job, preferably one that provides health care so we do not have to pay for Medicaid for them.

But in the debate, just to use my own State as an example, there is sort of the suggestion that the youngsters, the babies that are born in College Station, AR, which is an unspeakably poor area, have the same opportunities as the children born in Pleasant Valley, our most affluent suburb. And everybody who does not happen to make it as well as the people in Pleasant Valley, somehow or another we seem to think they are lowdown.

I said on the floor before and I will say it again, my brother went to Harvard Law School, courtesy of the taxpayers of the United States on the GI bill. We have a little difficult time sometimes discussing these issues, but I remind him that it was more than Harvard Law School that made him successful.

I would not be a U.S. Senator if I had not been able to go to a good law school, like Northwestern, also compliments of the U.S. Government, who paid for all of it, except what Betty made working.

So I remind my brother about the largess of the Federal Government, which I have been trying to pay back all of my life, by thanking the taxpayers, being a good public servant, and doing my dead-level best to make this a better country for my children and grandchildren to grow up in. But I also remind my brother that we were also fortunate because we chose our parents well. These AFDC children did not choose their parents well. Somehow there is a certain vindictiveness, a punitive aspect to this bill toward those children, a lot of whom are going to suffer under the terms of this bill, and suffer a lot, because they had the temerity not to choose their parents well.

So, I do not have any trouble voting against this bill, especially because it discriminates against my State in a totally unacceptable way. I know my State. I was Governor of my State. I know where the money comes from, and I know where it goes. We have areas along the Mississippi River, which we call the delta, and if we are going to pass a bill to alleviate the tax burden on people in the District of Columbia because their people are moving out because of crime or the tax rate or something else, I want to include the delta.

I can tell you, you will not find an inner city in America with more deplorable poverty than you will find in the delta of Mississippi and Arkansas. So I want them to have the same break.

As I say, if we were not struggling to do the best we can, I would not object. But we do not have the money that New York, New Jersey, California, and other States have to put into this program. It is not just Arkansas. Mr. President, your home State of Florida, as you know all too well without me saying it, will lose \$1 billion under this bill.

The two Senators from Texas voted against the Graham-Bumpers proposal last year—and I assume they will do it again—and it cost the State of Texas \$3 billion. And on it goes. It is a grossly unfair formula. It is indefensible.

In this morning's New York Times, my position is vindicated at least by one columnist, David Ellwood, who is professor of public policy at Harvard School of Government. He says, and this is just a portion of it:

States would get block grants to use for welfare and work programs. But the grants for child care, job training, workfare, and cash assistance combined would amount to less than \$15 per poor child per week in * * * Mississippi and Arkansas.

Mr. President, \$15 a week for all of those things.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. BUMPERS. I will be happy to yield.

Mr. DOMENICI. Does that not mean that is what they are getting now?

Mr. BUMPERS. I beg your pardon?

Mr. DOMENICI. Does that not mean that is what they are getting now?

Mr. BUMPERS. It means that is what they have gotten as an average for 1991 and 1994.

Mr. DOMENICI. Are you suggesting it is appreciably better than 1994?

Mr. BUMPERS. Well, I am sure it is somewhat better.

Mr. DOMENICI. Will the formula become more satisfactory if it was brought to 1995? I do not think we got the evidence. My point is, however we go—I do not know which way the Senate is going to go—the truth of the matter is, those poor children you are speaking of in those two States are not getting very much now. That is the reason they are not going to get very much under this bill.

Mr. BUMPERS. They are not going to get very much, but why do you want

to lock in an inequity? You say it has always been unequal but want to lock it in?

Mr. DOMENICI. I did not say that. I wanted to make sure the RECORD reflected when you expressed yourself—and I have great respect for you. You are representing a cause and an approach that ought to be looked at carefully. But when you say they are only going to get \$15 on average, it has to be made clear they are not getting much more than \$15 now.

Mr. BUMPERS. That's true, they are not getting much more than that. I can tell you the number of poor children in my State is higher by far than the national average.

What I am saying is that if you want to address the problems of poor people, go where the poor people are, not where the people are more affluent. That is the reason I object; I object to these staggering sums going to the other States.

In 1994, Arkansas had a terrible Medicaid shortage of funds. We could not come up with our matching share to the extent that was necessary to provide health care for all of our poor children. Do you know what the State legislature did under the Governor's leadership? They passed one of the most unpopular taxes you can pass in any State. It was a nickel a bottle on soft drinks, and the money it raised kept us from kicking people out of nursing homes, and it kept us from having poor children on the streets who need health care and are not able to get it.

That is the reason I am complaining today. It was a monumental effort on the part of Arkansas to come up with our share of the money so we could take care of our children.

So here we have a formula that says in the future you are going to get \$390 a year per poor child. And there are 38 additional States that will be hurt by this bill. You would think it would be adopted with flying colors.

If I may continue with the article from Mr. Ellwood of the New York Times:

Governor Thompson says he can make reform succeed with block grants. But the legislation provides more than three times as much money per poor child in wealthier States like Wisconsin, California, and New York as it does for many States with much higher levels of poverty. Even if they wanted to, there is no way poor States could carry out plans like Governor Thompson's.

Here is a man who spent his entire life studying this problem. He closes this article by saying:

Welfare politics has turned ugly.

Rhetoric has replaced reality: saying a bill is about work or that cuts are in the best interests of children does not make it so. Apparently the legislation is being driven by election-year fears. But Members of Congress and President Clinton need to stand up for our children. This bill should not be passed. If legislation like this is adopted, I hope the President vetoes it in the name of real welfare reform.

Mr. President, I spoke about election-year issues the other day in the

Energy Committee, on which I sit, when we were dealing with the Boundary Water Canoe Wilderness Area, about 1,100 lakes along the Minnesota-Canadian border. I went out there in 1978 for Wendy Anderson, who was serving in the Senate from the State of Minnesota at the time and with whom I served as Governor. The Boundary Water Canoe Wilderness Area came up the year Wendy was running for reelection. It was a big political issue. Wendy lost his seat, not for that reason only. But he lost plenty of votes because of the Boundary Water Canoe Wilderness Area dispute.

Now we have another big Boundary Water Canoe Wilderness Area dispute in Minnesota. I am not taking sides on that necessarily, but there are a lot of ads being run in Minnesota right now. I said in the committee—and I mean it—I will do everything I can to keep a bill of this kind from passing this year, because it is entirely too important for the U.S. Congress to be dealing with in an election year.

That is exactly the way I feel about this welfare bill. It ought to be passed next year, not now in an election year where everybody is trying to grow hair on their chest to prove they are tougher on welfare than everyone else. But we are not going to wait. As a consequence, we are getting ready to pass a bad bill.

Mr. President, I ask unanimous consent that the article by David T. Ellwood in the New York Times be printed in the RECORD.

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

WELFARE REFORM IN NAME ONLY

(By David T. Ellwood)

BONDURANT, WY.—I have spent much of my professional life seeking to reform welfare. I have worked with Republican and Democratic governors. And until I returned to academia a year ago, I was fortunate to be a co-chairman of President Clinton's welfare reform effort. I deeply believe that the well-being of the nation's children depends on real reform. We must turn away from the failed system focused on determining eligibility and check writing and create a new one based on work and responsibility.

But the Republican bills in the House and Senate are far more about budget-cutting than work. Bathed in the rhetoric of reform, they are more dangerous than most people realize. No bill that is likely to push more than a million additional children into poverty—many in working families—is real reform.

Proponents claim the bills are about work, and the legislation does obligate states to require large numbers of recipients to work. Fair enough. Serious work requirements are crucial to meaningful change. But it's one thing to write work into legislation, and it's another to get recipients jobs.

Gov. Tommy Thompson of Wisconsin, a Republican, has emphasized that reform often involves spending more, not less, money on things like job training and child care. Instead, the Congressional bills would make major cuts—reducing food stamps for the working poor, aid to disabled children and to legal immigrants who are not yet citizens. When the dust settles, there would not be much money for welfare reform at all.

States would get block grants to use for welfare and work programs. But the grants for child care, job training, workfare and cash assistance combined would amount to less than \$15 per poor child per week in poor Southern states like Mississippi and Arkansas. Moving people from welfare to work is hard. On \$15 a week—whom are we kidding?

Governor Thompson says he can make reform succeed with block grants. But the legislation provides more than three times as much money per poor child in wealthier states like Wisconsin, California and New York as it does for many states with much higher levels of poverty. Even if they wanted to, there is no way poor states could carry out plans like Governor Thompson's.

States cannot and will not do the impossible. The legislation gives them an out. They may set time limits of any length and simply cut families off welfare regardless of their circumstances—and still get their full Federal block grants.

It won't matter if the people want to work. It won't matter if they would happily take workfare jobs so they could provide something for their families. It won't matter if there are no private jobs available.

States may want to offer workfare jobs, but limited Federal grants may preclude that. People who are willing to work but are unable to find a job should not be abandoned. If they are, what happens to their children?

What is dangerous about the Republican legislation is not that it gives states the lead or reduces Federal rules. States really are the source of most creative work on true reform. Witness the approximately 40 states for which some Federal regulations have been waived.

It is worrisome that this legislation places new and often mean-spirited demands on states while changing the social and financial rules of the game in a way that strongly encourages cutting support rather than getting people jobs.

What is particularly distressing about the pre-election rush to enact legislation is that significant reform is finally starting at the state level, with active support from the Clinton Administration. Some remarkably exciting ideas (as well as some alarming ones) are being tried. There is no evidence that a lack of Federal legislation has seriously slowed this momentum.

Indeed, President Clinton has talked about issuing an executive order requiring states to put people to work after two years—without new legislation and without any danger of sizable rises in child poverty or major benefit cuts. Passing the legislation now in Congress seems far more likely to slow reform than speed it—and it could result not in greater independence of poor families but in a spiral of ever-increasing desperation.

Welfare politics has turned ugly. Rhetoric has replaced reality: saying a bill is about work or that cuts are in the best interests of children does not make it so. Apparently the legislation is being driven by election-year fears. But members of Congress and President Clinton need to stand up for our children. These bills should not be passed. And if legislation like this is adopted, I hope the President vetoes it in the name of real welfare reform.

Mr. BUMPERS. Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am certain that we will have some arguments in opposition to the amendment for doing the formula differently than Senator BUMPERS has addressed. I am

trying to see if one of those who is from the committee that wrote the bill would come down and do that. If not, I will address the issue.

But I say, the part of your argument—I say this to Senator BUMPERS—that says we ought to put this matter off, I do not think so. I think you ought to get your chance here to present your case. I think we ought to proceed.

Part of the argument you make indicates that we have waited far too long to do something to reform this system and reforming the system in the context I am speaking of right now. I am not necessarily speaking about the workfare approach. It is way past due for that.

But essentially we have sat by for years since AFDC, a cash program, came into being decades ago. We have let it develop to the extent it has characteristics of the type you are speaking to. Obviously, poor States were given the option to have very poor programs. But if we would have told them, "You ought to have richer programs," they would have said, "We can't afford any richer program."

A State like New York, which you speak of, has very, very high taxes. They have had a very, very liberal approach to taxing their people. Thus, they can put up a lot of money for welfare. Since it is a high-pay State, they decided to have a very hefty welfare program. As a matter of fact, they have plenty of poor people in spite of all that.

I did not interrupt when you said we ought to put the money where the poor people are, but I would venture to say that there are far more poor people in the State of New York than there are in three or four of the States you spoke of combined, certainly more than Arkansas, Mississippi, States of that size.

Just because New York has a very high wage scale does not mean there are not a lot of poor people there. But the problem is, we are confronted with a welfare program that grew in an environment where we asked States to match. We gave them options as to how much they wanted to put into welfare. We even gave them options of how much they would pay the beneficiaries and how much per child in a welfare home. We have just left it there for years and did not do anything about it.

Now we have States with hardly a program in terms of real dollars and States like New York, which has spent a lot of money on the program. Sooner or later we have to decide, in reform, what do we do about that? Perhaps you suggest that you have a better idea on what we do to make that a situation in the future that is not as bad as you see it in the past. But this is not an easy one. Nor is it an easy one in Medicare. You addressed Medicare for a fleeting moment about—

Mr. BUMPERS. Medicaid.

Mr. DOMENICI. Excuse me. Medicaid. About your State being unable to pay. One of the things we are forgetting here in the United States and in

this land when we debate Medicaid reform is that States cannot afford the Medicaid Program we are telling them to have.

Your State fell short of money a few years ago. Mine is short this year. There is \$21 million they do not have to pay for the program in Medicaid. We only match it with 25 cents on the dollar. I do not know what yours is, but I would imagine, considering the profile of poverty, the demographics of poverty, you are probably at a 25-percent match, meaning that the Feds pay most of it, but it is so expensive to provide the service under the current system the States cannot even pay for it.

If we think here the evolution of a formula in transition was difficult for welfare, it is much more difficult on Medicaid because of the very same facts, plus the program is much, much more encompassing in terms of how many billions of dollars it spent. Welfare is a small program in terms of the dollars spent on Medicaid, even in your State and my State.

So it is not going to be easy to come up with a formula because we have let them grow up side by side with States like New York and States like Arkansas and States like Mississippi or New Mexico. I take that back. New Mexico's welfare program is in the middle of the ranks. Its Medicaid is about in the middle of the Nation.

So I would have asked that Harvard professor who wrote that article you quoted from—it sounded brilliant—I would ask—maybe he has done it—but where is his welfare program? He says we ought to have welfare reform. We need one. It is easy to say, throw one out. We need one. We have to make some decisions and get on with trying it. I yield the floor at this point.

Mr. BUMPERS. I wonder if the Senator would yield for a moment? Would the Senator yield for a unanimous consent request?

Mr. DOMENICI. I would be pleased to.

Mr. BUMPERS. Let me make one other observation, because I know the Senator has labored in the vineyard a long time on welfare. It is one of those issues for which the time never seems right. I said we ought to do it next year. We tried to do it last year, which was not an election year. It did not work out.

But I think the Senator, for whom I have the utmost respect—and when I talk about Members of Congress that seem to lack some compassion, I am certainly not talking about my friend from New Mexico. I know he has labored long and hard for this. It is a complex issue. The deeper I got into it on this amendment, the more complex it became.

But I will say this—and I think the Senator would agree with me—you cannot make a program like this work, not the way it ought to work, when, for example, a child in Massachusetts or New York or someplace else is worth 10 times as much as a child in Arkansas

or Mississippi. We are not ever going to get our act together when we have that much disparity. I am not saying there does not have to be effort, because effort is important.

Some of these States have made monumental efforts. But effort is a comparative thing. We have made efforts, too. Compared to some others maybe it was not as great. When the Senator talks about how many poor children there are in New York, I know the Senator is correct when he says there are probably more poor children in New York than there are in Mississippi, Alabama, and Arkansas put together.

But we are talking about poor children as a percentage of the population. We are talking about how many poor children you have compared to all the children in the State or all the people in the State. When you get to that point, New York is not in the running with Arkansas. I want to say to the Senator from New Mexico, I appreciate his comments. As I say, I have the utmost respect for his efforts to get this bill passed and all the effort he has made in the past. I just happen to disagree with him. I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I wonder if we could do this, I say to Senator BUMPERS. The time is 1 o'clock. We are going to be finished and run out of time at 2 o'clock. I want to offer an opportunity for a couple of Senators who would be very adversely affected by the Senator's amendment to speak, not as long as the Senator did, but for some period of time. I am going to make one observation and then ask consent.

I say to Senators, they should know, for instance, under this amendment the State of Arkansas will have 151 percent increase; the State of Louisiana will have 170 percent; New Mexico would have an increase of 3 percent; California would have a reduction of \$1.2 billion, a 31 percent reduction, New York a reduction of 49 percent; Massachusetts, 50 percent; and on and on. I think some of those Senators might want to come down and make their case as to why the formula should be based on what they have been putting into the program during the immediate past decade or so.

Having said that, I ask unanimous consent we set aside the Bumpers amendment, but from the Republican side we reserve up to 10 minutes of the hour that we might have in rebuttal, and that Senator BUMPERS be allowed, if that occurs, an additional 5 minutes, if we use 10.

Mr. BUMPERS. Either Senator GRAHAM or myself.

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

Mr. BUMPERS. Mr. President, let me make one other observation: According to the charts Senator GRAHAM has compiled, I do not know where the Senator got the figure that we will get such a

big increase. The truth is we will get \$282 million less per capita over the next 6 years simply because we are using the 1991 and 1994 formula.

Mr. DOMENICI. I will be happy to make available the formula of the Congressional Research Service, July 18, 1996. This formula has a chart for the increase in every State, and we just took your increase and put the percentage on it. That is where we got that number. We will be happy to make the chart available.

Mr. President, let me make one last point, then we will move to the next amendment. I use this time off the bill.

Mr. President, whatever the distinguished Senator from Arkansas has said relative to what we have been paying as part of the welfare program of the United States for children and this huge disparity of 10 to 1, the point I want to make is that is not the feature of this bill. That is what has transpired over time. It is the reality today. Maybe Senator BUMPERS and others would say that is why welfare has failed. I did not hear that before. I thought it was some other characteristic, but that is the truth.

Now we are confronted with, if you are going to change the basic quality of welfare and what is expected, what do you do about that financial disparity that existed over time, which is extreme. This bill tends to perpetuate that for 5 years in the form of a block grants, but there is a lot of flexibility added.

I do not want to speak to that amendment any more because we reserved time. I yield the floor.

Mr. DORGAN. Mr. President, just prior to Senator BUMPERS making his statement, I offered an amendment. This is not the amendment that was agreed to last week. This is a different amendment. We have provided the amendment, I believe, or at least discussed it with both sides.

I wanted to take just 2 or 3 minutes to discuss that amendment, and I also wanted to introduce a second amendment which I believe is going to be agreed to. I am offering the second amendment on behalf of Senator DASCHLE, myself, Senator DOMENICI and Senator MCCAIN. It is an amendment that has been worked out by both sides to exempt certain individuals living in areas of low labor market participation from the 5-year limitation on assistance.

If I might, in a capsule, point out that the welfare reform bill provides a 20-percent exemption that is available to the States. What we could have and likely would have are circumstances where there are areas in which virtually no jobs are available and you have very high unemployment. That situation would soak up the exemption almost immediately. This amendment addresses and corrects that and provides some more flexibility to the States.

AMENDMENT NO. 4949

(Purpose: To exempt certain individuals living in areas of low labor market participation from the 5-year limitation on assistance)

Mr. DORGAN. I offer this amendment, and I send it to the desk.

Mr. DOMENICI. I ask unanimous consent that the amendment be in order.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

The clerk will report the amendment. The bill clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for Mr. DASCHLE, for himself, Mr. DORGAN, Mr. DOMENICI, and Mr. MCCAIN, proposes an amendment No. 4949.

Mr. DORGAN. I ask unanimous consent the reading of the amendment be dispensed.

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

The amendment is as follows:

On page 250, line 2, strike "and (C)" and insert "(C), and (D)".

On page 252, between lines 9 and 10, insert the following:

"(D) EXCEPTION FOR EXTREMELY LOW LABOR MARKET PARTICIPATION.—

"(i) IN GENERAL.—In determining the number of months for which an adult received assistance under the State program funded under this part, the State may disregard any and all months in which the individual resided in an area of extremely low labor market participation (as defined under clause (ii)).

"(ii) EXTREMELY LOW LABOR MARKET PARTICIPATION AREA.—For purposes of clause (i), an adult is considered to be living in an area of extremely low labor market participation if such adult resides on a reservation of an Indian Tribe—

"(I) with a population of at least 1,000 individuals; and

"(II) with at least 50% of the adult population not employed, as determined by the Secretary using the best available data from a Federal agency.

On page 252, line 10, strike "(D)" and insert "(E)".

Mr. DOMENICI. Mr. President, I am a cosponsor, and I indicate so that everybody would understand this does not say this is mandated. This says that the Governors, in putting together their plan for their State, can, if they find an area—and this is pretty much going to be Indian areas, I believe, because of the enormous unemployment number; it is 50 percent—it will be available as a flexible tool in terms of putting together packages.

Mr. DORGAN. The Senator is correct.

Mr. DOMENICI. We accept the amendment on our side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4949) was agreed to.

Mr. DORGAN. I move to table the amendment.

Mr. DOMENICI. I move to reconsider the vote.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4948

Mr. DORGAN. Mr. President, if I might just for a couple of minutes ad-

dress the previous amendment that I offered that deals with the tribal child care set-aside. I hope we perhaps might be able to see this amendment accepted before we go to votes tomorrow.

The amendment I have offered on behalf of myself, Senator MCCAIN, and Senator INOUE, restores the current set-aside for Indian child care funding. The current set-aside is 3 percent of the child care development block grant, which is now available to Indian tribes for child care. The welfare reform bill cuts that 3 percent down to 1 percent.

The funds the Indian tribes are now able to access with the child care development block grant have been very important. They have allowed the tribes to successfully run a wide range of child care programs. In 1994, that set-aside helped more than 500 tribes provide child care.

Last year, when the welfare reform bills passed both the House and the Senate, they retained the 3-percent set-aside for tribal child care programs. The conference bill inexplicably reduced that tribal allocation from 3 percent to 1 percent, the same level that is now contained in this reconciliation bill.

The reduction in the tribal set-aside occurs at the very same time that State child care funds would increase substantially. The question I ask is, if an increase in child care is critical to State efforts to move people from welfare to work, and I believe it is, then why is it not also critical for real welfare reform in Indian country and for Indian tribes to provide child care?

I want to make a point that Indian children under age 6 are more than twice as likely as the average child in America to live in circumstances of poverty. Indian children under 6 who live on reservations are three times more likely to live in circumstances of poverty than non-Indian children.

I toured, not so long ago, a child care center on a facility in North Dakota that is jointly run by four tribes, United Tribes Technical College. It is a wonderful place where American Indians come to receive educational and vocational training. They study, they graduate, they go out and get work. That center is run by a wonderful man named David Gipp, who does an extraordinarily good job. They have a child care center at U-Tech. I have toured that child care center a couple of times.

U-Tech reminds you of the need and the importance of child care in this building-block process to move people from welfare to work. You have to be able to get the job skills. Often, to get job skills, if you have children, you have to try to find child care. All of us know that it is not just in Indian country, but across this country, increasingly, that poverty is a problem often faced by young women with children in single-parent households.

Now, when they try to get skills and then get a job, the question is, What

kind of child care can they access to take care of their children? To them, just like in every other household, the most important thing in their lives are their children. They want to make sure the children have an opportunity. If they go to work, when they go to work, they want to have an opportunity to place their children in child care in a place where they have some confidence and trust. That is why this amendment is so important.

It breaks your heart to take a look at what is happening in some areas of the country with very high unemployment, especially Indian reservations, with people who want an opportunity to work. They want a job. On many of these reservations—and we have a couple in North Dakota—there virtually are no jobs. If you look at the map and try to figure out, where do we carve out a reservation and say these are Indian reservations, do you think they carved out the fertile Red River Valley? No. They carved out reservations where there are no great opportunities and where there has not been a substantial amount of economic activity, not very many jobs, not very many companies moving in to provide opportunities.

As we attempt to decide how to reform the welfare system—and we should, because it does not work very well—we need to understand that the two linchpins that can help people move from welfare to work are child care and health care. The absence of one or both means that you cannot succeed in moving someone from welfare to work. The presence of both means that you can say to people that we expect something from you in response to what we are going to offer for you. Part of that is job training and employment, but also attendant to it is adequate and proper child care. I do hope that, between now and tomorrow, we might find an opportunity to see whether this amendment might be accepted.

Mr. McCain. Mr. President, I rise today in support of the amendment offered by my colleague, Senator DORGAN. The amendment ensures that Indian tribes will continue to receive 3 percent of funding provided under the child care development block grant program, as it stands under current law.

I am pleased that the proposed budget reconciliation measure under consideration includes provisions which I and other Senators sponsored to address the unique needs and requirements of Indian country to directly administer welfare programs.

Mr. President, welfare assistance programs are intended to protect poor people and children. As reported, the bill does not go far enough to ensure that Indian tribes, particularly Indian children, who are the most vulnerable of our population and among the poorest of the poor, will be protected. Indian children under the age of 6 are more than twice as likely as the average

non-Indian child to live in poverty. Indian children under the age of 6 residing on Indian reservations are three times more likely than non-Indian children to live in poverty.

The need in Indian country is enormous and far outweighs the limited Federal dollars allocated to Indian tribal governments. Because the need for assistance to Indian children is so compelling, I have been quite concerned that the reported bill reduced the tribal allocation from 3 percent to 1 percent. Such a cut would have harmed tribal efforts to bring more Indian people into the work force and resulted in diminishment of existing tribal child care programs.

Mr. President, I believe we should maintain the 3-percent-funding allocation under present law to ensure that Indian children receive an equal and fair opportunity to a brighter future as is provided to all other American children. This commitment also honors the unique trust relationship that the United States has with Indian tribal governments.

I am pleased that we have reached agreement to adopt this amendment and thank Senator DOMENICI, chairman of the Budget Committee, and Senator ROTH, chairman of the Finance Committee, for accepting it. I also want to thank Senator DORGAN for once again demonstrating his commitment to improve the lives of Indian children. I urge my colleagues to work diligently at conference with the House to ensure that the welfare bill we send to the President maintains this provision.

AMENDMENT NO. 4934

Mr. DORGAN. Mr. President, I want to make one additional comment, not on this amendment, but on the one offered by Senator CONRAD. That amendment is the issue of the optional food stamp block grant.

My understanding of the amendment is that the block grant option that exists in the bill is a problem, and the amendment would repeal the block grant. The amendment's supporters believe—and I firmly believe—that if we decide that it is a function of national will, a national objective to decide that those who do not have enough to eat, then we are going to try to help get them some food.

If that is a national issue, it is not an issue between one county and another county, or one State and another State, or one city and another city. It is an issue of national determination that we do not want people in this country to be hungry. We do not want kids to go without meals. We want to develop a national standard that makes sure this country, as good and generous and as strong as this country is, can feed those people among us who have suffered some difficulties, who were unfortunate enough to be born into circumstances of poverty, who have had some other disadvantages, and who find themselves down and out, down on their luck, and also hungry.

We know what to do about hunger. This is not some mysterious disease for

which there is no cure. We know what causes hunger and how to resolve it.

Part of this bill deals with the issues of resolving hunger and helping people get prepared for the workplace. Another part says you cannot prepare 8-year-olds for a job. We ought not to prepare 10-year-olds for a job. If we have kids living in poverty, or grownups living in poverty, we want to make sure that we have a system to say that we will help them get back on their feet. While we are helping them get back on their feet, we do not want them to be hungry—kids, adults, anybody in this country. That is why we have had a Food Stamp Program. Is it perfect? No. Has it worked well? Sure. We ought not, in any way, decide that we should retreat from that. That is why I so strongly support the amendment offered by Senator CONRAD and Senator JEFFORDS.

Mr. President, I yield the floor.

AMENDMENT NO. 4948

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, on the amendment which is pending, with reference to the 1 versus 3 percent set-aside, we have cleared this with the committee of jurisdiction. What will happen when we adopt this amendment is that we will return the percentage to its current law. This is a ceiling, not a mandated level. For those reasons, the committee indicates that we will accept it on our side.

Therefore, I yield back any time on the amendment and indicate that we are willing to accept the amendment.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment.

The amendment (No. 4948) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. I thank the Senator for offering the amendment.

Mr. DORGAN. I thank the Senator from New Mexico for his help.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 4950

(Purpose: To strike amendments to the summer food service program for children)

Mr. FORD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mrs. MURRAY, proposes an amendment numbered 4950.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike section 1206.

Mr. FORD. Mr. President, Senator MURRAY is unavoidably detained. I am proposing her amendment.

This is an amendment she discussed last week and withdrew with the opportunity to be able to submit it today. It strikes section 1206. The bill reduces the rate of the Summer Food Service Program.

The Food Research Action Council's surveys and past experience leads them to conclude that the cut could result in:

A 30- to 35-percent drop in the number of sponsors;

A 20-percent cut in the number of children participating;

Many larger sponsors dropping their smaller sites;

A significant decline in meat quality as sponsors cut food costs.

I ask unanimous consent that "the need for the Murray amendment striking provisions relating to the Summer Food Program" be printed in the RECORD.

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

The need for the Murray amendment striking provisions relating to the summer food program:

The Senate bill makes an eleven percent cut to the reimbursement rate for lunches provided in the summer food program. The reduction (a 23/20 cent cut on each lunch, from \$2.16/\$2.12 to \$1.93) is substantial. Many programs around the country serve 50 or fewer children. Over half of current sponsors already lose money under current rates. Their margins to absorb cuts are extremely narrow. Estimates vary by state, but the Food Research Action Council's surveys and past experience lead them to conclude that the cut could result in: a 30-35 percent drop in the number of sponsors (especially in rural districts); a 20 percent cut in the number of children participating; many larger sponsors dropping their smaller sites; weaker supervision and monitoring and a decline in program integrity; a significant decline in meal quality as sponsors cut food costs; and very few new sponsors. It is already difficult to recruit new sponsors, even though only one in six eligible children receive meals. The recruitment of new sponsors by advocacy groups would likely stop, and with it, future growth.

The effect of the amendment:

Strikes section 1206 of the bill, which reduces the rates for the Summer Food Program.

Mr. FORD. Mr. President, I yield the floor.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum. We are not going to respond yet. We are just beginning to understand the amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 4951

(Purpose: To provide additional amendments)

Mr. DOMENICI. Mr. President, I offer in behalf of Senator ROTH technical amendments to the bill. These have been requested by the Finance Committee and been approved and recommended for adoption by the majority and the minority of the Finance Committee. I send the technical amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from New Mexico [Mr. DOMENICI], for Mr. ROTH, proposes an amendment numbered 4951.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 193, line 8, strike "is" and insert "has been".

On page 238, line 4, insert "any temporary layoffs and" after "including".

On page 238, line 6, strike "overtime" and insert "nonovertime".

On page 238, strike line 7 through 13, and insert the following:

"wages, or employment benefits; and".

Mr. EXON. No objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4951) was agreed to.

AMENDMENT NO. 4952

(Purpose: To strike additional penalties for consecutive failure to satisfy minimum participation rates)

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. I rise for purposes of offering an amendment. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 4952:

Strike section 409(a)(3)(C) of the Social Security Act, as added by section 2103(a)(1).

Mr. GRAHAM. Mr. President, as read, the purpose of this motion to strike is to strike section 409(a)(3)(C) which was added to this bill during its consideration before the Senate Finance Committee. The provision which I would offer to strike provides:

Notwithstanding the limitation described in Subparagraph (A), the Secretary shall reduce the grant payable to the State . . . for a fiscal year, in addition to the reduction imposed under subsection (A), by an amount equal to 5 percent of the State family assistance grant, if the Secretary determines that the State failed to comply with section 407(a) for 2 or more consecutive preceding fiscal years.

That language was added in the Senate Finance Committee to language

that had been in the bill in its previous form, in its current reconciliation version, as well as in other versions of welfare reform. That previous version states that the Secretary can sanction a State which fails to meet its work requirements by an amount up to 5 percent of the State's family assistance grant.

The amendment that was offered, first, removes the discretion from the Secretary; second, instead of saying up to 5 percent, it makes it an absolute 5 percent in addition to whatever sanction has been levied in the previous fiscal year against a State which failed to meet its work requirement.

Why am I offering this amendment? I am offering it, first, because the language of the amendment is very obscure. In its claimed reading, it seems to say that there will be an additional amount, equal to 5 percent of the State's family assistance grant, as a sanction if the State had failed for 2 consecutive years to meet its work requirements. That, apparently, is not the way it is being interpreted by others, including one of the groups which is strongly opposed to this provision, which is the National Conference of State Legislatures. They are interpreting this to be a cumulative sanction. That it would be, if you failed to meet your work requirements for 2 consecutive years and had been subject to a penalty because of failure to do so, you would be subject to an additional mandatory 5-percent cut in the third year; an additional 5-percent cut, or a cumulative 15 percent in the next year; an additional 5 percent in the year after that, up to a maximum of a 25-percent reduction in your grant.

So one of my concerns with this very important provision that was added—frankly, as a member of the Finance Committee, I can stipulate, without any consideration by the committee—is, just what does it mean? It could be very draconian in its impact. It could be only very serious.

So that is one issue. A second issue is the fact that the States, through the organizations that we have looked to, to do much of the policy work for a bill which purports to grant increased authority to States, are opposed to this provision.

I ask unanimous consent to have a series of letters from State-based organizations printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRAHAM. I would like to use, illustrative of the letters I received, this letter dated today, July 22, from the National Conference of State Legislatures. This letter states, in part:

State legislators want welfare reform to succeed. In order to succeed, we need adequate implementation time to craft comprehensive welfare reform that best fits the needs in our individual states. In S. 1956, both the work participation rate requirements and penalties begin the first year of the block grant. Therefore, we strongly support Senator Bob Graham's amendment to

strike the language imposing a cumulative penalty of five percent of the block grant per year on states that fail to meet the mandated work requirements. Imposing harsh and excessive penalties will only make it more difficult for states to succeed. State legislators are committed to welfare reform and have proved it through passage of numerous laws reforming their welfare systems. We have asked the federal government for flexibility to change the current system and hope for legislation to empower the states.

The Congress has challenged us to go even further, yet the current bill leaves no room for adjustment, even if a state experiences a recession, high unemployment or natural disaster. Despite our best effort, there may be states who cannot meet the work requirements. To add compounding financial penalties will severely restrict state efforts even further—just at the moment when they could use assistance from their federal partner.

Mr. President, the letter from the National Conference of State Legislatures points out a fundamental difference between the sanction that we had previously proposed, and which stays in this bill, and that which was added in the Finance Committee. The previous sanction made it in the discretion of the Secretary of HHS as to whether to levy such a penalty, and at what level to do it up to 5 percent. So the Secretary could take into consideration—maybe the reason the State of Vermont failed to meet its work requirement was because they had an unexpected natural disaster in Vermont, as we did in Florida with Hurricane Andrew, or maybe they had an unusual economic recession and more people were unable to find work, and therefore they could not meet the work requirements for those persons who are coming off welfare. The cumulative language gives no such discretion to the Secretary to take those kinds of real-world conditions into account.

A third reason for offering this amendment is the reason that was the basis of discussion earlier today by my colleague, Senator BUMPERS, and myself on Friday. That is, we start this process from a very inequitable allocation of funds among the 50 States. The reason it is so inequitable is because we are basically using the status quo which was based on a State's financial ability and political willingness to put up substantial amounts of money for welfare and then draw down an equivalent amount of Federal matching funds. That formula has resulted in disparities of in the range of 4 and 5 to 1 between high-benefit States and low-benefit States in the amount of funds that they have per poor person.

For instance, in the State of Arkansas, for every person in their State who has an income below the poverty level, they would get \$397 of Federal support. In the State of New York, under this legislation, in the year 2000 they would get \$1,961 for every person below 100 percent of poverty level. When you compound that large inequity in the amount of Federal funds per State with a common requirement that all States

have to meet in terms of getting a proportion of their welfare population off welfare and into work, you have enormous differences in the impact of this legislation.

Mr. President, I am going to truncate my remarks because I know there are some amendments that have to be offered before 2 o'clock. But let me, just for my colleagues, point out that the State of Arkansas, in the year 2000, has estimated it will have to spend 49 percent of the funds which today go to provide economic support to pay for everything from school supplies to clothing to diapers to utilities, 49 percent of those funds will have to go to meet the work requirements, that is, to pay for the job training, to pay for the child care, to pay for the other support services such as job placement. That is in the State of Arkansas.

In my State, which is a middle State in terms of benefits, 36 percent of our funds would have to go to meet those requirements, whereas in New York State, only 14 percent of their combined State-Federal funds would be required in order to pay for exactly the same work assistance that Arkansas and Florida would have to provide, thus leaving a very inequitable amount left over for the fundamental economic support that this program for 60 years has been providing to indigent families in America.

So, for those three reasons—lack of clarity as to what this amendment is supposed to mean; second, the strong opposition of the States because of its lack of flexibility; and, third, the inequitable application of this cumulative sanction amendment—I offer this amendment. At the appropriate time, I will urge its support.

EXHIBIT 1

NATIONAL CONFERENCE OF
STATE LEGISLATURES,
Washington, DC, July 22, 1996.

DEAR SENATOR: The National Conference of State Legislatures (NCSL) is committed to continuing our work with the Congress to enact comprehensive, bipartisan welfare reform legislation this year. As you consider amendments to S. 1956, state legislators offer the following positions for your consideration. We strongly believe that the final welfare reform bill must: (1) provide maximum flexibility to state and local governments; (2) preserve existing state authority and avoid preemption; (3) fund federally-mandated activities; (4) avoid cost-shifts to states; and (5) ensure that states have adequate implementation time for programs fully- or partially-devolved to the states.

State legislators want welfare reform to succeed. In order to succeed, we need adequate implementation time to craft comprehensive welfare reform that best fits the needs in our individual states. In S. 1956, both the work participation rate requirements and penalties begin in the first year of the block grant. Therefore, we strongly support Senator Bob Graham's amendment to strike the language imposing a cumulative penalty of five percent of the block grant per year on states that fail to meet the mandated work requirements. Imposing harsh and excessive penalties will only make it more difficult for states to succeed. State legislators are committed to welfare reform and have proved it through passage of nu-

merous laws reforming their welfare systems. We have asked the federal government for flexibility to change the current system and hope for legislation to empower the states.

The Congress has challenged us to go even further, yet the current bill leaves no room for adjustment, even if a state experiences a recession, high employment or natural disaster. Despite our best effort, there may be states who cannot meet the work requirements. To add compounding financial penalties will severely restrict state efforts even further—just at the moment when they could use assistance from their federal partner. Senator Graham's amendment also allows the Secretary to reduce state penalties after assessing the individual experience of that state. We have always opposed cookie-cutter welfare reform. The current bill does not allow for the diversity of state experience in reforming the system and the timing of state legislative sessions to enact the laws necessary to change the system.

The Congressional Budget Office has estimated that there is a \$13 billion shortfall in the cash assistance block grant to meet the work requirements. NCSL has always supported deficit reduction and we understand the limitation on available funds for work. However, the current bill as drafted penalizes us as we charter unknown waters to create a new system to retrain state workers, create employment slots, verify work slots and, of course, be successful at moving recipients to work. A distinction is not made for states who have made a good faith effort but fail to meet the requirements for reasons beyond their control. We are very concerned that this will hamper state creativity, innovation and excellence. State legislators urge you to support Senator Graham's amendment.

Sincerely,

CARL TUBBESING,
Deputy Executive Director.

NATIONAL GOVERNMENT ASSOCIATION,
Washington, DC, June 26, 1996.

Senate Finance Committee,
U.S. Senate,
Washington, DC

DEAR FINANCE COMMITTEE MEMBER: The nation's Governors appreciate that S. 1795, as introduced, incorporated many of the National Governors' Association's (NGA) recommendations on welfare reform. NGA hopes that Congress will continue to look to the Governor's bipartisan efforts on a welfare reform policy and build on the lessons learned through a decade of state experimentation in welfare reform.

However, upon initial review of the Chairman's mark, NGA believes that many of the changes contained in the mark are contradictory to the NGA bipartisan agreement. The mark includes unreasonable modifications to the work requirement, and additional administrative burdens, restrictions and penalties that are unacceptable. Governors believe these changes in the Chairman's mark greatly restrict state flexibility and will result in increased, unfunded costs for states, while at the same time undermining states ability to implement effective welfare reform programs. These changes threaten the ability of Governors to provide any support for the revised welfare package, and may, in fact, result in Governors opposing the bill.

As you mark up the welfare provisions of S. 1795, the Personal Responsibility and Work Opportunity Act of 1996, NGA strongly urges you to consider the recommendations contained in the welfare reform policy adopted unanimously by the nation's Governors in February. Governors believe that these changes are needed to create a welfare

reform measure that will foster independence and promote responsibility, provide adequate support for families that are engaged in work, and accord states the flexibility and resources they need to transform welfare into a transitional program leading to work.

Below is a partial list of amendments that may be offered during the committee markup and revisions included in the Chairman's mark that are either opposed or supported by NGA. This list is not meant to be exhaustive, and there may be other amendments or revisions of interest or concern to Governors that are not on this list. In the NGA welfare reform policy, the Governors did not take a position on the provisions related to benefits for immigrants, and NGA will not be making recommendations on amendments in these areas. As you markup S. 1795, NGA urges you to consider the following recommendations based on the policy statement of the nation's Governors on welfare reform.

The Governors urge to support the following amendments:

Support the amendment to permit states to count toward the work participation rate calculation those individuals who have left welfare for work for the first six months that they are in the workforce (BreauX). The Governors believe states should receive credit in the participation rate for successfully moving people off of welfare and into employment, thereby meeting one of the primary goals of welfare reform. This will also provide states with an incentive to expand their job retention efforts.

Support the amendment that applies the time limit only to cash assistance (BreauX). S. 1795 sets a sixty-month lifetime limit on any federally funded assistance under the block grant. This would prohibit states from using the block grant for important work supports such as transportation or job retention counseling after the five-year limit. Consistent with the NGA welfare reform policy, NGA urges you to support the BreauX amendment that would apply the time limit only to cash assistance.

Support the amendment to restore funding for the Social Services Block Grant (Rockefeller). This amendment would limit the cut in the Social Services Block Grant (SSBG) to 10 percent rather than 20 percent. States use a significant portion of their SSBG funds for child care for low-income families. Thus, the additional cut currently contained in S. 1795 negates much of the increase in child care funding provided under the bill.

Support technical improvements to the contingency fund (BreauX). Access to additional matching funds is critical to states during periods of economic recession. NGA supports two amendments proposed by Senator BreauX. One clarifies the language relating to maintenance of effort in the contingency fund and another modifies the fund so states that access the contingency fund during only part of the year are not penalized with a less advantageous match rate.

Support the amendment to extend the 75 percent enhanced match rate through fiscal 1997 for statewide automated child welfare information systems (SACWIS), (Chafee, Rockefeller). Although not specifically addressed in the NGA policy, this extension is important for many states that are trying to meet systems requirements that will strengthen their child welfare and child protection efforts.

Governors urge you to oppose amendments or revisions to the Chairman's mark that would limit state flexibility, create unreasonable work requirements, impose new mandates, or encroach on the ability of each state to direct resources and design a welfare reform program to meet its unique needs.

In the area of work, Governors strongly oppose any efforts to increase penalties, in-

crease work participation rates, further restrict what activities count toward the work participation rate, or change the hours of work required. The Governor's policy included specific recommendations in these areas, many of which were subsequently incorporated into S. 1795, as introduced. The recommendations reflect a careful balancing of the goals of welfare reform, the availability of resources, and the recognition that economic and demographic circumstances differ among states. Imposing any additional limitations or modifications to the work requirement would limit state flexibility.

The Governors urge you to oppose the following amendments or revisions in the area of work:

Oppose the revision in the Chairman's mark to increase the number of hours of work required per week to thirty-five hours in future years. NGA's recommendation that the work requirement be set at twenty-five hours was incorporated into S. 1795. Many states will set higher hourly requirements, but this flexibility will enable states to design programs that are consistent with local labor market opportunities and the availability of child care.

Oppose the revision in the Chairman's mark to decrease to four weeks the number of weeks that job search can count as work. NGA supports the twelve weeks of job search contained in S. 1795, as introduced. Job search has proven to be effective when an individual first enters a program and also after the completion of individual work components, such as workforce or community service. A reduction to four weeks would limit state flexibility to use this cost-effective strategy to move recipients into work.

Oppose the revision in the Chairman's mark to increase the work participation rates. NGA opposes any increase in the work participation rates above the original S. 1795 requirements. Many training and education activities that are currently counted under JOBS will not count toward the new work requirements. Consequently, states will face the challenge of transforming their current JOBS program into a program that emphasizes quick movement into the labor force. An increase in the work rates will result in increased costs to states for child care and work programs.

Oppose the revision in the Chairman's mark to increase penalties for failure to meet the work participation requirements. The proposed amendment to increase the penalty by 5 percent for each consecutive failure to meet the work rate is unduly harsh, particularly given the stringent nature of the work requirements. Ironically, the loss of block grant funds due to penalties will make it even more difficult for a state to meet the work requirements.

Oppose the amendment requiring states to count exempt families in the work participation rate calculation (Gramm). This amendment would retain the state option to exempt families with children below age one from the work requirements but add the requirement that such families count in the denominator for purposes of determining the work participation rate. This penalizes states that grant the exemption, effectively eliminating this option. The exemption in S. 1795 is an acknowledgment that child care costs for infants are very high and that there often is a shortage of infant care.

Oppose the amendment to increase work hours by ten hours a week for families receiving subsidized child care (Gramm). This amendment would greatly increase child care costs as well as impose a higher work requirement on families with younger children, because families with other children—particularly teenagers—are less likely to need subsidized child care assistance.

Oppose the revision in the Chairman's mark to exempt families with children below age eleven. S. 1795, as introduced, prohibits states from sanctioning families with children below age six for failure to participate in work if failure to participate was because of a lack of child care. This revision would raise the age to eleven. NGA is concerned that this revision effectively penalizes states because they still would be required to count these individuals in the denominator of the work participation rate.

The Governors urge you to oppose the following amendments or revisions in the chairman's mark in these additional areas:

Oppose the revision in the Chairman's mark to increase the maintenance-of-effort requirement above the 75 percent in the cash assistance block grant or further narrow the definition of what counts toward maintenance-of-effort.

Oppose the revisions in the Chairman's mark that increase state plan requirements and include additional state penalties.

Oppose the amendment to limit hardship exemption to 15 percent (Gramm). NGA policy supports the current provision in S. 1795, as introduced, that allows states to exempt up to 20 percent of their caseload from the five-year lifetime limit on benefits.

Oppose the amendment to mandate that states provide in-kind vouchers to families after a state or federal time limit on benefits is triggered (BreauX, Mosely-Braun). NGA believes that states should have the option to provide non-cash forms of assistance after the time limit, but they should not be mandated to do so.

Oppose the provision in the Chairman's mark to restrict the transferability of funds out of the cash assistance block grant to the child care block grant only. The governors believe that it is appropriate to allow a transfer of funds into the foster care program or the Social Services Block Grant.

Oppose a family cap mandate in the Chairman's mark. NGA supports a family cap as an option, rather than a mandate, to prohibit benefits to additional children born or conceived while the parent is on welfare.

Governors urge you to consider the above recommendations.

Sincerely,

RAYMOND C. SCHEPPACH,
Executive Director.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, July 12, 1996.

DEAR MEMBER OF CONGRESS: You may be voting soon on the Welfare and Medicaid reform bill (H.R. 3507/S. 1795). The National Association of Counties (NACo) is encouraged that there were improvements to the welfare section of the bill, including: increased funds for child care; maintaining current law for foster care adoption assistance maintenance and administration payments; and no funding cap for food stamps nor a block grant for child nutrition. However, there are not enough improvements to warrant our support. In some respects, particularly the work requirements, the bill has become even more burdensome. NACo particularly opposes the following welfare provisions:

1. The bill ends the entitlement of Aid to Families with Dependent Children, thereby dismantling the safety net for children and their families.

2. The eligibility restriction for legal immigrants goes too far. The most objectionable provisions include denying Supplemental Security Income and Food Stamps, particularly to older immigrants. In fact, by changing the implementation date for these provisions, the bill has become more onerous. NACo is also very concerned about the effect of the deeming requirements particularly with regard to Medicaid and children in need of protective services.

3. The participation requirements have become even more unrealistic. NACo particularly opposes the increased work participation rates and increased penalties, the changes in the hours of work required, and the new restrictions on the activities that may count toward the participation rates.

As the level of government closest to the people, local elected officials understand the importance of reforming the welfare system. While NACo is glad that the bill does contain language that requires some consultation with local officials we prefer the stronger language that is contained in the bipartisan welfare reform bill (H.R. 3266).

NACo also continues to oppose the Medicaid provisions. By capping the fiscal responsibility of the federal government and reducing the state match for the majority of the states, the bill could potentially shift billions of dollars to counties with responsibility for the uninsured. Allowing the states to determine the amount, duration and scope of services even for the remaining populations which would still be guaranteed coverage, will mean that counties will be ultimately responsible for services not covered adequately by the states. While we support the increased use of managed care and additional state and local flexibility in operating the Medicaid program, we do not support the repeal of Medicare as envisioned in the current legislation.

As it is currently written, the Medicaid and Welfare Reform bill could potentially shift costs and liabilities, create new unfunded mandates upon local governments, and penalize low income families. Such a bill, in combination with federal cuts and increased demands for services, will leave local governments with two options: cut other essential services, such as law enforcement, or raise revenues. NACo therefore urges you to vote against H.R. 3507/S. 1795.

Sincerely,

DOUGLAS R. BOVIN,
President.

Mr. GRAHAM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority manager is recognized.

Mr. DOMENICI. Mr. President, I take 1 minute from our side to indicate our objection to the amendment. In the bill on page 273, there is a section that reads: "Reasonable Cause for Exception.—" And it applies to the areas the Senator from Florida is referring to.

It says:

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

Then it has two exceptions to this, and neither of the two are matters covered by the concern of the Senator. So I believe there is flexibility, and for those State legislators and staff up here who looked at it, I suggest they read that provision.

In addition, there is a whole process following that provision for how a State would determine that they had reasonable cause.

Having said that, I am going to yield back any time I have on the amendment.

ELECTRONIC BENEFIT TRANSFER SYSTEMS AND
WELFARE REFORM

Mr. KENNEDY. Mr. President, a number of consumer groups have ex-

pressed concern about a provision in the pending welfare reform bill that exempts users of electronic benefit transfer systems [EBT's] users from the protections of the Electronic Benefit Transfer Act.

EBT's are a useful reform to modernize the distribution of welfare benefits. They are comparable to automated teller machines. They offer a convenient way for welfare recipients to use a card to withdraw their cash benefits from a bank machine or pay for food at a grocery store. Although a few States may now have in place such a program, it is likely to become much more common in the years ahead. Massachusetts is in the process of implementing such a system for its 80,000 welfare recipients.

If the final welfare reform bill includes the exemption from consumer protections, EBT users will not have the same basic safeguards against benefit losses caused by computer error, merchant fraud, or theft that other credit card holders now have. Clearly, it is unfair to deny reasonable safeguards to welfare beneficiaries.

I understand that a realistic compromise is being developed to protect EBT users from benefit losses while ensuring that States are not exposed to unmanageable costs. I am hopeful that any welfare reform bill enacted into law will contain such protections, and I urge all Senators to support them.

TEEN PREGNANCY AND STATUTORY RAPE

Mr. LIEBERMAN. Mr. President, I am pleased that the Senate has made progress in two areas critical to reforming welfare—teen pregnancy and statutory rape. Both sides of the aisle have worked together to bring about this progress, and I am left hopeful that we can infuse future negotiations on other welfare issues with this bipartisan spirit of cooperation.

Mindful of the American public's demand for legislative progress this year, I joined other colleagues in sponsoring initiatives that would not only benefit children, but also reduce welfare spending. Budget specialists and community leaders emphasized the necessity of dealing with two underlying welfare problems—teen pregnancy and statutory rape. In examining these problems, we answered two necessary questions: First, who is on welfare? and Second, how did they get there?

Teenage out-of-wedlock pregnancy is a primary cause of long-term welfare dependency. Currently, 53 percent of AFDC funds go to households begun by teenage births. Senator CONRAD and I proposed an amendment to last year's Senate bill which requires teen mothers to live at home or in adult-supervised settings, establishes national goals regarding education strategies and reduction of pregnancy rates, and rewards States who meet these goals with a cash bonus.

The Senate included these provisions in the bill in front of us and strengthened the Federal role in combating this problem. However, teen pregnancy prevention is a battle that must be fought at the local level, as troubled teens de-

mand direct individual attention and investment. By accepting my amendment which compels States to devote 1 percent of their Social Security block grant—\$23.8 million—to prevention services, the Senate has spurred them to assume this responsibility. We are succeeding in aiding President Clinton as he endeavors, in his own words, "to get all the leaders of all sectors of our society involved in this fight."

The Federal Government, too, recently assumed more responsibility in accepting my amendment which targets the crime of statutory rape, a direct and indirect cause of teen pregnancy. The great majority of babies born to teen mothers are fathered by adult men, and the partners of the youngest mothers under the age of 14 are on average 10 to 15 years older than them. This Senate is sending sexual predators an unequivocally stern message—that we choose abstinence for children, and that we will not tolerate those who take advantage of a child's inability to form and articulate a decision about her body. Previously, we concurred that it is the Sense of the Senate that States should aggressively enforce statutory rape laws. Now, we are taking additional steps. The amendment requires the Justice Department to pay strict attention to this crime. They are to research the link between statutory rape and teen pregnancy, as well as those predatory men who commit these crimes repeatedly. They will also educate State and local law enforcement officials to effectively prevent and prosecute statutory rape.

Again, we include the States in this fight. This amendment compels the States to create and expand criminal law enforcement, public education, and counseling initiatives and to restructure teen pregnancy prevention programs to include men. Finally, States must certify to the Federal Government that they are engaged in such activities to stop statutory rape.

By focusing on the problems of teen pregnancy and statutory rape through these amendments, we are economizing our future welfare expenditures and improving the lives of poor children. The reality of mothers sacrificing educational opportunities to give birth to fatherless babies and live in poverty is not a choice. It is partly a result of the greater problems these amendments address.

I appreciate, and the American public will appreciate our bipartisan unity in demanding responsibility from fathers. They must own up to their paternity, pay child support, and set a good example for their children by working in private sector or community service jobs. A certain group of men must refrain from sexually preying upon young girls and dispossessing them of their fundamental right to make sexual, educational, and career choices.

Problems remain in this bill. I appeal to my colleagues to work together so that we can present not just a few amendments, not just one improvement, but an entire bill to the American citizenry that truly reforms the current system.

Mr. DOMENICI. Mr. President, I know Senator EXON needs some time.

Mr. EXON. Mr. President, I thank the chairman for his consideration. I will say, there are several matters that I must, as manager of the bill on this side, have very limited and short debate on, things I need to enter. I might be able to do that between now and 2 o'clock, but if not, in order to protect the interests of those I represent, I ask unanimous consent that the 2 o'clock hour be extended by 10 minutes, to 10 minutes past 2, if necessary, to accommodate the Senator from Nebraska to carry out the duties that I must address.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, I do not know what it is you want to do. Do you want to offer amendments on behalf of Senators?

Mr. EXON. Yes, these are things I have to do as a manager of the bill on this side, including points of order requests.

Mr. DOMENICI. Let me make one further request. Are any of those amendments for Senators who did not come today to offer their amendments? How many are those?

Mr. EXON. There are three amendments that were on the list that the Senators have not come to formally offer today, and I intend to perform that duty for them.

Mr. DOMENICI. So long as we clearly understand, this does not flow to Senators who come in here at 5 minutes after, this applies to you.

Mr. EXON. I amend the request, if I might. I ask unanimous consent that, if necessary to discharge the duties assigned to the Democratic leader of the Budget Committee, that the additional 10 minutes be assigned to this Senator and this Senator only.

Mr. DOMENICI. I have no objection.

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

Mr. EXON. I thank my friend for his usual good cooperation. There are two amendments I will offer. They have been cleared on both sides. I think we can dispose of them quickly.

AMENDMENT NO. 4953

(Purpose: To allow States to choose the most appropriate agency to assist abused and neglected children, by enabling them to choose proprietary as well as non-profit or government agencies to care for children in foster care, as provided in report number 104-430 (the conference report to H.R. 4 as passed during the 1st session of the 104th Congress), and S. 1795, as introduced in the Senate during the 2d session of the 104th Congress, and before the Finance Committee Chairman's modifications to such bill)

Mr. EXON. Mr. President, on behalf of the Senator from Louisiana [Mr. BREAUX], I send an amendment to the

desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BREAUX, proposes an amendment numbered 4953.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of section 2109(a), add the following:

(17) Section 472(c)(2) (42 U.S.C. 672(c)(2)) is amended by striking "nonprofit".

Mr. EXON. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid on the table.

Mr. DOMENICI. We have no objection. We accept that amendment.

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

The amendment (No. 4953) was agreed to.

AMENDMENT NO. 4954

(Purpose: To provide for community steering committees demonstration projects)

Mr. EXON. Mr. President, in similar fashion, on behalf of the Senator from Nebraska [Senator KERREY] I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KERREY, proposes an amendment numbered 4954.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of chapter 1 of subtitle A of title II, add the following:

SEC. . COMMUNITY STEERING COMMITTEES DEMONSTRATION PROJECTS.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall enter into agreements with not more than 5 States that submit an application under this section, in such form and such manner as the Secretary may specify, for the purpose of conducting a demonstration project described in subsection (b).

(b) DESCRIPTION OF PROJECT.—

(1) COMMUNITY STEERING COMMITTEES.—

(A) ESTABLISHMENT.—A demonstration project conducted under this section shall establish within a State in each participating county a Community Steering Committee that shall be designed to help recipients of temporary assistance to needy families under a State program under part A of title IV of the Social Security Act who are parents move into the non-subsidized workforce and to develop a holistic approach to the development needs of such recipient's family.

(B) MEMBERSHIP.—A Community Steering Committee shall consist of local educators, business representatives, and social service providers.

(C) GOALS AND DUTIES.—

(i) GOALS.—The goals of a Community Steering Committee are—

(I) to ensure that recipients of temporary assistance to needy families who are parents obtain and retain unsubsidized employment; and

(II) to reduce the incidence of intergenerational receipt of welfare assistance by addressing the needs of children of recipients of temporary assistance to needy families.

(ii) DUTIES.—A Community Steering Committee shall—

(I) identify and create unsubsidized employment positions for recipients of temporary assistance to needy families;

(II) propose and implement solutions to barriers to unsubsidized employment of recipients of temporary assistance to needy families;

(III) assess the needs of children of recipients of temporary assistance to needy families; and

(IV) provide services that are designed to ensure that children of recipients of temporary assistance to needy families enter school ready to learn and that, once enrolled, such children stay in school.

(iii) PRIMARY RESPONSIBILITY.—A primary responsibility of a Community Steering Committee shall be to work on an ongoing basis with parents who are recipients of temporary assistance to needy families and who have obtained nonsubsidized employment in order to ensure that such recipients retain their employment. Activities to carry out this responsibility may include—

(I) counseling;

(II) emergency day care;

(III) sick day care;

(IV) transportation;

(V) provision of clothing;

(VI) housing assistance; or

(VII) any other assistance that may be necessary on an emergency and temporary basis to ensure that such parents can manage the responsibility of being employed and the demands of having a family.

(iv) FOLLOW-UP SERVICES FOR CHILDREN.—A Community Steering Committee may provide special follow-up services for children of recipients of temporary assistance to needy families that are designed to ensure that the children reach their fullest potential and do not, as they mature, receive welfare assistance as the head of their own household.

(c) REPORT.—Not later than October 1, 2001, the Secretary shall submit a report to the Congress on the results of the demonstration projects conducted under this section.

Mr. EXON. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid upon the table.

Mr. DOMENICI. Mr. President, let me just mention that amendment we had agreed to over the weekend. We worked on that with Senator KERREY. We have no objection. We had already agreed to it.

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

The amendment (No. 4954) was agreed to.

AMENDMENT NO. 4935

Mr. EXON. Mr. President, under the previous order, all points of order must be raised today before the 2 o'clock deadline, or under the extended time that we have agreed to.

Pursuant to that order, I now address amendment No. 4935, offered by the Senator from Texas, Senator GRAMM. Mr. President, the amendment is not

germane, and I raise a point of order that the Gramm amendment violates section 305(b) of the Congressional Budget Act.

Mr. DOMENICI. Mr. President, I move to waive the point of order and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4901

Mr. EXON. Mr. President, also pursuant to the previous order, I now address amendment No. 4901, offered by the Senator from North Carolina, Senator FAIRCLOTH.

The amendment is not germane, and I raise a point of order that the Faircloth amendment violates section 305 of the Congressional Budget Act.

Mr. DOMENICI. Pursuant to the appropriate provisions of the Budget Act, I move to waive the point of order against the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4955

(Purpose: To permit assistance to be provided to needy or disabled legal immigrant children when sponsors cannot provide reimbursement)

Mr. EXON. Mr. President, on behalf of the Senator from Massachusetts, Senator KENNEDY, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, proposes an amendment numbered 4955.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 572, strike out line 10 and all that follows through page 577, line 10, and insert the following:

(E) EXCEPTION FOR CHILDREN.—Paragraph (1) shall not apply to the following:

(i) SSI.—An alien who has not attained the age of 18 years and who is eligible by reasons of disability for supplemental security income under title XVI of the Social Security Act.

(ii) FOOD STAMPS.—An alien who has not attained the age of 18 years, only for purposes of eligibility for the food stamp program as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)).

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term "specified Federal program" means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant

to an agreement entered into under section 212(b) of Public Law 93-66.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 2403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 2431) for any designated Federal program (as defined in paragraph (3)), except that States shall not ban from such programs qualified aliens who have not attained the age of 18 years.

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii) (I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (II) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term "designated Federal program" means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID.—The program of medical assistance under title XV and XIX of the Social Security Act.

SEC. 2403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 2431) and who en-

ters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(3) EXCEPTION FOR CHILDREN.—An alien who has not attained the age of 18 years.

Mr. KENNEDY. Mr. President, I am deeply concerned that for the first time in history, Congress will ban legal immigrants from most assistance programs. Banning legal immigrants from these programs will also deny their children the assistance they need to become healthy, productive members of society. The amendment I am offering will exempt children from these bans.

The Republican bill permanently bans legal immigrants from SSI and food stamps. It bans them for 5 years from Medicaid, AFDC and other programs. It also gives States the option of going even farther, and permanently banning them from Medicaid, AFDC, and social service block grants.

Several preliminary points are important to understand about this issue.

First, this bill is a ban. Banning is not the same as deeming. In deeming, we look to the sponsor for payment before the Government pays. Under banning, the sponsor is not involved. The ban covers legal immigrants, with or without sponsors.

Second, we are not talking about illegal immigrants. This bill bans legal immigrants from safety net programs. These are individuals and families who come here legally, play by the rules, and pay their taxes. They are future citizens trying to make it in this country. Yet this bill would repay them by banning them from assistance if they fall on hard times.

Third, the ban's application to children makes no sense. Many children will be affected and harmed, but many others will not. It depends entirely on where they were born. Children born in the United States are U.S. citizens and will be eligible for assistance, even if their parents are legal immigrants. But children born overseas will be caught by the ban. So children in the same

family will be treated differently, depending on where they were born. This is unfair.

Fourth, the children involved often live in the families of U.S. citizens. A typical case involves a citizen who has married and brought his new spouse and the spouse's child to America. Surely, they deserve help.

AFDC, SSI, food stamps and Medicaid are programs which are especially critical to children's health and development. Banning legal immigrant children from these programs puts their well-being at stake, and it puts the public at risk, too.

Legal immigrants can get sick like everyone else. Their families can fall on hard times. They can become disabled. Banning them from basic assistance programs means that when their sponsors can't provide support, immigrants won't get the help they need. Their medical conditions will go untreated and their disabilities will worsen.

These children are future citizens. Like all other children in America, they need and deserve to be assured of good health and good nutrition. If the Federal Government abandons them, communities will suffer.

When immigrant children get sick, they infect other children. By banning them from Medicaid, we are also banning them from school-based care under the Early and Periodic Screening, Detection, and Treatment Program, which provides basic health care to school-age children. It is part of Medicaid in most states.

Under this bill, legal immigrant children will be banned from going to the school nurse when they feel sick in school. If they try to see the nurse, the nurse cannot treat them because they are immigrants. They have no private insurance and they are banned from Medicaid. If the illness gets worse, their parents may take them to the local emergency room—a very expensive alternative and not likely to be pursued unless the illness seems severe.

Suppose a child has tuberculosis. In the time it took for the illness to worsen enough to be covered by emergency Medicaid, many classmates have been exposed—all because no early help was available.

In addition to Medicaid, the Republican bill bans legal immigrant children from SSI, which provided assistance to the blind and disabled. Nine thousand legal immigrant children are blind or disabled. They have some of the most complex and life-threatening needs of all. As a practical matter, such cases often involve tragic accidents, where expensive long-term care is needed to deal with debilitating conditions. If SSI is not available, children literally will die.

The Republican bill also bans legal immigrant children from food stamps, which could sentence them to a lifetime of health problems due to poor nutrition. Parents will have to turn to soup kitchens and food pantries just to

feed their children. Yet, soup kitchens are already stretched beyond their capacity. Almost all soup kitchens limit the number of times a person can come to the kitchen for food. Some kitchens allow one visit a month. Others allow only three to six visits a year. If we cut off food stamps, many legal immigrant children will have nowhere to turn for food.

Nutrition is vital to the development of a child. Immigrant children are no exception. Without access to food stamps, some immigrant children will suffer a lifetime of anemia, stunted growth, and even permanent brain damage.

Finally, it makes no sense to ban legal immigrants from AFDC payments. AFDC allows mothers to place their children in child care, so that the parent can work or go to school. Without AFDC, parents will have to stay home to take care of their children. This bill is not welfare reform for legal immigrants. It will push families further into poverty, with no chance of escape.

For all of these reasons, I urge the Senate to adopt this amendment, and reject this harsh and extreme attack on immigrant children.

Mr. EXON. Mr. President, I yield back time on the amendment.

Mr. DOMENICI. Pursuant to section 310(d)(2), I raise a point of order against the pending Kennedy amendment on behalf of the Finance Committee.

Mr. EXON. Mr. President, I move to waive the point of order and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second

The yeas and nays were ordered.

AMENDMENT NO. 4956

(Purpose: To allow a 2-year implementation period under the Medicaid program for implementation of the attribution of sponsor's income, the 5-year ban, and other provisions)

Mr. EXON. Mr. President, on behalf of the Senator from Massachusetts, Senator KENNEDY, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, proposes an amendment numbered 4956.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. KENNEDY. Mr. President, the changes in Medicaid for legal immigrants in this legislation will have a major impact on health care institutions and on the public health.

Virtually all of the Nation's hospitals have called on Congress to delay

implementation of these changes for at least 2 years because of their far-reaching consequences. Those who have urged such a transition include:

The American Association of Eye and Ear Hospitals,

The American Hospital Association,
The Association of American Medical Colleges,

The American Osteopathic Healthcare Association,

The Federation of American Health Systems, InterHealth,

The National Association of Children's Hospitals,

The National Association of Community Health Centers,

The National Association of Psychiatric Health Systems,

The National Association of Public Hospitals,

Premier, Inc.; and

The Catholic Health Association of the United States.

My amendment responds to their concern by postponing the implementation of the Medicaid changes on immigrants for 2 years, in order to enable State and local governments and hospitals and clinics to make the major adjustments required under this bill.

Even with this transition, these changes will hurt the health care system and harm the public health. It is bad public health policy to deny Medicaid to legal immigrants. Last April, the National Conference of State Legislatures, the National Association of Counties, and the National League of Cities wrote to Congress stating:

Without this program eligibility, many legal immigrants will not have access to health care. Legal immigrants will be forced to turn to State indigent health care programs, public hospitals, and emergency rooms for assistance or avoid treatment altogether. This will in turn endanger the public health and increase the cost of providing health care to everyone.

But if these changes are to take place, then we should at least give health providers the time they need to adjust.

Although the bill continues emergency Medicaid for legal immigrants, they would be banned from regular Medicaid for 5 years. After that, they can qualify for Medicaid only if their sponsor's income and resources are too low to assist them. But States can decide to ban legal immigrants permanently from Medicaid.

Hospitals fear that if Medicaid is restricted, the loss of funds will require them to reduce services for everyone—citizens and non-citizens alike. Especially vulnerable are the most costly services, such as trauma care, burn treatment, and neonatal intensive care.

This crisis in funding will particularly affect hospitals that serve communities with large numbers of immigrants. In the case of public hospitals, most patients have Medicaid coverage. Today, at Cambridge City Hospital in Massachusetts, 48 percent of the patients are immigrants. That means the hospital could lose half of its Medicaid funding under this bill.

For Los Angeles County Hospital, the figure is 60 percent. For Jackson Memorial Hospital in Miami, 40 percent. For San Francisco General Hospital, 30 percent. For Harris County Hospital in Houston, 30 percent.

The sudden loss of Medicaid income when the immigrant population is denied coverage may well jeopardize the quality of health care in the entire community those hospitals serve.

In addition, those without health coverage through insurance or Medicaid are less likely to receive preventive medical care and timely immunization. The result is unnecessarily higher risks of disease in the community as a whole. The care system will try to prevent this result, but it is a gamble that Congress should not impose.

At a minimum, the health care system needs time to adjust. Under this bill, the Medicaid changes go into effect immediately for future immigrants. States may choose to deny Medicaid starting on January 1, 1997. That's unfair and unrealistic. Hospitals and State and local governments need time to adjust. Community health centers need to find ways to expand, as Medicaid resources dry up for hospital care. State legislatures will need to adopt new laws and adjust spending to compensate for the loss of Medicaid.

These complicated changes cannot occur overnight, especially in California, Texas, Florida, New York, New Jersey, Massachusetts, Pennsylvania, Illinois, and other States with large immigrant populations.

These changes should not go into effect at all. But if they do, I urge my colleagues at least to hear the pleas and heed the plight of the hospitals. They need more time and they deserve it.

I urge the adoption of this amendment.

Mr. EXON. Mr. President, I yield back time on the amendment.

Mr. DOMENICI. Mr. President, pursuant to appropriate sections of the Budget Act, I raise a point of order against the pending Kennedy amendment on behalf of the Finance Committee.

Mr. EXON. Mr. President, at this point, I move to waive all points of order against the pending amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4957

(Purpose: To modify remittance requirement from 5 to 7 days for child support enforcement payments)

Mr. DOMENICI. Mr. President, since the hour of 2 is arriving and we have agreed to extra time just for Senator EXON, I send an amendment to the desk in behalf of Senator NICKLES. It was on the list. It modifies the requirement for remittance, making it 7 days instead of 5 for child support payments. I send that amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. NICKLES, proposes an amendment numbered 4957.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 438, line 15, strike "5" and insert "7".

Mr. EXON. We have no objection to this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4957) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, in 1986, the Congress enacted the so-called "Byrd rule," named for our esteemed colleague, Senator BYRD, now incorporated into the Congressional Budget Act of 1974 as section 313. Although it

may seem arcane to those not immediately involved in the budget process, the Byrd rule has become a very important tool to curb provisions in the reconciliation bill that are extraneous to the purpose of deficit reduction. It helped close Pandora's box of reconciliation abuse, of which Senator BYRD so eloquently warned more than 10 years ago.

The Byrd rule provides six definitions of what constitute extraneous matter, but the term generally applies to provisions unrelated to the reconciliation deficit reduction goals.

For example, a provision in reconciliation could be challenged by a Senator if it produces no changes in revenue or spending or if such changes are merely incidental. Sixty votes are necessary to waive a point of order raised under the Byrd rule. Last year's reconciliation bill contained numerous Byrd rule violations. This year's bill is also brimming with violations. I will shortly present a full list to the Chair and raise a point of order, but I want to highlight two of them.

First, there is a provision that deletes a requirement that the Secretary of Agriculture promulgate rules so that school lunch contracts comply with the applicable meat inspection laws.

Second, there is a provision that strikes the requirement that positive efforts shall be made by service institutions to use small business and minority-owned businesses as sources of supplies and services for these school lunch programs.

Mr. President, once again, these are simply other add-ons that we should look to. Once again, this is not an all-inclusive list, but it gives the Senate a flavor of the violations that I will shortly raise.

With that, Mr. President, I send a list of provisions to the desk that I have referenced, and pursuant to section 313(d) of the Congressional Budget Act, I raise a point of order that these provisions violate section 313(b)(1) of that act.

The list follows:

EXTRANEOUS PROVISIONS IN S. 1956

Section	Subject	Violation	Rationale
Section 1206(h)	Positive efforts
Title I—Committee on Agriculture—Agriculture and Related Provisions Subtitle A—Food Stamps and Commodity Distribution Chapter 1—Food Stamp Program			
Section 1126	Caretaker exemption	313(b)(1)(A)	No budgetary impact.
Sec. 1148	Expedited service	313(b)(1)(A)	No budgetary impact.
Sec. 1159	Waiver authority	313(b)(1)(A)	No budgetary impact.
Subtitle B—Child Nutrition programs Chapter 1—Amendments to the School Lunch Act			
Sec. 1202(b)	Annual announcement of child nutrition income eligibility limits	313(b)(1)(A)	No budgetary impact.
Sec. 1205(g)	Vermont food works	313(b)(1)(A)	No budgetary impact.
Sec. 1207(b)	Meat inspection	313(b)(1)(A)	No budgetary impact.
Sec. 1209(c)	Eliminating projects	313(b)(1)(A)	No budgetary impact.
Subtitle B—Child Nutrition programs Chapter 2—Amendments to the Child Nutrition Act of 1966			
Sec. 1259(d)(1)	Delete requirement for WIC participants to be provided drug abuse education.	313(b)(1)(A)	No budgetary impact.
Sec. 1259(e)(2) line 13 strike "(2)" and "(8)"	Announcing annual WIC income	313(b)(1)(A)	No budgetary impact.
Sec. 1259(g)(1)(C)	Deletes USDA's authority to use a portion of WIC carryover funds for innovative demonstration projects to find more innovative ways of promoting breastfeeding among WIC participants..	313(b)(1)(A)	No budgetary impact.

EXTRANEOUS PROVISIONS IN S. 1956—Continued

Section	Subject	Violation	Rationale
Title II—Committee on Finance Subtitle A—Welfare Reform			
In Chapter 1: "Sec. 403(b)(9)"	Budget Scoring—directs CBO not to include program in the baseline after 2001.	313(b)(1)(C)	Not in Finance's jurisdiction.
"Sec. 405(e)"	Collection of State overpayments to families from Federal tax refunds	313(b)(1)(A)	No budgetary impact.
"Sec. 408(a)(2)"	No additional cash assistance for children born to families receiving assistance.	313(b)(1)(A)	No budgetary impact.
"Sec. 409(a)(7)(C)"	Applicable percentage reduced for high performance States	313(b)(1)(A)	No budgetary impact.
Sec. 2104	Services provided by charitable, or private organizations	313(b)(1)(A)	No budgetary impact.
Sec. 2113	Disclosure of receipt of Federal funds	313(b)(1)(A)	No budgetary impact.
In Chapter 2: Sec. 2225	Repeal of maintenance of effort requirement—applicable to optional State programs for supplementation of SSI benefits.	313(b)(1)(D)	Budget impact is merely incidental to policy change.
In Chapter 4: Sec. 2403(c)(1)	Federal means-tested public benefits	313(b)(1)(C)	Aspects are not in Finance Committee's jurisdiction.
Sec. 2412(c)	State public benefits defined	313(b)(1)(A)	No budgetary impact.
In Sec. 2423: "Sec. 213A(f)(2)"	Federal means-tested public benefits	313(b)(1)(C)	Aspects are not in Finance Committee's jurisdiction.
Sec. 2424	Consignation of alien student loans	313(b)(1)(C)	The Higher Education Act is in the jurisdiction of the Labor Committee, not the Finance Committee.
Sec. 2424	Cosignature of alien student loans	313(b)(1)(C)	The Higher Education Act is in the jurisdiction of the Labor Committee, not the Finance Committee.
Chapter 5	Reductions in Federal Government	313(b)(1)(A)	No budgetary impact.
In Chapter 8: Sec. 2815	Repeals	313(b)(1)(A)	Not in Finance's jurisdiction.
In Chapter 9: Sec. 2909	Abstinence education	313(b)(1)(C)	No budgetary impact. Discretionary programs. Not in Finance's jurisdiction.
		313(b)(1)(A)	No budgetary impact. Affects discretionary programs.

Mr. DOMENICI addressed the Chair. The PRESIDING OFFICER (Mr. BENNETT). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I inquire of the distinguished Senator, before I lodge my waiver with this, have we finished the work that you had alluded to that you had to do?

Mr. EXON. We have one other matter. It is simply something to offer into the RECORD, a letter from the President on the matter that I think you will have no objection to. Other than that, I have nothing further, after the motion that I have just made.

Mr. DOMENICI. I assume when we dispose of that, and you get your insertion, we are finished and have complied with the order about completing the work on this bill?

Mr. EXON. The Senator is correct.

Mr. DOMENICI. Mr. President, since I have not had time nor has our staff had time to review the list of subject matters for Byrd rule points of order—and I want to state in a very specific way that I totally agree with the statements of the Senator from Nebraska as to why we have a Byrd rule. It is not totally perfect, but it is much better than having this law and this reconciliation without that kind of limitation. Nonetheless, we have not had a chance to review them. So what I would like to do—and I am going to do this now; I want to explain it to Senator EXON—I am going to move to waive each one and then we will reserve until tomorrow and consult with all of you on which ones we may indeed seek a vote, if any.

Mr. EXON. Mr. President, the request from the Senator is entirely in order. I had anticipated that they would have some time to look at the list because we have just completed it ourselves and sent it to the desk. Therefore, I have no objection to the request just made and would agree to it.

Mr. DOMENICI. Mr. President, I move to waive the Budget Act with respect to each individual point of order that has just been sent to the desk and lodged by the minority.

I might inform the Senate that, without votes on the points of order if we elect to seek waiver, there are 22 stacked votes now in the event we vote on everything that we have heretofore cleared. The starting time, according to the previous order, unless changed, will be 9:30 a.m. tomorrow morning.

The PRESIDING OFFICER. The Senator is correct.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I ask unanimous consent that a letter stating the administration's position on the bill be printed in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, July 18, 1996.

Hon. J. JAMES EXON,
Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR EXON: I am writing to transmit the Administration's views on S. 1956, the "Personal Responsibility, Work Opportunity, and Medicaid Restructuring Act of 1996."

We understand that the Senate Republican leadership plans to move to strike the Medicaid provisions of this reconciliation legislation—leaving a welfare-only bill for Senate floor consideration.

We are pleased with this decision to separate welfare reform from provisions to repeal Medicaid's guarantee of health care for the elderly, the poor, pregnant women, and people with disabilities. We hope that removing this "poison pill" from welfare reform is a breakthrough that shows that the Republican leadership seriously wants to pass bipartisan welfare reform this year.

Enacting bipartisan welfare reform reflecting the principles of work, family, and responsibility is among the Administration's highest priorities. For the past three-and-a-half years, the President has demonstrated his commitment to enacting real welfare reform by working with Congress to enact legislation that moves people from welfare to work, encourages responsibility, and protects children. The Administration sent Congress a stand-alone welfare bill that requires

welfare recipients to work, imposes strict time limits on welfare, toughens child support enforcement, is fair to children, and is consistent with the President's commitment to balance the budget.

The Administration is pleased that the bill makes many of the important improvements to H.R. 4 that we recommended—improvements also included in the bipartisan National Governors' Association (NGA) and Breaux-Chafee proposals. The Senate bill improves upon the bill that the House is now considering. We urge the Senate to build on these improvements, and to continue the bipartisan spirit displayed in last year's debate on welfare reform. At the same time, however, the Administration is deeply concerned about certain provisions of S. 1956 that would adversely affect benefits for Food Stamp households and legal immigrants, as well as the need for strong State accountability and flexibility. And, the bill would still raise taxes on millions of workers by cutting the Earned Income Tax Credit (EITC).

IMPROVEMENTS CONTAINED IN S. 1956

We appreciate the Finance and Agriculture Committees' efforts to strengthen provisions central to work-based reform, such as child care, and to provide additional protections for children and families. In rejecting H.R. 4, the President singled out a number of provisions that were tough on children and did too little to move people from welfare to work. S. 1956 includes important changes to these provisions that move the legislation closer to the President's vision of true welfare reform. We are particularly pleased with the following improvements:

Child Care. As the President has insisted throughout the welfare reform debate, child care is essential to move people from welfare to work. The bill reflects a better understanding of the child care resources that States will need to implement welfare reform, adding \$4 billion for child care above the level in H.R. 4. The bill also recognizes that parents of school-age children need child care in order to work.

Food Stamps. The bill removes the annual spending cap on Food Stamps, preserving the program's ability to expand during periods of economic recession and help families when they are most in need. We are concerned, however, with other Food Stamp proposals, as discussed below.

Maintenance of Effort. The Administration strongly supports the Finance Committee's changes to State maintenance of effort

(MOE) and transfer provisions and believes these are critical elements of bipartisan welfare reform. The Committee removed the objectionable transfer authority to the Title XX Social Services Block Grant and other programs and would allow transfers to child care only. In addition, the Committee restored the 80 percent MOE level in last year's Senate bill and tightened the definition of what counts toward this requirement.

Work Performance Bonus. We commend the Committee for giving States an incentive to move people from welfare to work by providing \$1 billion in work program performance bonuses by 2003. This provision was an important element of last year's Senate bill and the Administration's bill, and will help change the culture of the welfare office.

Contingency Fund. The bill adopts the NGA recommendation to double the Contingency Fund to \$2 billion, and add a more responsive trigger based on the Food Stamp caseload. Below, the Administration recommends further steps that Congress should take to strengthen this provision.

Equal Protection. The Committee includes provisions that would require States to establish objective criteria for delivery of benefits and to ensure equitable treatment. We are pleased that the Committee also incorporates appropriate State accountability measures.

Hardship Exemption. We commend the Finance Committee for following the NGA recommendation and restoring last year's Senate provisions allowing States to exempt up to 20 percent of hardship cases that reach the five-year limit.

Transitional Medicaid. We are pleased that the Finance Committee has taken steps to ensure the continuation of Medicaid coverage for some of those who are transitioning from welfare to work. We are concerned, however, that States could deny this transitional Medicaid to many who would lose cash benefits for various reasons. In addition, we still have concerns with Medicaid coverage for those on cash assistance, as noted below.

Worker Displacement. We are pleased that the bill incorporates provisions against worker displacement, including protections from partial displacement as well as avenues for displaced employees to seek redress.

Child Nutrition. The bill now includes many provisions proposed by the Administration, and no longer includes H.R. 4's provisions for a child nutrition block-grant demonstration. In addition, the bill exempts the child nutrition program from burdensome administrative provisions related to its alien provisions. We believe that the Senate could further improve the bill by including the Administration's proposed 8 percent commodity floor.

Child Protection. We commend the Finance Committee for preserving the Title IV-E foster care and adoption assistance programs (including related Medicaid coverage), and other family support and child abuse prevention efforts.

Supplemental Security Income (SSI). The bill removes the proposed two-tiered benefit system for disabled children receiving SSI, and retains full cash benefits for all eligible children.

We remain pleased that Congress has decided to include central elements of the President's approach—time limits, work requirements, the toughest possible child support enforcement, and the requirement that minor mothers live at home as a condition of assistance—in this legislation.

KEY CONCERNS WITH S. 1956

The Administration, however, remains deeply concerned that S. 1956 still lacks other important provisions that have earned bipartisan endorsement.

Size of the cuts. The welfare provisions incorporate most of the cuts in the vetoed bill—about \$60 billion over six years (including the EITC and related savings in Medicaid). These cuts far exceed those proposed by the NGA or the Administration. Cuts in Food Stamps and benefits to legal immigrants are particularly deep. The President's Budget demonstrates that cuts of this size are not necessary to achieve real welfare reform, nor are they needed to balance the budget.

Food Stamps. The Administration strongly opposed the inclusion of a Food Stamp grant option, which could seriously undermine the Federal nature of the program, jeopardizing the nutrition and health of millions of children, working families, and the elderly, and eliminating the program's ability to respond to economic changes. The Administration also is concerned that the bill makes deep cuts in the Food Stamp program, including a cut in benefits to households with high shelter costs that disproportionately affects families with children, and a four-month time limit on childless adults who are willing to work but are not offered a work slot.

Legal Immigrants. The bill retains the excessively harsh and uncompromising immigration provisions of last year's vetoed bill. While we support the strengthening of requirements on the sponsors of legal immigrants applying for SSI, Food Stamps, and Aid to Families with Dependent Children (AFDC), the bill bans SSI and Food Stamps for virtually all legal immigrants, and imposes a five-year ban on most other Federal programs, including non-emergency Medicaid, for new legal immigrants. These bans would even cover legal immigrants who become disabled after entering the country, families with children, and current recipients. The bill would deny benefits to 300,000 immigrant children and would affect many more children whose parents are denied assistance. The proposal unfairly shifts costs to States with high numbers of legal immigrants. In addition, the bill requires most Federal, State, and local benefits programs to verify recipients' citizenship or alien status. These mandates would create extremely difficult and costly administrative burdens for State, local, and non-profit service providers, as well as barriers to participation for citizens. Also, the Administration urges that Senate not go in the harsh direction that the House Rules Committee did yesterday in reporting a provision that would broaden the ban on current immigrants from receiving Medicaid coverage.

Medical Assistance Guarantee. The Administration opposes provisions that do not guarantee continued Medicaid eligibility when States change AFDC rules. We are concerned that families who lose cash assistance for various reasons, such as reaching the five-year limit or having additional children while they are receiving assistance, could lose their Medicaid eligibility and be unable to receive the health care services that they need. In addition, State flexibility to change these AFDC rules could adversely affect Medicaid eligibility determinations, including eligibility for poverty-related pregnant women and children.

Protection in Economic Downturn. Although the Contingency Fund is twice what it was in the vetoed bill, it still does not allow for further expansions during poor economic conditions and periods of increased need. We are also concerned about provisions that reduce the match rate on contingency funds for States that access the fund for periods of under a year.

Resources for Work. S. 1956 would not provide the resources States need to move recipients into work. The bill increases the work mandates on States above the levels in H.R. 4 while providing no additional re-

sources for States to meet these more stringent rates. Based on CBO estimates, the Senate bill would provide \$12 billion less over six years than is required to meet the bill's work requirements and maintain the current level of cash assistance to poor families. CBO notes that "most States would be unlikely to satisfy this requirement." Moreover, the Senate bill would lead to a \$2.4 billion shortfall in child care resources (assuming States maintain their current level of cash assistance benefits, continue current law Transitional and At-Risk child care levels, and do not transfer amounts from the cash block grant to child care).

Vouchers. The bill actually reduces State flexibility by prohibiting States from using block grant funds to provide vouchers to children whose parents reach the time limit. H.R. 4 contained no such prohibition, and the NGA opposes it. We strongly urge the adoption of voucher language, similar to that in the Administration's bill and Breau-Chafee, that protects children.

Child Care Health and Safety Protections. The bill repeals current child care health and safety protections and cuts set-aside funds to the States to improve the safety and quality care. We strongly urge the Senate to restore these basic health and safety protections, which were enacted with strong bipartisan support in 1990 and maintained in last year's Senate bill and are essential to the safety and well-being of millions of young children.

Family Caps. The Senate bill reverts back to the opt-out provision on family caps which would restrict State flexibility in this area. The Administration, as well as the NGA, seeks complete State flexibility to set family cap policy.

EITC. The Administration opposes the provision in S. 1956 that raises taxes on over four million low-income adult workers by ending inflation adjustments for working households without dependent children, and thereby substantially cutting the real value of their tax credit over time. Raising taxes on these workers is wrong. In addition, the budget resolution instructs the revenue committees to cut up to \$18.5 billion more from the EITC. Thus, EITC cuts could total over \$20 billion. Such large tax increases on working families are particularly ill-conceived when considered in the context of real welfare reform—that is, encouraging work and making work pay.

We strongly support the bipartisan welfare reform initiatives of moderate Republicans and Democrats in both the House and Senate. The Breau-Chafee proposal addresses many of our concerns, and it would strengthen State accountability efforts, welfare to work measures, and protections for children. It provides a foundation on which the Senate should build in order to provide more State flexibility; incentives for AFDC recipients to move from welfare to work; more parental responsibility; and protections for children. It is a good, strong proposal that would end welfare as we know it. Breau-Chafee provides the much needed opportunity for a real bipartisan compromise, and it should be the basis for a quick agreement between the parties.

The President stands ready to work with Congress to address the outstanding concerns so we can enact a strong, bipartisan welfare reform bill to replace the current system with one that demands responsibility, strengthens families, protects children, and gives States broad flexibility and the needed resources to get the job done.

Sincerely,

JACOB J. LEW,
Acting Director.

Mr. DOMENICI. Mr. President, parliamentary inquiry. Is it correct, pursuant to the regular order, we would

now proceed with the agriculture appropriations bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. COCHRAN. Mr. President, what is the business now before the Senate?

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1997

The PRESIDING OFFICER. Under the previous order, the clerk will report the agriculture appropriations bill.

The assistant legislative clerk read as follows:

A bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in *italic*.)

H.R. 3603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes, namely:

TITLE I

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed \$75,000 for employment under 5 U.S.C. 3109, \$2,836,000: *Provided*, That not to exceed \$11,000 of this amount, along with any unobligated balances of representation funds in the Foreign Agricultural Service shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: *Provided further*, That none of the funds appropriated or otherwise made available by this Act may be used to detail an individual from an agency funded in this Act to any Under Secretary office or Assistant Secretary office for more than 30 days: *Provided further*, That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104-127.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk as-

essment, cost-benefit analysis, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, \$4,231,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$25,000 is for employment under 5 U.S.C. 3109, \$11,718,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, \$5,986,000.

CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109, \$4,283,000: *Provided*, That the Chief Financial Officer shall actively market cross-servicing activities of the National Finance Center.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, \$613,000.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for the operation, maintenance, and repair of Agriculture buildings, \$120,548,000: *Provided*, That in the event an agency within the Department should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account. In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, **[\$5,000,000]**, \$25,587,000 to remain available until expended; making a total appropriation of **[\$125,548,000]** *\$146,135,000*.

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, \$15,700,000, to remain available until expended: *Provided*, That appropriations and funds available herein to the Department for Hazardous Waste Management may be trans-

ferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, **[\$28,304,000]** *\$30,529,000*, to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558: *Provided further*, That of the total amount appropriated, not less than \$11,774,000 shall be made available for civil rights enforcement.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, including programs involving intergovernmental affairs and liaison within the executive branch, **[\$3,728,000]** *\$3,668,000*: *Provided*, That no other funds appropriated to the Department in this Act shall be available to the Department for support of activities of congressional relations: *Provided further*, That not less than \$2,241,000 shall be transferred to agencies funded in this Act to maintain personnel at the agency level.

OFFICE OF COMMUNICATIONS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, \$8,138,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed \$2,000,000 may be used for farmers' bulletins.

OFFICE OF THE INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, as amended, \$63,028,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, as amended, including a sum not to exceed \$50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed \$95,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98: *Provided*, That funds transferred to the Office of the Inspector General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as a participating agency, as an equitable share from the forfeiture of property in investigations in which the Office of the Inspector General participates, or