

with diabetes ahead of politics. Let us enact this fine legislation as one of the first examples that we can and will work together to serve the American people. Let us take as our example the outstanding commitment of Representative FURSE to accomplish this objective not for personal or political gain, but because it is the right thing to do.

I am happy to be part of this effort, and look forward to speedy enactment of this important legislation.

#### INTRODUCTION OF LEGISLATION TO EXPAND THE PROTECTIONS OF THE FAMILY AND MEDICAL LEAVE ACT

HON. WILLIAM (BILL) CLAY  
OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES  
*Tuesday, January 7, 1997*

Mr. CLAY. Mr. Speaker, today I am introducing legislation to expand the protections afforded by the Family and Medical Leave Act of 1993 (FMLA). The legislation I am introducing is substantially similar to legislation introduced in the last Congress by our distinguished former colleague, Patricia Schroeder.

The FMLA grants employees the right to unpaid leave in the event of a family or medical emergency without jeopardizing their jobs. As former chairman of the Subcommittee on Labor-Management Relations of the Committee on Education and Labor, I was privileged to work closely with pat Schroeder, the Hon. MARGE ROUKEMA, Senator CHRIS DODD, our former colleague the Hon. William D. Ford, and others to bring about the enactment of this important law. Necessarily, many compromises were made to bring about this precedent setting legislation.

Among the most important of those compromises was one that limited the applicability of the law to employers of 50 or more employees. My original intention had been to extend the law to employers of 25 or more employees. However, because of uncertainty regarding the impact of the law on employers and in order to increase support for the legislation, I agreed to accept the 50 employee threshold.

The effect of this compromise was to leave approximately 15 million employees outside of the protections afforded by the FMLA. The fact that an employee may work for an employer of 40 rather than 50 people does not immunize that employee from the vicissitudes of life, nor diminish that employee's need for the protections afforded by the FMLA.

The FMLA was signed into law on February 5, 1993. Experience has shown that the law does not unduly disrupt employer operations. Not only are the costs to employers of complying with the law negligible, but in many instances the FMLA has led to improvements in employer operations by improving employee morale and productivity, and by reducing employee turnover. Experiences has also shown that the protections afforded by the law are not only beneficial, but are essential in enabling workers to balance the demands of work and home when faced with a family or medical emergency. In short, we have now had sufficient experience under the law to justify extending the law to employers of 25 or more employees.

Beyond expanding the number of workplaces that are protected by the FMLA, the bill

I am introducing also allows workers to take up to 24 hours of FMLA leave for the purpose of participating in school activities, to accompany children to routine dental or medical appointments, or to accompany an elderly relative to routine medical appointments or other professional services. The 24-hour provision was also originally a part of Mrs. Schroeder's legislation. However, I have modified those provisions to reflect a similar proposal that has been put forward by President Clinton. I urge my colleagues to support this legislation.

#### INTRODUCTION OF FIRE LEGISLATION

HON. BARBARA B. KENNELLY  
OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES  
*Tuesday, January 7, 1997*

Mrs. KENNELLY. Mr. Speaker, I rise today to introduce legislation that would create three additional enterprise zones targeted toward the financial institution, banking, and real estate or FIRE industries. I have consistently supported enterprise zones and think the intense competition for both the zone and community designation provides ample evidence of the broad support for these efforts.

My city of Hartford, CT applied for designation as an enterprise community but was denied. But when I started looking at the details, it was clear to me that while empowerment zones/enterprise communities are excellent economic development tools, they just don't quite fit all areas.

The tax incentives in empowerment zones include a wage credit, expensing of up to \$75,000 and a loosening of restrictions on tax-exempt bonds—all incentives seemingly geared to manufacturing. Hartford and a number of other cities around the Nation, however, are different—our base is services and we would frankly benefit from a different mixture of tax incentives.

Let me talk about Hartford for a moment. Hartford has long been known as the insurance capital of the world. We have also traditionally been a center for financial services. However, any reader of the Wall Street Journal knows of the consolidation in the banking industry and that real estate in many parts of New England is still in a severe slump. On top of this, we are in the midst of unprecedented change in the insurance industry. In the past 3 years every major insurer in Hartford has either been a merger participant and/or acquired or jettisoned a major line of business.

But because this proposal isn't just about Hartford. In the past decade, we have seen unprecedented change in our financial services industries. We have had banking and S&L problems, face increasing competition in the global marketplace, and again this year will debate allowing banking, and other service industries including securities and insurance to affiliate. In addition, we have seen Bermuda attract over \$4 billion in insurance capital in the past few years. It is certainly a beautiful place, but most important, it's also a tax haven.

And while change can be good, it does create a tremendous amount of uncertainty. With each and every merger or spinoff, every mayor and every city council, not to mention the thousands of affected employees who ask

the same two questions: What does this mean for jobs; and what impact does this have on the property tax base and real estate values?

This legislation would create three additional zones with tax incentives targeted to services. Specifically, these FIRE zones would be patterned after existing enterprise zones, but could encompass an entire city or municipality, and more important, could include central business districts. Eligibility would be the same as for existing enterprise zones, with an additional requirement that an eligible city would have to have experienced the loss of at least 12 percent of FIRE industry employment, or alternatively, 5,000 jobs.

In lieu of traditional enterprise zone tax incentives, new or existing businesses in FIRE zones would receive a range of tax incentives.

First, to deal with jobs, there would be a wage credit for the creation of new jobs within the zone. This would encourage businesses to hire displaced and underemployed insurance, real estate, and banking workers as well as to create entry level jobs for clerks and janitors.

Second, to deal with the high commercial vacancy rate problem that plagues many cities, there would be unlimited expensing on FIRE buildouts and computer equipment. The proposal would also remove the passive loss restrictions on historic rehabilitation.

Next, to provide an incentive for investors, the proposal would provide for a reduction in the individual capital gains rate for zone property held for 5 years to 10 percent. In addition, capital gains on zone property would not be considered a preference item for individual alternative minimum tax purposes. The corporate capital gains tax rate would also be reduced, to 17 percent.

Finally, many big cities aren't always as safe as we would like. Therefore, the proposal would provide for a double deduction for security expense within the zone. This should give employers an added stake in the safety of our cities.

I would urge my colleagues to support this legislation.

#### NORTH MIAMI POLICE DEPARTMENT OFFICER OF THE YEAR, KEVIN KENNISON

HON. CARRIE P. MEEK

OF FLORIDA  
IN THE HOUSE OF REPRESENTATIVES  
*Tuesday, January 7, 1997*

Mrs. MEEK of Florida. Mr. Speaker, I rise today to recognize the North Miami Police Department's 1996 Officer of the Year, Officer Kevin Kennison. Chosen from a committee of his peers, his outstanding record in law enforcement makes him a fitting choice.

Officer Kennison joined the North Miami police force in June 1992. Quickly, he earned the respect of his peers and superiors through tenacity and dedication. In July 1993, he shared with several other officers the honor of Officer of the Month. Continuing his fine work, he again earned that title in August 1994 and October 1996.

Because of his unbridled enthusiasm, Officer Kennison was among the first chosen to participate in North Miami's Crime Suppression Unit, a specialized group of officers selected to target problem areas.

During 1996, Officer Kennison made in excess of 115 arrests, truly an astonishing number. Putting his life on the line in many instances, he has demonstrated great bravery. As his family and coworkers gather to recognize him for this achievement, I want to wish him continued success. Officer Kevin Kennison is truly an asset to our community, and we all congratulate him on a job well done.

#### ADVERSE EFFECTS OF INCREASING MEDICARE COST-SHARING ON THE POOR

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 7, 1997*

Mr. STARK. Mr. Speaker, I thank the Members for this opportunity to address the House on the important issue of Medicare. In our attempt to cut Federal spending, we must consider the implications of those policy decisions on our Nation's most vulnerable citizens. Much has been said of the economical benefits of raising Medicare copayments and deductibles, but not enough has been said of the detrimental effects those cuts will have on Medicare beneficiaries with low incomes.

Many of my conclusions on the negative effects of higher cost-sharing on the poor are taken from the RAND health insurance experiment. The RAND experiment studied the rate of use of health services by assigning people to different levels of cost-sharing insurance programs. The results of that experiment should encourage us to take a good look at the effect our decisions will have on the health of the people we represent.

Mr. Chairman, the RAND experiment clearly showed that with increased out-of-pocket costs to the beneficiary; physician visits, hospital admissions, prescriptions, dental and vision visits, and mental health services use fell. While adverse health effects on the average person were shown to be minimal, statistics on the poor were rather disturbing. The study found that those with lower income levels suffered adverse health effects in many categories under the cost-sharing plan. The poor will forgo necessary medical attention as out-of-pocket costs of those services rise. This is a fact that undermines the original intent of this program.

Health areas most affected by a higher rate of cost sharing for the poor are hypertension, rate of mortality, dental and vision care. As an example of these findings, those with lower incomes who entered the experiment with high blood pressure benefited more under the free program than under the cost-sharing plan. Low-income groups have 46 percent more dental visits on the lower cost-sharing plan than on the higher. The higher income groups use dental services 26 percent more under the lower cost plan. Near and far vision statistics also improved in the lower cost plan and predicted mortality rates fell approximately 10 percent among the poor. In fact, Mr. Chairman, overall serious symptoms among the poor declined when the costs of care went down.

The determination made by this study and others is that those with higher needs and lower incomes are not more likely to spend

money on necessary medical services. Higher cost-sharing in the attempt to reduce necessary treatment will also cause a reduction in the use of highly effective care. Furthermore, the experiment found significant decreases in highly effective care seeking poor beneficiaries.

Mr. Chairman, raising the cost of Medicare will raise even higher the rate of emergency room visits by the poor. Already, those in the lower third of the income distribution have emergency department expenses 66 percent higher than those of persons in the upper third of the income distribution. Raising Medicare costs will only make it more difficult for those with lower incomes to see a primary care, office-based physician and force those patients to seek attention in our country's overcrowded emergency rooms.

All of these facts lead us to the conclusion that if we raise the beneficiaries' obligation in the cost of Medicare, those with lower income levels will be unable to afford and will not seek out needed health services. We have an obligation to fiscally get these entitlement programs under control without putting the Nation's most needy in harms way. I urge all of my colleagues to consider these findings as we work to improve Medicare.

#### THE HOUSING OPPORTUNITY AND RESPONSIBILITY ACT OF 1997

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 7, 1997*

Mr. LAZIO of New York. Mr. Speaker, I come to the floor of the House today to introduce the Housing Opportunity and Responsibility Act of 1997, a bill to bring hope and opportunity to millions of Americans now living in public housing across the country.

It is fitting that I do this today, the first day of the 105th Congress, because the first day of a new Congress is about new beginnings. This legislation is about new ideas and new models, new opportunities for families and neighborhoods that for too long have fallen victim to the old way of doing business.

For 60 years, we have asked local communities to live under one law for public housing, the 1937 Housing Act. Cities and neighborhoods, struggling with the challenge of providing affordable housing for families and individuals, have had to rely on a Depression-era law to provide that housing. A single, top-down, cookie-cutter model for housing designed to shelter urban factory workers and create jobs for out-of-work craftsmen in the 1930's is not the best way to do business today.

We ask a lot of local communities when it comes to building and supporting affordable housing. It's time we gave them the tools they need to get the job done right, so that families get the housing they need in communities that promote opportunity.

By providing that opportunity and demanding responsibility—at all levels, from recipients of assistance to those providing housing services—we take those first few steps toward creating the kind of communities we can all take pride in. Many of my colleagues have complained that the problem is not the programs, but simply how much money the Federal Gov-

ernment spends. I disagree. While having sufficient funding is something I have fought for, especially for our most vulnerable communities, it's wrong for us in Congress to ask the American taxpayers to pay for programs that aren't working. We Americans are a generous people, we always have been. We understand that not everyone has the same opportunities that some of our neighbors have been given and we are willing to spend tax dollars to help lower-income families get their feet under them and get on their way. But we are not so generous if we think our money is being wasted.

In too many cities, public housing has become the kind of waste that taxpayers don't want to put their money into.

We can do better than this. In some communities, housing for low-income housing is what we've asked it to be—a way to a better life, rather than a way of life. We can learn from those success stories, we can take the knowledge we have gained and make a better framework for change.

One of the worst examples has been the way residents in public housing are discouraged from working, discouraged from getting a better job or working overtime. The reason for this perversity? A well-intentioned but ill-advised policy known as the Brooke amendment, which requires tenants in public housing pay exactly 30 percent of their income for rent—no more, no less—no matter what income they make. Get a better job, your rent goes up. Work overtime to try to build a little savings, to move your family out of public housing, your rent goes up.

When we tried to restructure the intent of the Brooke amendment last year, some of my colleagues protested, saying that our only goal was to raise rents for low-income families. Nothing could be further from the truth. Nevertheless, this bill I am introducing today has a new way to eliminate the work-punishing provisions of existing law by simply giving tenants a choice. Each year, the housing authority will select a rent for each unit. The tenant then can choose whether to pay that rent or 30 percent of their income, obviously choosing whichever is less expensive. That way, no one is asked to pay more than 30 percent of their income for rent, but we don't force them to keep paying higher and higher rents based on misguided Federal policies.

This Work Incentive Rent Reform is one example of the kind of compromise we can create that protects families, but still provides the type of opportunity we need to instill in Federal programs.

Last May, members from both sides of the aisle voted for a very similar bill, the Housing Act of 1996. The House showed overwhelming support for reform by voting 315 to 107 in favor of that bill. As we go forward with this similar, but improved bill, I hope that Members on both side of the aisle, Republicans and Democrats, will feel free to engage in constructive debate, to work with us to make these needed changes.

Sixty years is a long time to wait for reform. We shouldn't ask low-income families to wait another year.

TITLE BY TITLE SUMMARY OF THE HOUSING OPPORTUNITY AND RESPONSIBILITY ACT OF 1997

The short title of the bill is the Housing Opportunity and Responsibility Act of 1997. The bill repeals the United States Housing