

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and (three-fifths having voted in favor thereof) the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CAMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 968, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SUNDY MESSAGES FROM the PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

RURAL MULTIFAMILY RENTAL HOUSING LOAN GUARANTEE EXTENSION ACT OF 1997

Mr. LAZIO of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 28) to amend the Housing Act of 1949 to extend the loan guarantee program for multifamily rental housing in rural areas.

The Clerk read as follows:

H.R. 28

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Multifamily Rental Housing Loan Guarantee Extensions Act of 1997".

SEC. 2. LOAN GUARANTEES FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.

Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p-2) is amended—

(1) in subsection (q), by striking paragraph (2) and inserting the following new paragraph:

"(2) ANNUAL LIMITATION ON AMOUNT OF LOAN GUARANTEE.—In each fiscal year, the Secretary may enter into commitments to guar-

antee loans under this section only to the extent that the costs of the guarantees entered into in such fiscal year do not exceed such amount as may be provided in appropriation Acts for such fiscal year.";

(2) by striking subsection (t) and inserting the following new subsection:

"(t) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year for costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of loan guarantees made under this section such sums as may be necessary for such fiscal year.";

(3) by striking subsection (u).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. LAZIO] and the gentleman from Massachusetts [Mr. KENNEDY] each will control 20 minutes.

The Chair recognizes the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I rise in support of H.R. 28, the Rural Multifamily Rental Housing Loan Guarantee Extension Act of 1997, a mouthful, but a very important program which was introduced by the gentleman from Nebraska, Mr. DOUG BEREUTER. I want to say at the outset, without the leadership of DOUG BEREUTER we would likely not be here today. This was largely his concept, a concept that he has fought hard for, and it also is a reflection of the fact that poverty does not end at the boundaries of our urban areas or even our suburban areas; that in fact poverty and substandard housing is also very much a rural issue.

I also want to thank the chairman of the full committee, the gentleman from Iowa [Mr. LEACH], who happens to be with us also here today, and the ranking member of the subcommittee, the gentleman from Massachusetts [Mr. KENNEDY], for their extraordinary help and assistance to bring this bill to where we are right now.

Mr. Speaker, H.R. 28 will permanently authorize a rural housing multifamily program that leverages private sector dollars with Federal loan guarantees in order to provide low-income housing in rural areas in an efficient manner. The Rural Loan Guaranty Program originated in the 103d Congress where the House passed fiscal year 1995 authorization language and appropriated \$1 million in budget authority. Although the authorization bill was not enacted, the Agriculture Appropriations Act for fiscal year 1995 left the program with appropriations or budget authority without a program authorization.

During the last Congress, Mr. Speaker, Congress passed and the President signed the Housing Opportunity Program Act of 1996 which provided the fiscal year 1996 authorization of appropriations. For this year we are in a similar quandary, and in fiscal year 1997 appropriations should result in \$1.2 million in budget authority, leveraging approximately \$20 million in loan guarantees, with no authorization for this year unless this bill moves.

During the first year of this program, there was significant industry and public enthusiasm and support for the concept of guaranteed rental housing loans. For example, during the 30-day fiscal year 1996 open application season, there were 49 applications from 24 different States requesting a total of approximately \$62.5 million in guarantees to help fund about \$85 million in multifamily housing development. The need is out there, Mr. Speaker.

The Rural Housing Service approved 9 requests for about \$14 million in guarantees on almost \$20 million of new construction, resulting in 370 new apartment units.

Furthermore, as compared to the rural multifamily direct loan program where the Government subsidy costs are extraordinarily higher, we are getting good value. This indirect program is only a fraction of the cost. The variety of developments indicates that the program has widespread applicability and that it is flexible enough to meet the differing financing needs of eligible private and private-sector lenders and low-income housing providers.

This program is an example of the type of partnership that should exist between the Federal Government and the private sector, and is necessary to provide and expand low-income housing.

Finally, again, I want to congratulate and commend my colleague, the gentleman from Nebraska [Mr. BEREUTER] for his tireless work on this issue to ensure an effective tool and an integral part of our assisted housing mission for rural Americans.

I urge my colleagues to enthusiastically support passage of H.R. 28.

Mr. Speaker, I reserve the balance of my time.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, I want to thank my good friend and the chairman of the Subcommittee on Housing and Community Opportunity of the Committee on Banking and Financial Services, as well as the chairman of the full committee, and I think the gentleman from Nebraska [Mr. BEREUTER] has been working on this issue since I first got on the committee over 10 years ago, trying to reform some of the concerns about rural housing and how the Government provides the subsidies in this country.

While I rise today in support of H.R. 28, the Rural Multifamily Rental Housing Loan Guarantee Extension Act of 1997, and I want to extend my thanks to my colleagues for their efforts to deal with this issue, I do want to explain to the Members of the House just how critical the issue of providing housing programs for rural America are.

We have a situation today in this country where we have tended to focus on the issue of urban poverty, but anyone who has taken the time to visit

some of the more rural parts of America knows there are parts of this country that have terrible, terrible poverty that is in many cases swept under the rug, is not seen, because we do not have the slums and the ghettos of urban America that are so painfully easy to view by anyone who drives through particular neighborhoods.

In rural America, much of the poverty is much more hidden. We do not see it, yet it exists. It is terrible, it is terrifying for the poor, and it is an issue that I think this act, I believe, begins to pull back the covers on to some degree.

Mr. Speaker, I would like to point out that the basic fundamental program which serves the poorest of the poor, the section 515 program, has had enormous cutbacks associated with it over the course of the last couple of years in the Congress.

While there are the needs for some improvements in the 515 program, we should make no mistake by suggesting for a second that while the 538 program, which is the guaranteed loan program that we are acting on today, the need for the program, the 515 program, which provides the credit subsidy, is I think something that is of critical importance to the poorest of the poor. We have to make certain that we do not turn our backs continuously on the very, very poor people of this country.

While we want to provide an innovative demonstration program with the authorization that it requires in order that our appropriators can now provide the funds for this program, which is technically what all this bill is doing today, we should recognize that this is a program that will end up funding people that are slightly above the poorest of the poor.

While this is a commendable program in and of itself, we ought to be, I think, forthright with the American people that at the same time, we are really cutting significantly the amount of money that goes into the basic fundamental 515 program.

□ 1445

I would just like to read one brief statistic. According to the State of Rural Housing in 1966, a publication of the Housing Assistance Council, of the 9.1 million rural centers, 1.2 million families had severe housing cost burdens, paying more than 50 percent of their income for rent; 1.6 million renters had moderate cost burdens, paying between 30 and 50 percent of their income for rent. I do not think anybody in this Congress pays anything close to 50 percent of their income for rent. The amount of burden that that places on all the other costs in one's life is very, very significant.

With those severe cost burdens, they were concentrated amongst the poorest rural residents. The credit enhancement of the guarantee will at least make rental housing more affordable to low- and moderate-income families,

if not the very low-income families. I am encouraged that the Rural Housing Service is making every effort to make this program work for rural America. I urge my colleagues to support H.R. 28. Again, I want to thank the gentleman from Nebraska [Mr. BEREUTER], the gentleman from Iowa [Mr. LEACH], and the gentleman from New York [Mr. LAZIO] for their efforts.

Mr. Speaker, I reserve the balance of my time.

Mr. LAZIO of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. BEREUTER].

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I want to first begin by thanking the chairman of the Subcommittee on Housing and Community Development, the distinguished gentleman from New York [Mr. LAZIO], for his support and assistance, and that of the gentleman from Iowa [Mr. LEACH], chairman of the full committee, for his assistance in bringing this legislation to the floor. Mr. LAZIO has certainly given us the history of this legislation as it has evolved. I also appreciate his kind remarks.

I also appreciate the kind remarks of the gentleman from Massachusetts, and I would say that his description of the poverty problems and the housing problem in rural America, including our Indian reservations, is directly on the mark.

This gentleman has never contended either that this housing program, which has come to be known as the 538 program, is a replacement for reform of the 515 program. We need to proceed with reforms of that legislation which is also aimed at multiunit housing.

Mr. Speaker, I want to recognize a distinguished former Member of the Congress who is on the floor today, Mr. de la Garza, former chairman and then ranking member of the Committee on Agriculture. It is our responsibility on the Committee on Banking and Financial Services to work with the Committee on Agriculture on USDA housing programs. We have worked with this gentleman in the past on housing legislation for rural America and for small cities across the country. The gentleman from Texas is seated by our current distinguished Agriculture Committee chairman, the gentleman from Oregon [Mr. SMITH]. I am sure they are working on housing right now.

But Mr. Speaker, I do rise in support of this legislation and ask my colleagues for support of it. This legislation does permanently reauthorize the loan guarantee program for multifamily rental housing in nonmetropolitan areas made under section 538 of the Housing Act of 1949. Originally enacted as a demonstration program under the section 515 rural housing program during the 103d Congress, this loan guarantee program has been well received in nonmetropolitan America.

Unfortunately, the authorization for the program expired at the end of the

last fiscal year, and this authorization is urgently needed to ensure the smooth operation of this important new program. Anyone familiar with America's smaller cities and communities knows that the supply of affordable rental housing is much needed but in short supply. This lack of affordable housing is one of the reasons why many small cities in nonmetropolitan areas are having a difficult time keeping their young people, and thus their future, from migrating to metropolitan areas.

Historically, it often has been difficult to entice adequate private investment into these areas. Direct Federal lending programs which have proven costly to taxpayers often have been the only source of financing in these areas. Because of the problems which plagued and still plague the section 515 direct loan program and knowing that Federal funds are likely to become increasingly scarce, this Member saw the need for a new approach that would cost taxpayers less but still provide equal or greater housing opportunities in our Nation's smaller cities.

I had good support from our chairman, the gentleman from Iowa [Mr. LEACH], and the gentleman from New York [Mr. LAZIO] and our colleagues on the Democratic side of the aisle. The alternative which emerged is the section 538 loan guarantee program. It does provide affordable housing at least in part in nonmetropolitan areas for individuals with incomes ranging from low to low-moderate to moderate levels; in other words, those Americans whose incomes do not exceed 115 percent of the area median income.

Eligible lenders, which include multifamily lenders approved by HUD and Fannie Mae and Freddie Mac, provide financing for projects of at least five housing units, five in a unit, developed by nonprofits, State governments or for-profit private entities. Nonprofits and State agencies are required to make a modest initial investment of 3 percent of the development costs while private for-profit entities must contribute an appropriate 10 percent of the development cost.

In return for a fee of up to 1 percent of the loan amount, the U.S. Department of Agriculture guarantees repayment of the loan. Thus projects which in the past required a dollar-for-dollar investment by the Federal Government are now financed for pennies on the dollar by the private sector.

Finally I wanted to quote from a letter received on March 18 of this year from Jan Shadburn, Acting Administrator of the Rural Housing Service of USDA.

She says as follows: "We are very excited about the program and we believe that, once reauthorized by Congress, it will continue to grow and will prove to be an effective tool and an integral part of our assisted housing mission for rural Americans."

Mr. Speaker, this Member again asks his colleagues to support this important alternative, a supplement to direct Federal lending in order to ensure smooth operation of a program which is working in nonmetropolitan America.

Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, as a member of the Committee on Agriculture, I want to rise in support of this initiative for rural housing and associate myself with the remarks and comments congratulating all of the persons who have been involved in bringing this to fruition.

I want to acknowledge, as has been acknowledged by the gentleman from Massachusetts [Mr. KENNEDY], that this is not a substitute for 515, which is so critically needed for the poorest of the poor. Those of us who live in rural areas know how persistent and how pervasive the poverty is and how difficult it is to bring resources and to make a difference. So this is to stretch the resources, to give more resources to rural areas so that we cannot only continue 515 in an improved way but to introduce now what we call 538, the rural rental housing guarantee program, which will allow the private sector to be partners with the Government in guaranteeing more homes. I want to say this is an addition that we welcome, but we also want to encourage further reform and the expansion of 515 because we know it is so difficult for the poorest of the poor to have housing and to say come to North Carolina, if you want to see the poorest of the poor.

However, I am pleased to note that part of the demonstration program North Carolina will have is in Clayton, NC, not my district but nevertheless it is worthy of noting. It just happened to be Clayton, and it happened to be North Carolina. And 56 persons will have apartments that they would not have unless this program was available.

Mr. LAZIO of New York. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa [Mr. LEACH], chairman of the Committee on Banking and Financial Services, who is also a tireless advocate on behalf of our Nation's poor and those who have substandard housing.

Mr. LEACH. Mr. Speaker, I thank the gentleman for yielding me the time. Let me say, I also rise in support of this modest but very significant program and would commend the gentleman from Nebraska [Mr. BEREUTER] for introducing the original legislation, the gentleman from New York [Mr. LAZIO], who leads housing efforts on behalf of all Americans at this time in the House of Representatives, and the gentleman from Massachusetts [Mr. KENNEDY] who has always spoken so eloquently on housing issues.

I would only make two points, one that was underscored by Mr. BEREUTER; that is, this approach is a guarantee loan program. Therefore, it involves small sums of money, leveraging quite a bit larger sums of money. In addition, it is based upon a USDA model and, in fact, is USDA administered and that model has found that there is only a 3-percent default rate, which is a rather impressive number in relationship to almost every Federal program. But what is impressive in addition is 3 percent default does not mean 3 percent losses. It means that the loan went sour but there are still recoverable parts. So the total losses to the taxpayer end up being a small percentage of 3 percent.

This is, in short, one of the most extraordinary ways of leveraging housing programs in rural America. It is targeted precisely to rural America and obviously, as a representative of a rural State with a high percentage of nonurban housing stock, I am appreciative of its import.

But I would also stress that this program is intended as a tie-in to other housing programs and that in the near future significant housing reform will be the subject of a full Committee on Banking and Financial Services review. We look forward, those of us from rural areas, to working closely with the distinguished chairman of the subcommittee on the endeavors that he is leading at this time.

I simply want to stress again the innovation of this program, the leadership of my colleagues.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

I would just like to end by pointing out that this program, as I understand, the 515 Program, I would just like to point out, used to be funded at about \$690 million a year. The current 515 Program is down to \$150 million a year. This program is about \$1.2 million, just so Members will keep in perspective what we have done in terms of our rural housing programs.

Rural poverty is growing. We have significant numbers of very, very poor people living in rural America that have great, great housing needs. I just hope that the Congress keeps in mind the need for us to continue to support housing programs in general. We are going to have major housing problems for America's poor in the coming year as a result of some peculiarities in the budgeting process. I think that we need to continue to bring home at every possible opportunity, to recognize the significant problems that very poor people in this country have in terms of attaining reasonable shelter. I hope to work with the chairman of the full committee and the chairman of the housing committee in resolving those issues in the future.

Mr. Speaker, I yield back the balance of my time.

Mr. LAZIO of New York. Mr. Speaker, I yield myself such time as I may consume.

Let me again urge my colleagues to support this important piece of legislation. It is a complement, not a substitute, for our other tools that are available to combat poverty and substandard housing in rural America. I want to emphasize once again, because so often the illustrations that we see on the news, the shows that we see on television, the things that we talk about tend to focus on what happens in urban America, and the need is great in urban America. And the fact is that we have extraordinary needs in terms of housing and community development in both suburban and urban America. But poverty does not end at the city boundary. Nor does it end at the suburban boundary. It is a fact of life all too often in our rural areas.

In this case, we are doing what I think is an extraordinarily efficient thing, which is to leverage our dollars, making our dollars work as hard as possible. In this case, \$1.2 million will leverage \$20 million in construction, bringing housing to scores of Americans that would otherwise potentially be homeless or, at least, be in terribly substandard housing. As I say, it is a complement and not a substitute.

Let me also point out, in relation to the 515 Program, which has been under considerable criticism by, among other people, a former Member of this body and now a Member of the other body, Mr. DURBIN, for the fact that there have been numerous allegations of fraud, that in the 515 Program, which also has brought hope to many Americans, the Federal Government subsidy costs are approximately 49 cents for each dollar appropriated. The loan guarantee program subsidy today that we are talking about is only, the cost is only about 6.8 cents for every dollar appropriated. So again 6.8 cents for this program relative to 49 cents for every dollar appropriated in the 515 Program.

It is, in fact, a reality that we need as many tools as possible to combat poverty and substandard housing throughout America. I want also to compliment the Rural Housing Service of USDA for working with us, with the Members on the other side of the aisle, in particular the gentleman from Massachusetts [Mr. KENNEDY], for his support of our efforts to bring relief to rural areas; the support of other associations, like the National Association of Home Builders; again, the appropriators, the gentleman from New Mexico [Mr. SKEEN], the gentleman from Louisiana [Mr. LIVINGSTON] for their support through the appropriations process. But most importantly, I would suggest that the credit largely goes to the chairman of the full committee, the Committee on Banking and Financial Services, the gentleman from Iowa [Mr. LEACH], and, of course, the gentleman from Nebraska [Mr. BEREUTER] for their vision and for their commitment to this very important program that is truly bringing hope for many, many Americans throughout the Nation.

Mr. Speaker, I include for the RECORD the following section-by-section analysis:

H.R. 28—RURAL MULTIFAMILY RENTAL HOUSING LOAN GUARANTEE EXTENSION ACT OF 1997

SECTION BY SECTION ANALYSIS

SECTION 1. SHORT TITLE.—The title is cited as the "Rural Multifamily Rental Housing Loan Guarantee Extension Act of 1997."

SEC. 2. LOAN GUARANTEES FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.—This section amends Section 538 of the Housing Act of 1949 to provide a permanent authorization of appropriations and permanent authority to the [US Department of Agriculture] Secretary to guarantee rural housing multifamily loans.

□ 1500

Mr. LAZIO of New York. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from New York [Mr. LAZIO] that the House suspend the rules and pass the bill, H.R. 28.

The question was taken.

Mr. LAZIO of New York. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. LAZIO of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 28.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PREVENTING PRISONERS FROM BEING CONSIDERED PART OF HOUSEHOLD UNDER FOOD STAMP ACT OF 1977

Mr. SMITH of Oregon. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1000) to require States to establish a system to prevent prisoners from being considered part of any household for purposes of determining eligibility of the household for food stamp benefits and the amount of food stamp benefits to be provided to the household under the Food Stamp Act of 1977.

The Clerk read as follows:

H.R. 1000

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

SECTION 1. STATES REQUIRED TO ESTABLISH SYSTEM TO PREVENT PRISONERS FROM BEING CONSIDERED PART OF ANY HOUSEHOLD UNDER THE FOOD STAMP ACT OF 1977.

(a) IN GENERAL.—Section 11(e)(20) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(20)) is amended to read as follows:

"(20) that the State agency shall establish a system and take action on a periodic basis—

"(A) to verify and otherwise assure that an individual does not receive coupons in more than one jurisdiction within the State; and

"(B) to verify and otherwise assure that an individual who is officially detained in a correctional, detention, or penal facility administered under Federal or State law is not considered to be part of any household participating in the food stamp program, except to the extent that the Secretary determines that extraordinary circumstances have made it impracticable for the State agency to obtain the information necessary to do so."

(b) PENALTY.—Section 11(g) of the Food Stamp Act of 1977 shall apply, in accordance with its terms, to any failure of a State agency to comply with section 11(e)(20)(B) of such Act.

(c) CONFORMING AMENDMENT.—Section 11(e)(8)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)(E)) is amended by inserting "or (20)(B)" after "(16)".

(d) APPLICATION OF AMENDMENTS.—The amendments made by this section shall not apply with respect to certification periods beginning before the end of the 1-year period that begins with the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Oregon [Mr. SMITH] and the gentlewoman from North Carolina [Mrs. CLAYTON] each will control 20 minutes.

The Chair recognizes the gentleman from Oregon [Mr. SMITH].

Mr. SMITH of Oregon. Mr. Speaker, I yield myself such time as I may consume.

(Mr. SMITH of Oregon asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Oregon. Mr. Speaker, I rise in support of H.R. 1000, a bill that requires States to establish a system to verify that individuals detained in Federal, State, or county penal facilities are not counted as household members for the purposes of determining eligibility of the level of benefits in the Food Stamp Program.

On March 10, 1997, the General Accounting Office released a report entitled, "Food Stamps: Substantial Overpayments Result From Prisoners Counted as Household Members." As a result, the General Accounting Office estimates that \$3.5 million in food stamp benefit overpayments were made in the year 1995.

The Congressional Budget Office has analyzed H.R. 1000 and has concluded requiring a verification system will reduce food stamp benefit overpayments and save an estimated \$6 million by fiscal year 2003. Although States and the Federal Government will incur a slight cost to establish the verification system in fiscal year 1998, that cost will be more than offset in subsequent years.

Based on the findings and conclusions of the General Accounting Office, I believe that the verification system requirement of H.R. 1000 is a cost effective method of preventing prisoners from being counted as members of food stamp households with a minimum burden or inconvenience on food stamp recipients and States. Additionally, requiring this verification will identify and reduce program fraud and increase the collection of benefit overpayments.

I urge my colleagues to support H.R. 1000.

Mr. Speaker, I reserve the balance of my time.

Mrs. CLAYTON. Mr. Speaker, I have been a tireless advocate along with many of my colleagues in fighting hunger in the United States. The bill before us today is aimed at helping to ensure that the funds allocated by the Federal Government for the food stamp program actually go to feed those who are hungry.

In fiscal year 1995, USDA issued over \$22 billion in benefits. Some 26 million Americans were helped by these funds. Congress passed legislation last year to cut the food stamp program by \$23 million through the year 2002. So the total appropriation for fiscal year 1997 is \$23.3 billion, \$1 billion less than they were in fiscal year 1996, which was \$24.3 billion.

This bill, H.R. 1000, is designed to ensure that we concentrate those declining resources to make sure that those who are in actual need get that help.

Although the Food Stamp Act automatically disqualifies people who were institutionalized from inclusion in participating households because they receive meals during their sentences, oftentimes the food stamp administrative agency is not notified that a member of a household has been incarcerated.

A GAO audit recently published a report which found out of four States studied for calendar 1995, California, Florida, New York, and Texas, 12,138 inmates were included in household food stamp benefits, resulting in an estimated \$3.5 million that was not directed to needy families.

H.R. 1000 will help prevent this from happening in the future as it requires States to establish a system to verify that individuals detained in Federal, State, and county penal institutions are not counted as household members for the purpose specified by the Food Stamp Program.

In fact, a database already exists for States to check. The Social Security Administration maintains such a database, as it too is required to check for inmates participation.

In addition, this legislation takes into account the needs of the various States and permits them some flexibility. Mr. Speaker, I urge every Member of this body to support this legislation as we consider it under suspension of the rules, so that limited funds that we do have allocated to the Food Stamp Program go actually to those who are eligible and to those who are hungry.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Oregon. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. GOODLATTE], the chief sponsor of this legislation.

Mr. GOODLATTE. Mr. Speaker, I thank the chairman of the committee for yielding me this time as well as for his strong support for this legislation.