in line with a large sequence of rescissions which have been put into effect by the subcommittee under the same problem where there is simply insufficient money on 302(b) allocations. Again, I understand that, because I have the problem on the appropriations subcommittee which I chair.

I am advised that the $20 million rescission as to south-central Pennsylvania can be worked out in the House, and all of this is subject to compromise in the House, where we may have a larger figure for this subcommittee. So it is possible that the $25 million for the Scranton-Olyphant projects may be restored fully as well as the $20 million for south-central Pennsylvania.

Before this bill is closed out, I want to be absolutely sure that we are protecting these projects so that whatever funding they need for the next fiscal year will be provided. That is the context in which I have made the request to the distinguished manager.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. First, I thank Senator SPECTER for raising this issue and suggest to him that the same issue has been raised by his distinguished colleague, the junior Senator from Pennsylvania, Mr. SANTORUM. Senator SPECTER and I have been speaking about that the last few minutes.

Let me say, in answer to the questions that the Senator asked with reference to the Lackawanna project, I will answer them as best I can, maybe not in the same order in which they were asked, but I believe I will answer all of them.

First, we have had to go through this bill and where we found unfunded obligations that were not going to be needed for a substantial period of time, in some instances well beyond a year, and that the project or projects would continue at full pace exactly as planned, we have decided, since we have some desperate projects that are not going to get any money, to move the money around, but that does not mean we do not intend to fully fund the project. If you will note in my remarks, I said we are not funding any unauthorized projects. The projects in Pennsylvania, including the one I just mentioned, are authorized and proceeding. They do not need any work by any other committee. They are ongoing.

All I can do is give you assurance that there is no intention to take these projects off of their natural course of completion. That is what the Corps says we need each year and can spend each year, and there will be $17 million left in this account, only $6 million of which is needed for the year 2000. Nobody should be concerned about that project not proceeding at full speed ahead.

I can assure you that is what I have been informed. I believe that is what you would have in a letter from the Corps, if you wanted it. I can further commit to you that we continue each year with these water projects, and clearly we always have substantial amounts of money.

Last year, the President very much underfunded projects. We had to find money to fund them. This year, because the nondefense portion of this bill is squeezed some and because the President cut some things we can't cut, we have had to squeeze some of these other accounts, some in the manner we are discussing. But there is no reason to be concerned about the projects getting funded. As a matter of fact, we may find ourselves in conference with the House, which would make available more money for the water projects because of the way they will fund things. It may very well be that they won't want to do it this way, that they want to save money some other way. We will work on that.

If, before we are finished here on the floor, this was unsatisfactory for any reason that you or Senator SANTORUM or you together find, I will be willing to discuss it again and see what we could do to assure you that these projects are going to be fully funded.

In reference to the fact that last year three projects were put together in a technical manner but in a manner that is acceptable in terms of analyzing the benefits versus the costs, sometimes called a cost-benefit ratio, that has been done. There is no change in this bill. They fit together, and they are evaluated together, and they meet the criteria. There is no effort on the part of the Appropriations Committee I chair that I am aware of that would want to change that so as to demean in priority and effectiveness one versus the other two or two versus one or the like.

I do not know if we can do anything more to be sure of that than what I am telling you now and what is in the law as it is now. Somebody would have to change it, not just come along and say we are not going to do it. They would have to change something. You would know; I would know. Everybody in Pennsylvania would know. It would not be easy to do.

Mr. SPECTER. I thank my distinguished colleague for those assurances. I am glad to hear, with respect to these three projects joined together, that they are being viewed as one integrated whole so that they do satisfy the requirements of the cost-benefit ratio, and further, that the rescissions on the two Pennsylvania projects, as to the Lackawanna River in Olyphant and Scranton and also the south-central Pennsylvania rescission, that those projects will move forward with sufficient funding, as Senator DOMENICI has pointed out, $17 million being left in the Lackawanna River project for Olyphant and Scranton and only $6 million needed in the next fiscal year. If it is possible, as Senator DOMENICI and Senator REID work through the bill, to increase the funding, to eliminate the rescissions, that certainly would be appreciated.

I think on this state of the record, these projects are protected. I will await further developments as we move through the bill to see if some of those funds might be restored and even the $25 million not rescinded.

I thank Senator DOMENICI and I thank the Chair. I thank my colleague from Massachusetts for waiting until we finish this item of business.

Mr. DOMENICI. I thank the Senator.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

WORK INCENTIVES IMPROVEMENT ACT

Mr. KENNEDY. Mr. President, as all of us understand, we are considering a very important appropriations bill. The floor managers, Senator DOMENICI and Senator REID, have a responsibility to see that we meet the responsibilities of the Senate and the appropriations procedures by making sure this legislation is considered and that Members have an opportunity to address it and move towards conclusion. I respect that, and I have great respect and friendship for the two Members.

I rise today to raise an issue which is not related to the underlying measure but is related to a very significant issue that is affecting many individuals across this country, and that is the issue of whether we are going to free members of our community, referred to as the disability community, who are facing some physical or mental challenge, whether or not we are going to free them from the kinds of governmental policies that discourage them from employment but really, beyond employment, from living a full and constructive and positive and independent existence, which I think all of us want to be able to achieve.

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

Mr. KENNEDY. Yes.

Mr. DOMENICI. Mr. President, I know the bill. I am a cosponsor. I hope it gets passed soon this year. I understand you are going to file a bill but not call it up because meetings are taking place and we will want to pursue those.

Mr. KENNEDY. The Senator is correct. I have talked to the majority leader today, as well as our own leaders, Senator DOMENICI and Senator REID, and Senator GRAMM of Texas, who had effectively put a hold on the legislation and had indicated that request, that we file the legislation so it would conform to the request of the floor managers. It would be at the desk.

It is at least my impression that, given the agenda that has been announced by the majority leader, we would not conclude this legislation today and we will be moving on to the Y2K, and what they call the Social Security lockbox, later in the week, and we would have an opportunity and a good-faith effort to see if there could

be an agreement to consider this legislation independently—which, as the Senator from New Mexico understands, is desirable for a number of different reasons—but to do it with a precise time for the scheduling. That, I believe, is the preferable way to do it. But we didn't want to foreclose our opportunity, if we were unable to do so, to at least be able to exercise some judgment and move ahead with the legislation.

Mr. REID. Will the Senator yield?

Mr. KENNEDY. Yes, I am glad to yield to the Senator.

Mr. REID. The possibility is not remarkably good, but there is a possibility that we can finish this before the Y2K vote tomorrow morning, according to what happens with amendments coming in today.

Mr. KENNEDY. I would like to take this one step at a time, and I think there is very little reason, given the expressions of the majority leader and the Senator from Texas, why the Senate—not only the Senator from Massachusetts, but Senator ROTH, Senator JEFFORDS and Senator MOYNIHAN, and myself, who are the principal cosponsors, be given assurance that this would be ready. We are quite available through the afternoon to be able to take that. I want to say at this time that I would like to proceed in that way, without indicating exactly what our course of action would be.

There is no reason why we should be denied further opportunity to consider this legislation. I personally would be inclined to move ahead with a short timeframe for consideration of the amendment. But I am hopeful, as I said, that we may be able to work this out. So that is my intention. I am going to file this, if I may, at the desk and conform to the request of the floor managers.

Mr. President, I raise this issue, and it is a rather unusual process and procedure. I know the Senate has its responsibilities, but there is also a responsibility to the millions of Americans with disabilities. They have been waiting for some period of time as well. The fact is that this legislation has 78 cosponsors. I don't know of a piece of legislation that is before the Senate that has that degree of support from Republican and Democrat alike, and from over 300 organizations. We have a variety of different important pieces of legislation, but for my money, this legislation was more important to consider than Y2K or, with respect, the legislation that we have before us even at the present time, because it has such overwhelming support. There is no reason why we should not move ahead on this legislation. Millions of Americans are waiting for us to take action. The overwhelming majority of the Members of this body feels strong support for this, and that is a compelling reason to move forward with the legislation.

Mr. President, we have seen this legislation pass out of the Finance Committee 16–2, and one of the Members who had expressed opposition has since indicated that the changes that have been made in the legislation sent to the desk have effectively addressed those concerns. So here we have the overwhelming, overwhelming, overwhelming sentiment of those on the Finance Committee in favor of it. It is virtually unanimous in the House Commerce Committee. We don't have pieces of legislation like this. We have had differences on some pieces of legislation between Republicans and Democrats but not on this one, because the legislation is so compelling. We ought to be moving forward, and we ought to be moving forward now.

There are 175 cosponsors in the House of Representatives. The reason this legislation has such incredible support is because the legislation, perhaps more than any legislation I have seen in recent times, is really a reflection of the grassroots efforts to address this problem. The overwhelming majority of Americans who have some disability want to work and have the ability to work. But because of the way that the support systems are set up in terms of health insurance, they are prohibited from doing so because they will lose the health benefits they so desperately need. They are effectively disincentivized from going to work. This legislation understands that particular dilemma and addresses it. It is one of the most important pieces of legislation we are going to have in this Congress.

At the outset, I want to pay tribute to my friend and colleague, the Senator from Vermont, Senator JEFFORDS. He has been an enormously important leader in this body on issues involving the disabled. I welcome the opportunity to work with him on this and other legislation. We have a number of members on our committee who have taken special interest in the care of the needy and disabled; Senator HARKIN and Senator FRIST come to mind, as do others. We have had the overwhelming support of the members of our committee, most of whom were very much involved 9 years ago in the passage of the Americans with Disabilities Act to strike down the walls of discrimination which had existed and exist even today in our society against those who have some disability. We have made monumental progress in terms of knocking down the walls of discrimination.

As I will show in a few moments, even though we have had some success in knocking down the walls of discrimination, we still see that many of those who have disabilities are unable to go back to work because of the loss of any health insurance, and it has been because of that particular dilemma that this legislation was developed. We will get into the sound reasons for doing so, and the most compelling reason; and that is to let all Americans know that if someone has a disability it does not mean that they are not able to perform and live independently in so many instances, and be constructive, positive, and contributing members of our society. We will go through why and how this legislation does that.

I want to indicate at this time that the leadership of our colleagues—Senator ROTH on the Finance Committee and Senator MOYNIHAN on the Finance Committee—was essential in getting that legislation through. We worked very closely together. The legislation itself is really a reflection of their strong work and their strong commitment, as well as that of Senator JEFFORDS.

It seems to me this is the time to act. We will hopefully get some agreement by the leadership to call this legislation up. The appropriate way to have this legislation called up would be with our good colleagues and friends, Senator ROTH and Senator JEFFORDS, to offer this as independent legislation. We will move forward and pass it at that time. That is what I am hopeful we will be able to do. But quite frankly, we have been unable to get those kinds of assurances.

I think the delay in bringing this legislation to the floor has gone on long enough. We ought to be about the business of the substance of this legislation. We know there can be those who are opposed to it, or are concerned about it. But I believe we need a time for accounting. We need a time for yeas and nays. That is what this business is ultimately about. It is about choices. It is about priorities. It is about whether we are going to take action.

We strongly believe we should take action, and we should take action now. We have waited now some 2½ weeks since we had the understanding that this was going to be called up. Then it was temporarily shelved and put aside.

We have waited and waited for those who have been concerned about it to express their concern. We have tried to work through some of their concern. One of their concerns is about the offsets. We tried to work through that, but it is time to take action. This is the vehicle by which we can at least get action by the Senate of the United States. I believe we should move ahead.

Former majority leader Bob Dole stated in eloquent testimony before the Finance Committee that this issue is about people going to work—''it is about dignity and opportunity and all of the things we talk about when we talk about being Americans.'' Senator Dole has been a strong supporter of this legislation, and we welcome his support for this program.

We know a large portion of the 54 million disabled men and women in this country want to work and are able to work. But they are denied the opportunity to do so. The Nation is denied their talents and their contributions to our community.

These are the results of a Lou Harris 1998 poll of the 54 million Americans with disabilities:

Seventy-two percent of working-age people with disabilities who are not

working now say they want to work. There is a great desire for work by those individuals, but still they are effectively denied in a practical way the opportunity to do so.

Removing these barriers to work will help large numbers of disabled Americans to achieve self-sufficiency. We are a better and stronger and fairer country when we open the golden door of opportunity to all and enable them to be equal partners in the American dream. For millions of Americans with disabilities, this bill can make the American dream come true. When we say ''equal opportunity for all,'' it will be clear that we truly mean all.

How large are the gaps? This chart is the comparison between persons with and without disabilities on ''indicator'' measures in 1998.

Employment: Working either full time or part time, persons with disabilities, 29 percent. Persons with no disabilities, approximately 80 percent. The gap between those with disabilities and without disabilities who work is some 50 percent.

If we look at the income for households, you will see that of those persons with disabilities who are working, many of them are working in low-income jobs—34 percent have incomes of $15,000 or less compared to only 12 percent of those persons with no disabilities. Again we find the extraordinary disparity.

It is long past time to banish the mind-set that the disabled are unable. In fact, they have enormous talents and abilities, and America cannot afford to waste an ounce of it.

For too long, Americans with disabilities have faced a series of unbearable penalties if they take jobs or go to work. They are in danger of losing their medical coverage, which can mean the difference between life and death. They are in danger of losing their cash benefits, even if they earn only modest amounts from work. No disabled American should face the harsh choice between buying a decent meal and buying the medication they need.

The Work Incentives Improvement Act will begin to remove these unfair barriers facing people with disabilities who are able to work and who want to work.

It will continue to make health insurance available and affordable when a disabled person goes to work or develops a significant disability while working.

It will gradually phase out the loss of cash benefits as income rises—instead of the unfair sudden cut-off that so many workers with disabilities face today. We have the important demonstration program in here that will effectively see the phasing out of the kind of income these individuals are entitled to—the phasing out of 50 cents for every new dollar they make over a period of time. They would be able to increase their income, and we would see a diminution of the amounts actually being contributed by the States and Federal Government as they continue in the employment.

This would, obviously, be an incentive for them to move ahead on the economic ladder, rather than being the disincentive that it is now, which would have a termination of benefits which they receive once they move above $500, which effectively locks the disabled into part-time jobs and jobs that pay very little.

It makes a good deal of common sense. It places work incentive planners in communities rather than in bureaucracies, and helps workers with disabilities learn how to access employment services and support the services by help and assistance to the States and communities. The States and communities themselves would have some flexibility in being able to raise some fees in the administration of these programs. We provide a very modest amount for that.

Finally, all Americans get a fiscally responsible bill. This is based on the Joint Committee on Taxation estimates which incorporate CBO estimates that S. 331 would cost $838 million over 5 years, to be offset by the bill's revenue provisions totaling $906 million, for a net savings of $68 million over the 5 years. This does not even begin to take into consideration two very important factors; that is, what will actually be paid in, in terms of taxes to the Federal Treasury, in terms of revenues that the taxpayers will pay, and also the basic savings that will be there under the Social Security trust fund.

This chart shows where we are. We have 7.5 million individuals that qualify for Federal participation in some disability program—individuals who are eligible for some kind of payment. One-half of 1 percent now are. If, out of the 7.5 million, we are able to get 210,000 working, we would save the trust fund $1 billion a year. That does not come through CBO or OMB because of the way the Budget Act works. This is the extrapolation we have in terms of working with the Social Security agency. It represents $1 billion saved with 210,000 working instead of the 70,000 that are working a year. Ours is $800 million over 5 years.

This makes a good deal of sense. We believe it is economically sound. These are savings we will have. When we hear about costs of the bill, these are the savings we will have. As I mentioned, it does not even take into consideration what will actually be paid in, in terms of taxes for those individuals, which will be certainly more than those figures.

We worked very assiduously with a lot of the different groups on this program. When we think of citizens with disabilities, we tend to think of men, women and children who are disabled from birth. However, fewer than 15 percent of all people with disabilities are born with their disabilities. A bicycle accident or a serious fall or a serious illness can suddenly disable the healthiest and most physically capable person. This is enormously important. This legislation is not just for our fellow Americans that may be born with some disability, but for all Americans.

In the long run, this legislation may be more important than any other action we will take in this Congress. It offers a new and better life to large numbers of our fellow citizens. Disability need no longer end the American dream. That was the promise of the Americans with Disabilities Act a decade ago, and this legislation dramatically strengthens our fulfillment of that promise.

I will not take the time this afternoon to go through a diary I have, ''A Day in the Life of People Who Want To Work.'' We have broken down by States and included letters from individuals who have written about what this particular legislation means in terms of their lives today, how their lives would be changed, how their lives would be altered with this particular legislation. It is enormously powerful and moving.

If necessary, if we have to convince our colleagues about this legislation, I will take some time and go through some of the letters.

I will mention very briefly the human aspect of this legislation. This legislation is for Alice in Oklahoma who is disabled because of multiple sclerosis and receives SSDI benefits. She needs personal assistance to live and work in her community. But to do so, she must use all of her savings and half or all of her wages to pay for personal assistance and prescription drugs. As a result, she is left in poverty.

This bill is for Tammy in Indiana who has cerebral palsy and uses a wheelchair. She works part-time at Wal-Mart, but her hours are restricted because if she works too much she will lose her health benefits. Her goal of becoming a productive citizen is denied by the unfair danger of losing the health care she needs.

This is for Jay in Minnesota on SSDI who wants to work. However, the job he is qualified for offers no health care. If he accepts the job, he will join the ranks of the uninsured.

This bill is for Abby in Massachusetts who is only 6 years old and has mental retardation. Her parents are very concerned about her future and her ability to work and still have health insurance. Already she has been denied coverage by two insurance firms because of the diagnosis of mental retardation. Without Medicaid, her parents would be bankrupted by her medical bills today. If Abby eventually enters the workforce, she will have to live in poverty or lose Medicaid coverage under current law. Under this bill, all that would change. She and her parents will have a chance to dream of a future that includes work and prosperity, rather than a future of government handouts.

This bill is for many other citizens whose stories are told in this diary.

This diary alone should be enough to shock and shame the Senate into action.

Our goal in this legislation is to banish the stereotypes, to reform and improve the existing disability programs so that they genuinely encourage and support every disabled person's dream to work and live independently and be a productive and contributing member of the community. That goal should be the birthright of all Americans. With this legislation, we are taking a giant step toward that goal.

A story from the debate on the Americans With Disabilities Act illustrates the point. A postmaster in a town was told he must make his post office accessible. The building had 20 steps leading to a revolving door at the entrance. The postmaster questioned the need to make such costly changes. He said, ''I've been here for 35 years and in all that time I have yet to see a single customer come in here in a wheelchair.'' As the Americans With Disabilities Act shows, if you build the ramp, people will come and they will find their field of dreams. This bill expands the field.

The road to economic prosperity and the right to a decent wage must be more accessible to all Americans, no matter how many steps stand in the way. That is our goal in this legislation. It is the right thing to do. It is the cost-effective thing to do, and now is the time to do it. For too long, our fellow disability citizens have felt left out and left behind. A new and brighter day is on the horizon for them and today we finally will make it a reality.

I will describe a few other reasons for the importance of this legislation, including the cost of this legislation and what is happening currently. I will refer to the work in the Work Incentive Improvement Act and a report.

7.5 million disabled receive cash payments from SSI and SSDI. Disability benefit spending totals $73 billion a year. That is what we are spending at the present time under this program—$73 billion a year, making disability programs the fourth largest entitlement expenditure in the Federal Government. If only 1 percent, or 75,000, of the 7.5 million were to become employed, Federal savings in disability programs would total $3.5 billion over the worklife of the beneficiaries.

Do we hear that? If we get to 1 percent, we will be effectively saving $3.5 billion over the life of those beneficiaries. That is if we just get to 1 percent, let alone the goal of those of us who believe in independent living.

I will quote from the General Accounting Office:

> The two largest Federal programs providing cash and medical assistance for people with disabilities grew rapidly between 1985 and 1994, with the enrollment of working age people increasing 59 percent from 4 million to 6.3 million.

The figures I just read are the most current figures—7.5.

> . . . the inflation-adjusted cost of cash benefits growing by 66 percent. Administered by SSA, DI and SSI paid over $50 billion in cash benefits to people with disabilities in 1994.

So we are up now to $77 billion. In 1994 it was $50 billion. Now, this last year, in a period of 4 years it is up to $77 billion. That is a $27 billion increase. The flow line of these expenditures is going right up through the roof without any further indication of effectively reducing their unemployment, improving the ability of these individuals—who want to work and who have the ability to work if they are able to continue with their health insurance—to be contributing members of the community. It can have a dramatic, significant impact in lowering the continued escalation in expenditures under this fund.

For those individuals here who fail to understand what we are doing, what is happening, I hope they will refer to an excellent GAO report.

I ask unanimous consent to have it printed in the RECORD.

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

SOCIAL SECURITY: DISABILITY PROGRAMS LAG IN PROMOTING RETURN TO WORK

Mr. Chairman and Members of the Committee: You asked us to discuss today ways to improve the Disability Insurance (DI) and Supplemental Security Income (SSI) programs by helping people with disabilities return to work. Each week the Social Security Administration (SSA) pays over $1 billion in cash payments to people with disabilities on DI and SSI. While providing a measure of income security, these payments for the most part do little to enhance the work capacities and promote the economic independence of these DI and SSI recipients. Yet societal attitudes have shifted toward goals, as embodied in the Americans With Disabilities Act (ADA), of economic self-sufficiency and the right of people with disabilities to full participation in society.

At one time, the common business people was to encourage someone with a disability to leave the workforce. Today, however, a growing number of private companies have been focusing on enabling people with disabilities to return to work. Moreover, medical advances and new technologies provide more opportunities than ever for people with disabilities to work.

We found that the DI and SSI programs are out of sync with these trends. The application process places a heavy emphasis on work incapacity, and it presumes that medical impairments preclude employment. And SSA does little to provide the support and assistance that many people with disabilities need to work. Our April 1996 report shows, in fact, that program design and implementation weaknesses hinder maximizing beneficiary work potential.[1] Not surprisingly, these weaknesses also yield poor return-to-work outcomes. Other work we are doing for you highlights strategies from the private sector and other countries that SSA could use to develop administrative and legislative solutions to improve return-to-work outcomes. Indeed, if an additional 1 percent of the 6.3 million working-age SSI and DI beneficiaries were to leave SSA's disability rolls by returning to work, lifetime cash benefits would be reduced by an estimated $2.9 billion.[2]

With this in mind, today I would like to focus on how the current program structure impedes return to work and how strategies from other disability systems could help restructure DI and SSI to improve return-to-work outcomes. To develop this information, we surveyed people in the private sector generally recognized as leaders in developing disability management programs that focus on return-to-work efforts. We also interviewed officials in Germany and Sweden because the experiences of their social insurance programs show that return-to-work strategies are applicable to a broad and diverse population with a wide range of work histories, job skills, and disabilities. We also conducted focus groups with people receiving disability benefits and convened a panel of disability experts.

BACKGROUND

DI and SSI the two largest federal programs providing cash and medical assistance to people with disabilities—grew rapidly between 1985 and 1994, with the enrollment of working-age people increasing 59 percent, from 4 million to 6.3 million, and the inflation-adjusted cost of cash benefits growing by 66 percent. Administered by SSA, DI and SSI paid over $50 billion in cash benefits to people with disabilities in 1994. To be considered disabled by either program, an adult must be unable to engage in any substantial gainful activity because of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last at least 1 year. Moreover, the impairment must be of such severity that a person not only is unable to do his or her previous work, but, considering his or her age, education, and work experience, is unable to do any other kind of substantial work that exists in the national economy.

Both programs use the same definition of disability but differ in important ways. DI, established in 1956, is an insurance program funded by payroll taxes paid by workers and their employers into a Social Security trust fund. The program is for workers who, having worked long enough and recently enough to become insured under DI, have lost their source of income because of disability. Medicare coverage is provided to DI beneficiaries after they have received cash benefits for 24 months. Almost 4 million working-age people (aged 18 to 64) received about $34 billion in DI cash benefits in 1994.[3]

In contrast, SSI is a means-tested income assistance program for disabled, blind, or aged individuals regardless of their participation in the labor force. Established in 1972 for individuals with low income and limited resources, SSI is financed from general revenues.[4] In most states, SSI entitlement ensures an individual's eligibility for Medicaid benefits. In 1994, about 2.36 million working-age people with disabilities received SSI benefits. Federal SSI benefits paid to SSI beneficiaries with disabilities in 1994 equaled $18.9 billion.[5]

CASELOADS HAVE CHANGED SINCE THE MID-1980'S

The composition of the DI and SSI caseloads has undergone many changes during the last decade. Between 1985 and 1994, DI and SSI experienced an increase in the proportion of beneficiaries with impairments—especially mental impairments—that keep them on the rolls longer than in the past. By 1994, 31 percent of DI beneficiaries and 57 percent of SSI working-age beneficiaries had mental impairments—conditions that have one of the longest anticipated entitlement periods (about 16 years for DI). In addition, the beneficiary population has become, on average, modestly but steadily younger since the mid-1980s. The proportion of working-age beneficiaries who are middle aged (aged 30 to 49) has steadily increased—from 30 to 40 percent for DI, and from 36 to 46 percent for

See footnotes at end of article.

SSI—as the proportion who are older has declined.

STATUTE PROVIDES FOR RETURNING BENEFICIARIES TO WORK

The Social Security Act states that as many individuals applying for disability benefits as possible should be rehabilitated into productive activity. To this end, people applying for disability benefits are to be promptly referred to state vocational rehabilitation (VR) agencies for services intended to prepare them for work opportunities. To reduce the risk a beneficiary faces in trading guaranteed monthly income and premium-free medical coverage for the uncertainties of competitive employment, the Congress also established various work incentives to safeguard cash and medical benefits while a beneficiary tries to return to work.

Dispite congressional attention to employment as a way to reduce dependence, few beneficiaries leave the rolls to return to work. During each of the past several years, not more than 1 of every 500 DI beneficiaries has been terminated from the rolls because they returned to work.

TECHNOLOGICAL ADVANCES AND SOCIAL CHANGE FOSTER RETURN TO WORK

While DI and SSI return-to-work outcomes have been poor, many technological and medical advances have created more opportunities for some individuals with disabilities to engage in work. Electronic communications and assistive technologies—such as scanners, synthetic voice systems, standing wheelchairs, and modified automobiles and vans—have given greater independence to some people with disabilities, allowing them to tap their work potential. Advances in the management of disability—like medication to control mental illness or computer-aided prosthetic devices—have helped reduce the functional limitations associated with some disabilities. These advances may have opened new opportunities, particularly for some people with physical impairments, in the growing service sector of the economy.

Social change has promoted greater inclusion of and participation by some people with disabilities in the mainstream of society, including children in school and adults at work. For instance, over the past 2 years, people with disabilities have sought to remove environmental barriers that impede them from fully participating in their communities. Moreover, ADA supports the full participation of people with disabilities in society and fosters the expectation that people with disabilities can and have the right to work. ADA prohibits employers from discriminating against qualified individuals with disabilities and requires employers to make reasonable workplace accommodations, unless it would impose an undue hardship on the business.

CURRENT PROGRAM STRUCTURE IMPEDES RETURN TO WORK

The cumulative impact of weaknesses in the design and implementation of the disability programs is to understate beneficiaries' work capacity and impede efforts to improve return-to-work outcomes. Despite a changing beneficiary population and advances in technology and medicine that have increased the potential for some beneficiaries to work, the disability programs have remained essentially frozen in time. Weaknesses in the design and implementation of the DI and SSI programs, summarized in table 1, have impeded identifying and encouraging the productive capacities of those who might benefit from rehabilitation and employment assistance.

TABLE 1.—SUMMARY OF PROGRAM DESIGN AND IMPLEMENTATION WEAKNESSES

Program area	Weakness
Disability determination	"Either/or" decision gives incentive to promote inabilities and minimize abilities.
	Lengthy application process to prove one's disability can erode motivation and ability to return to work.
Benefit structure	Cash and medical benefits themselves can reduce motivation to work and receptivity to VR and work incentives, especially when low-wage jobs are the likely outcome.
	People with disabilities may be more likely to have less time available to work, further influencing a decision to opt for benefits over work.
Work incentives	"All-or-nothing" nature of DI cash benefits can make work at low wages financially unattractive.
	Risk of losing medical coverage when returning to work is high for many beneficiaries.
	Loss of other federal and state assistance is a risk for some beneficiaries who return to work.
	Few beneficiaries are aware that work incentives exist.
	Work incentives are not well understood by beneficiaries and program staff alike.
VR	Access to VR services through Disability Determination Service (DDS) referrals is limited: restrictive state policies severely limit categories of people referred by DDSs; the referral process is not monitored, reflecting its low priority and removing incentive to spend time on referrals; VER counselors perceive beneficiaries as less attractive VR candidates than other people with disabilities, making them less willing to accept beneficiaries as clients; and the success-based reimbursement system is ineffective in motivating VR agencies to accept beneficiaries as clients.
	Applicants are generally uninformed about VR and beneficiaries are not encouraged to seek VR, affording little opportunity to opt for rehabilitation and employment.
	Studies have questioned the effectiveness of state VR agency services since long-term, gainful work is not necessarily the focus of VR agency services.
	Delayed VR intervention can cause a decline in receptiveness to participate in rehabilitation and job placement activities, as well as a decline in skills and abilities.
	The monopolistic state VR structure can contribute to lower quality service at higher prices, and recent regulations allowing alternative VR providers may not be effective in expanding private sector VR participation.

WORK CAPACITY OF DI AND SSI BENEFICIARIES MAY BE UNDERSTATED

The Social Security Act requires that the assessment of an applicant's work incapacity be based on the presence of medically determinable physical and mental impairments. SSA maintains a Listing of Impairments for medical conditions that are, according to SSA, ordinarily severe enough in themselves to prevent an individual from engaging in any gainful activity. About 70 percent of new awardees are eligible for disability because their impairments meet or equal the listings. But findings of studies we reviewed generally agree that medical conditions are a poor predictor of work incapacity.[6] As a result, the work capacity of DI and SSI beneficiaries may be understated.

While disability decisions may be more clear-cut in the case of people whose impairments inherently and permanently prevent them from working, disability determinations may be much more difficult for those who may have a reasonable chance of work if they receive appropriate assistance and support. Nonmedical factors may play a crucial role in determining the extent to which people in this latter group can work.

PROGRAM WEAKNESSES IMPEDE EFFORTS TO IMPROVE RETURN-TO-WORK OUTCOMES

The "either/or" nature of the disability determination process creates an incentive for applicants to overstate their disabilities and understate their work capacities. Because the result of the decision is either full award of benefits or denial of benefits, applicants have a strong incentive to promote their limitations to establish their inability to work and thus qualify for benefits. Conversely, applicants have a disincentive to demonstrate any capacity to work because doing so may disqualify them for benefits. Furthermore, the documentation involved in establishing one's disability can, many believe, create a "disability mind-set," which weakens motivation to work. Compounding this negative process, the length of time required to determine eligibility can erode skills, abilities, and habits necessary to work.

* * * * *

Intervene as soon as possible after a disabling event;

Identify and provide necessary return-to-work services and manage cases; and

Structure cash and medical benefits to encourage return to work.

The practices underlying these strategies are summarized in table 2.

Disability managers we interviewed emphasized that these return-to-work strategies are not independent of each other and work most effectively when integrated into a comprehensive return-to-work program. Return-to-work strategies and practices may hold potential both for improving federal disability programs by helping people with disabilities return to productive activity in the workplace and, at the same time, for reducing program costs.

TABLE 2: STRATEGIES AND PRACTICES IN THE DESIGN OF RETURN-TO-WORK PROGRAMS OF THE U.S. PRIVATE SECTOR AND OTHER COUNTRIES

Strategies	Practices
Intervene as early as possible after an actual or potentially disabling event.	Address return-to-work goals from the beginning of an emerging disability.
	Provide return-to-work services at the earliest appropriate time.
	Maintain communication with workers who are hospitalized or recovering at home.
Identify and provide necessary return-to-work assistance effectively	Assess each individual's return-to-work potential and needs.
	Use case management techniques when appropriate to help workers with disabilities return to work
	Offer transitional work opportunities that enable workers with disabilities to ease back into the workplace.
	Ensure that medical service providers understand the essential job functions of workers with disabilities.
Structure cash and medical benefits to encourage return to work	Structure cash benefits to encourage workers with disabilities to rejoin the workforce.
	Maintain medical benefits for workers with disabilities who return to work.
	Include a contractual provision that can require the worker with disabilities to cooperate with return-to-work efforts.

EARLY INTERVENTION CRITICAL TO RETURN TO WORK

Disability managers we surveyed stressed the importance of early intervention in returning workers with disabilities to the workplace. Advocates of early intervention believe that the longer an individual stays away from work, the less likely return to work will be. Studies show that only one in two workers with recently acquired disabilities who are out of work 5 months or more will ever return to work. Disability managers believe that long absences from the workplace can reduce motivation to attempt work.

Setting return-to-work goals soon after the onset of disability and providing timely rehabilitation services are believed to be critical in encouraging workers with disabilities to return to the workplace as soon as possible. Contacting a hospitalized worker soon after an injury or illness and then continuing to communicate with the worker recovering at home, for instance, helps reassure the worker that there is a job to return to and that the employer is concerned about his or her recovery.

IDENTIFYING AND PROVIDING RETURN-TO-WORK SERVICES EFFECTIVELY

Another common strategy is to effectively identify and provide return-to-work services. This approach involves investing in services tailored to individual circumstances that help achieve return-to-work goals for workers with disabilities while avoiding unnecessary expenditures.

In an effort to provide appropriate services, many in the private sector strive to identify the individuals who are likely to be able to return to work and then identify the specific services they need. In doing so, each individual should be functionally evaluated after his or her medical condition has stabilized to assess potential for returning to work. When appropriate, the private sector uses case management techniques to coordinate the identification, evaluation, and delivery of disability-related services to individuals deemed to need such services to return to work. Transitional work allows workers with disabilities to ease back into the workplace in jobs that are less physically or mentally demanding than their regular jobs.

The private sector also stresses the need to ensure that physicians and other medical service providers understand the essential job functions of workers with disabilities. Without this understanding, the worker's return to work could be delayed unnecessarily. Also, if an employer is willing to provide transitional work opportunities or other job accommodations, the treating physician must be aware of and understand these accommodations.

WORK INCENTIVES FACILITATE RETURN TO WORK

Finally, disability managers responding to our survey generally offered incentives through their programs' cash and medical benefit structure to encourage workers with disabilities to return to work. Disability managers believe that a program's incentive structure can affect return-to-work decisions. The level of cash benefits paid to workers with disabilities can affect their attitudes toward returning to work because, if disability benefits are too generous, the benefits can create a disincentive for participating in return-to-work efforts. Disability managers also believe employer-sponsored medical benefits can provide an incentive to return to work if returning is the way that workers with disabilities in the private sector can best ensure that they retain medical benefits.

Although the structure of benefits plays a role in return-to-work decisions, disability managers emphasized that well-structured incentives are not sufficient in themselves for a successful return-to-work program. Incentives must be integrated with other return-to-work practices. Disability managers also generally advocated including a contractual requirement for cooperation with a return-to-work plan as a condition of eligibility for benefits. They believed such a requirement helps motivate individuals with disabilities to try to return to work.

RETURN-TO-WORK OUTCOMES COULD BE IMPROVED THROUGH RESTRUCTURING

Return-to-work strategies used in the U.S. private sector and other countries reflect expectations that people with disabilities can and do return to work. The DI and SSI programs, however, are out of sync with this return-to-work focus. Improving the DI and SSI return-to-work outcomes requires restructuring these programs to better identify and enhance beneficiary return-to-work capacities. While there is opportunity for improvement, it should be acknowledged that many beneficiaries will be unable to return to work. In fact, almost half of the people receiving benefits are not likely to become employed because of their age or because they are expected to die within several years. For others, work potential is unknown; but research suggests that successful transitions to work may be more likely for younger people with disabilities and for those who have greater motivation and more education.[7]

Studies have shown that a meaningful portion of DI and SSI beneficiaries possess such characteristics. The DI and SSI disability rolls have been increasingly composed of a significant number of younger individuals. Among working-age SSI and DI beneficiaries, one out of three is under the age of 40[8] In addition, in 1993, 35 percent of 84,000 DI beneficiaries expressed an interest in receiving rehabilitation or other services that could help them return to work, an indication of motivation. Moreover, a substantial portion—almost one in two—of a cohort of DI beneficiaries had a high school degree or some years of education beyond high school.[9] The literature also suggests that lack of work experience is a significant barrier to employability.[10] A promising sign is that about one-half of DI and one-third of SSI working-age beneficiaries had some attachment to the labor force during the 5 years immediately preceding the year of benefit award.[11]

Even those who may be able to return to work will face challenges. For example, some may need to learn basic skills and work habits and build self-esteem to function in the workplace. Moreover, the nature of some disabilities may limit full-time work, while others may cause logistical obstacles, such as transportation difficulties. Finally, employer resistance to hiring people with disabilities and tight labor market conditions, particularly for low-wage positions, could constrain employment opportunities.

Nevertheless, there are compelling reasons to try new approaches. As mentioned, our review of the disability determination process shows that the work capacity of an individual found eligible for DI and SSI benefits may be understated. And this country has experienced medical, technological, and societal advances over the past several years that foster return to work. But weaknesses in the design and implementation of the DI and SSI programs mean that little has been done to identify and encourage the productive capacities of beneficiaries who might be able to benefit from these advances.

Restructuring of the DI and SSI programs should consider the return-to-work strategies employed by the U.S. private sector and social insurance programs in Germany and Sweden. Lessons from these other disability programs argue for placing greater priority on assessing return-to-work potential soon after individuals apply for disability benefits. The priority in the DI and SSI programs, however, is to determine the eligibility of applicants to receive cash benefits, not to assess their return-to-work potential. In conjunction with making an early assessment of return-to-work potential, the programs should place greater priority on identifying and providing, at the earliest appropriate time, the medical and vocational rehabilitation services needed to return to work. But under the current program design, medical and vocational rehabilitation services are provided too late in the process. Finally, the programs should be designed to ensure that cash and medical benefits encourage beneficiaries to return to work. Presently, however, cash and medical benefits can make it financially advantageous to remain on the disability rolls, and many beneficiaries fear losing their premium-free Medicare or Medicaid benefits if they return to work.

Although SSA faces constraints in applying the return-to-work strategies of other disability programs, opportunities exist for better identifying and providing the return-to-work assistance that could enable more of SSA's beneficiaries to return to work. Even relatively small gains in return-to-work successes offer the potential for significant savings in program outlays.

CONCLUSIONS

In our April 1996 report, we recommended that the Commissioner take immediate action to place greater priority on return to work, including designing a more effective means to identify and expand beneficiaries' work capacities and better implementing existing return-to-work mechanisms. In line with placing greater emphasis on return to work, we believe that the Commissioner needs to develop a comprehensive return-to-work strategy that integrates, as appropriate, earlier intervention, earlier identification and provision of necessary return-to-work assistance for applicants and beneficiaries, and changes in the structure of cash and medical benefits. As part of that strategy, the Commissioner needs to identify legislative changes that would be required to implement such a program.

[1] This testimony is based on *SSA Disability: Program Redesign Necessary to Encourage Return to Work*(GAO/HEHS–96–62, Apr. 24, 1996) and a forthcoming GAO report on return-to-work strategies in the U.S. private sector, Germany, and Sweden.

[2] The estimated reductions are based on fiscal year 1994 data provided by SSA's actuarial staff and represent the discounted present value of the cash benefits that would have been paid over a lifetime if the individual had not left the disability rolls by returning to work.

[3] Included among the 3.96 million DI beneficiaries are 671,000 who were dually eligible for SSI disability benefits because of the low level of their income and resources.

[4] Reference to the SSI program throughout this testimony addresses blind or disabled, not aged recipients. General revenues include taxes, customs duties, and miscellaneous receipts collected by the federal government but not earmarked by law for a specific purpose.

[5] The 2.36 million SSI beneficiaries do not include individuals who were dually eligible for SSI and DI benefits. The $18.9 billion consists of payments to all SSI blind and disabled beneficiaries regardless of age.

[6] For example, S.O. Okpaku and others, ''Disability Determinations for Adults With

Mental Disorders: Social Security Administration vs. Independent Judgments.'' *American Journal of Public Health,* Vol. 84, No. 11 (Nov. 1994), pp. 1791–95; and H.P. Brehm and T.V. Rush, ''Disability Analysis of Longitudinal Health Data: Policy Implications for Social Security Disability Insurance,'' *Journal of Aging Studies,* Vol. 2, No. 4 (1988), pp. 379–99.

[7] For example, J.C. Hennessey and L.S. Muller, ''The effect of Vocational Rehabilitation and Work Incentives on Helping the Disabled Worker Beneficiary Back to Work,'' *Social Security Bulletin,* Vol. 58, No. 1 (spring 1995), pp. 15–28; R.J. Butler, W.G. Johnson, and M.L. Baldwin, ''Managing Work Disability: Why First Return to Work Is Not a Measure of Success,'' *Industrial and Labor Relations Review,* Vol. 48, No. 3 (Apr. 1995), pp. 452–67; and R.V. Burkhauser and M.C. Daly, ''Employment and Economic Well-Being Following the Onset of a Disability: The Role for Public Policy,'' paper presented at the National Academy of Social Insurance and the National Institute for Disability and Rehabilitation Research Workshop on Disability, Work, and Cash Benefits (Santa Monica, Calif.: Dec. 1994).

[8] *Annual Statistical Supplement, 1995 to the Social Security Bulletin* (Aug. 1995).

[9] J.C. Hennessey and L.S. Muller, ''Work Efforts of Disabled Worker Beneficiaries: Preliminary Findings From the New Beneficiary Followup Survey,'' *Social Security Bulletin,* Vol. 57, No. 3 (fall 1994), pp. 42–51.

[10] Berkeley Planning Associates and Harold Russell Associates, ''Private Sector Rehabilitation: Lessons and Options for Public Policy,'' prepared for the U.S. Department of Education. Office of Planning, Budget, and Evaluation (Dec. 31, 1987).

[11] M.C. Daly, ''Characteristics of SSI and SSDI Recipients in the Years Prior to Receiving Benefits: Evidence From the PSID,'' presented at SSA's conference on Disability Programs: Explanations of Recent Growth and Implications for Disability Policy (Sept. 1995).

Mr. KENNEDY. In the GAO report is an analysis of this program. But they also looked at U.S. private and social insurance programs to find out, are there American companies that are trying to deal with this with employees, and are there other States trying to do it?

Look at this. We can look at the percentages of working-age persons with disabilities. We will see West Virginia is 12.6; then 11, in Louisiana; 10 in Maine; Oklahoma, 10.2; Oregon, 10.

Now, take the percent working and the percent not working. The percent working is 20 percent—24, 28, 23, 23. Maine has 37 percent working; Oklahoma, 34; and Oregon has 42 percent working—42 percent working.

Then we look at the percent not working—57 percent. Some other States are almost 80 percent.

Don't you think we ought to look at the States that have large numbers of people with disabilities who are working and find out how they are getting people to work? And find out what is not happening in States where they are not getting them to work? That is what we did in this legislation. What we are finding out is, in those States, in the private sector, they are maintaining the insurance aspects of the health care and also providing the financial incentives to be able to go to work. That is just in some of our States.

We are hopeful we can move with these incentives to get to every State. Some States are making dramatic improvements, and others are not. The lessons are very clear, and we have included that in the legislation. If we look at what is happening in other countries, in two countries we find the absolutely extraordinary results they have from having similar incentives and disincentives that we have tried to incorporate in this legislation and that are referred to by the GAO as being very successful.

I would like to believe the importance of this is to make sure those Americans with some disability are going to be included in the great American dream, that we decided as a nation we not only are not going to discriminate but we are going to encourage policies that will make it possible for those with disabilities to be part of the American dream. What we are attempting is to do it in ways that have demonstrated effectiveness.

The principal reasons they have been effective are along these lines. They have been happening because we have seen new medical technology which has been very helpful when carefully and effectively pursued. I think we all understand the costs of medical technology. In this particular area, there are some great opportunities for people, by the use of medical technology, to get back to work. It is working, and it is effective; it is cost effective.

We are also finding, for one reason or another—I will not take the time now—a number of those going on the disability rolls have been younger individuals than we were considering probably 20 years ago.

Another interesting corollary is, most of those individuals have a higher achievement in completion of high school and college, for reasons I will not bother taking up the time of the Senate with at this time. We are talking about younger individuals who are more adaptable for these training programs, newer kinds of technology out there, and where that is accessible, more effective training programs such as we passed last year with our one-stop shopping and incentive programs, with financial incentives in the private sector that are going to be effective programs getting people working. We have brought all of these elements together. We followed the examples that have been pointed out to us as effective and incorporated those in this legislation.

We believe this will have a dramatic and positive impact, most importantly on the ability of individuals to go to work and be useful and productive, constructive members of our society and live happier lives in their own personal situations and the members of their family, be more productive in the general economy, in what they are able to add to the economy, without these false disincentives out there, reducing the financial burden on the trust funds which are paying out to the community, and ultimately seeing a dramatic reduction in burden to the States' financial situation for funding as well as to the Federal Government. This, we believe, is a win-win-win situation all the way along the line.

I could take further time. I know there are others who want to speak to the underlying measure. But we believe very deeply in this legislation, which has been carefully thought through by individuals who will be most affected by it. That has been enormously important. Very often we draft and shape legislation in a way we think is best, but this is legislation that has emerged from the grassroots level. We understand the difficulty of getting everyone to agree to different proposals.

We have harmony among the community that represents 300 different organizations. It is an extraordinary initiative, an extraordinary result that is so powerful in terms of what we hope to achieve.

This is really a service to the country. We want the kind of America that is going to say to those individuals who are faced with some physical or mental challenges that we will make sure they will be able to participate to the extent their abilities, their interest, their courage, and their determination permit them. We want to eliminate or knock down those barriers which one way or the other inhibit their ability to move forward.

We have been attempting to do that in a number of ways, but there is nothing that is going to do more in opening up the dreams and the hopes of these individuals and their families than this piece of legislation.

The Americans With Disabilities Act is important in trying to eliminate discrimination against the disabled. The Work Incentives Improvement Act will do the job in terms of eliminating the significant financial disincentives out there that basically inhibit so many of our fellow citizens, who have the ability and dedication and commitment and desire, from moving forward. That is why this legislation is so important.

At another time, I will go through some of the other provisions of the legislation.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. I ask unanimous consent that Connie Garner be given the privilege of the floor during the consideration of the energy and water appropriations bill.

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

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

Mr. KENNEDY. I will be glad to yield.

Mr. REID. In listening to the remarks of the Senator from Massachusetts, I am struck by the fact that the people this legislation is attempting to help are people who do not have voices here to represent their interests; is that not generally the case?

Mr. KENNEDY. The Senator is correct. I like to believe there is a greater understanding and awareness of the challenges that disabled Americans have faced in more recent years than there had been for the first 200 years of our country. Over the last 8 or 10 years, we have had some important changes in attitude on these issues.

By and large, the Senator is correct that this has not been an issue that has been in the forefront of legislative or executive action.

Mr. REID. I also say there have been some people of good will joining together around the country attempting to advocate for the disabled, but the people we deal with on a daily basis are usually people who come representing institutions or entities and who are, in effect, well paid. They are people who have vast amounts of money tied up in Federal programs.

The disabled people the Senator is attempting to help with this legislation are people who have—the Senator is absolutely right—joined together in the last decade recognizing the disabled need help. But these are volunteer groups and people, as I said, of good will around the country trying to help people who have no representation; is that basically true?

Mr. KENNEDY. The Senator is correct. It was not that long ago when we had 5.5 million children who were disabled who never went to schools in our country. We have made some progress in opening up the schools of our country. We debated the issue of trying to give help and assistance to local communities. I am a strong supporter of it. I know the Senator from Nevada is. I know there are others on both sides of the aisle who feel that way as well.

We have made some progress on other issues. I cannot speak further without recognizing the good work of the Senator from New Mexico in regard to mental illness. For many years, those afflicted by the challenges of mental illness were kept aside in our own communities, and in terms of debate and discussion, there has been a general reluctance to talk about some of their special needs.

The Senator is quite correct. The willingness to talk about these issues has been in a more recent time. I can even speak of that with regard to my own family with a sister who is mentally retarded and having seen the evolution and the changes which have taken place in how people react and respond to those who are mentally retarded.

We have come a long way, but the Senator is quite correct, by and large, these individuals and the communities are hard pressed with the day-to-day activities and do not have a great deal of time to come here, although I note both Senator REID and Senator DOMENICI would say that when they do come here and when they do speak, there are a few more eloquent voices and compelling voices for the cause of social justice.

Mr. REID. I want to say one additional thing while the Senator is on the floor, and that is, the community of disabled persons around the country have been very fortunate to have Senator KENNEDY as a spokesperson on their behalf. But I also want to mention something in which your family has been involved. It certainly has shown to me, having been involved in a number of Special Olympic programs in my own State, how the disabled enjoy life just as much as anyone else. There is no example better than athletics. I commend and applaud the Senator and his family for the great work they have done with the Special Olympics program, which is now a worldwide program.

Mr. KENNEDY. I thank the Senator. I appreciate that. As a matter of fact, they are having the International Special Olympics on June 27 and 28 in North Carolina this year. There will be more than 130 countries participating in those games. That cause still goes on.

It is a great tribute not only to the athletes but to the parents, the teachers, to the volunteers, and States all over the country that have been supportive of that program. I know the Senator has been a supporter of the program, and I think any of those individuals who watch those programs cannot leave the field without feeling an extraordinary sense of inspiration. That is, I believe, enormously moving.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Is the Senator from Massachusetts finished?

Mr. KENNEDY. I am finished. I thank the Senator.

Mr. DOMENICI. I say to Senator KENNEDY, I commend him for what he is doing. I remind the Senate that the last time I looked, this bill had 33 Republicans on it and was led on the Senate side by the chairman of the Finance Committee. He is one of the leaders, not just Senator JEFFORDS from the Health, Education, Labor, and Pensions Committee.

Frankly, what has happened is, though we pass laws with reference to helping people who are disabled, either because of physical disabilities or mental disabilities, a lot of our terribly mentally handicapped do participate in disability programs. What they do not participate in very well is the training programs for them. We are just getting that started.

But essentially we pass laws saying let's help them. Then we forget about them for about 15 or 20 years, which is what happened here. We find that in many respects the law has arbitrary finalization of benefit dates that hurt instead of help. Instead of encouraging that a person who is disabled go to work, if anybody is experienced with the old law, before we change it, what the people will be telling them is: Be careful, because if you try to go to work and get off, they take you off so quick and for such a tiny amount of earnings that sometimes that job finishes because the disabled do not have the propensity to have 6-year-long jobs; sometimes it is 6 months, 5 months.

In the case of the mentally ill, sometimes a schizophrenic works 1 month. This program, unless we change it, does not work for them, because they get taken off the benefit list too quickly. Then it is hard to get back on. So a parent may say: Let's just not ask Jimmy to go to the Green Door and get trained over here to get a job. They say: Let's just leave that alone and talk to him about volunteering, not earning money. But I tell you, to the extent we are encouraging that, we are doing a very bad thing for disabled people.

You will find across the board, for the disabled people, young or old, the most important thing going is for them to get a job. You cannot imagine how important it is for them to get a paycheck. It is among the most intriguing psychological things that happens to a disabled person—when they earn their own money—that you have ever seen.

Why should we have laws that help them but at the same time discourage them from getting a job because they may get kicked off the rolls too quickly, or they cannot get on quickly enough after they get unemployed? Let's change that and make it common sense.

I understand these laws are good laws, the ones we are changing. They put America in the vanguard when we passed them. They are good. But in the meantime, we are finding that nothing is as good as a job. These jobs do not pay a lot but pay just enough to qualify people under the old law to get off the rolls. So it is not as if it is rich people who are getting on and off the rolls, people earning $100,000; it is people earning minimum wage. In some instances, they even have youth jobs that are at less than minimum wage, and all of a sudden they qualify—no more aid—and they are worse off than they were before. That is what this is; the essence of it is to try to fix those things. We ought to fix them.

It does not belong on this bill that Senator REID and I are managing. Senator KENNEDY has not said it does. But, look, if you cannot resolve it, we are going to do what has to happen here. I hope the Republican leadership would get together—actually, they are in the forefront. I am assuming that the chairman of the Finance Committee is not here today. He would probably be here. He wants to make sure it is done right. He has to find offsets, does he not? There are offsets.

This bill is going to be neutral budgetwise. We are going to pay for it. It is not that we are going to add to the debt, or use up the surplus or use the Social Security trust fund—none of those.

Frankly, I am very hopeful that our bill has served a purpose. There has been a nice debate. There is nobody here who needs the Senate any more

than we do right now. Nobody is offering amendments. We are waiting. It is all right with me if they do not. It is a fine discussion.

I thank the Senator. It is good to get an opportunity to comment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I will not take much time.

The Senator has it absolutely right. We built in the program the ability to provide the medical and some income for people who have the disabilities and said that if they make over $500, they lose the insurance and they lose the additional kind of insurance, that they would be able to receive income, and they are just dropped out.

Very few of the families can be assured they can get a job after a training program where they would be able to offset their total medical expenses if they are able to get health insurance. They probably are not able to get it because they have a disability. The fact of the matter is, the insurance companies, by and large, do not include them.

I have a son who lost his leg to cancer and is a very healthy young person, but there is not a chance in the world he can get insurance. He has insurance only as a part of a much larger group. That happens to individuals who have any kind of disability. So they are out behind the 8-ball.

What we are saying is, continue their health care. OK, we can phase out or eliminate their income. They would be willing to take a chance on that. They will go out and try to pull their own weight. They are glad to do it. They will do it, and they will do it very well.

They have a desire to do it and the ability to do it. We have provided these incentives and training programs to enable them to be more creative to do it. There are more examples in a number of the States about how to do it. There are a number of examples in different countries on how to do it. We are going to do it in ways that are financially responsible.

The Senator made an excellent statement. I thank him for his sponsorship, as well as the Senator from Nevada.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, before Senator KENNEDY leaves the floor, I will just make a comment. He mentioned those disabled because of severe mental illnesses: manic depression, schizophrenia, severe chronic depression.

I say to the Senator, I introduced the parity bill with Senator WELLSTONE to try to get more insurance coverage resources applied to these serious illnesses. I want to share with the Senator, since we are talking about disabilities, a notion that came to me with reference to severely mentally ill people.

I said, what would happen if the United States, by definition, had decided we would not cover, under health insurance, illnesses of the heart because we did not want to cover illnesses of the brain? The complicated vessels are the heart and the brain. What if 30 years ago, as we produced the list of coverable illnesses, we said no coverage for heart conditions. Guess what would have happened. None of the breakthroughs in treating the heart would have ever occurred because there would not have been enough resources going into it for the researchers and the doctors to make the breakthroughs.

As a matter of fact, we would not have invented angioplasty and all those other significant techniques. What would have happened in the meantime is that hundreds of thousands of Americans would be dying earlier than they should. That would be along with what I just said.

When we say insurance companies should not cover schizophrenics, who have a brain disease, diagnosable and treatable, that we should not cover them, then are we not saying the same thing about a very serious physical frailty that hits between 5 and 15 million Americans during any given year, from the very young to the very old, with the highest propensity between 17 and 25 years of age for schizophrenia, manic depression, and the like?

It seems to me that sooner or later, if we are going to call something ''health insurance,'' it ought to cover those who are sick, wouldn't you think?

Mr. KENNEDY. Absolutely.

Mr. DOMENICI. Why do we call health insurance ''health insurance'' and leave out a big chunk of the American population? Because the definition chooses to will away an illness. You define it so it does not exist, right? No. It exists. Families go broke. Their kids are in jails instead of hospitals. Because once they get one of these diseases, there is no way to help them, because there are no systems, because there are not enough resources. The resources come from the mass coverage by insurance. That is what puts resources into illnesses and cures.

So I just want to assure you, we are going to proceed this year. We are going to proceed with this parity bill. We are going to have a vote here. I do not know which bill yet, but we are going to have a good debate. We are asking the business community to get the price tag. We do not want to hear any of this business that it is going to break us.

We want to know, based on history, what is it going to cost? Then we are going to let the Senators and the public decide: Is that too much? What if it isn't too much in the minds of most Americans and Senators? Then it seems to me the marketplace will have to adjust to it.

Obviously, if I have a chance, I would like to talk about this. I would like to do it on the floor of the Senate so a lot of other Americans hear about it. I would like to do it when somebody is here to talk about the significance of this.

This is important business, the disabled in this country, whether they are disabled physically or disabled mentally. If we are going to have a real society that is proud of being free—and we have put so much emphasis on that—then we cannot leave out big chunks of the public with arbitrary laws or a failure to have insurance companies take care of the responsibilities of health coverage for disabled Americans.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. As the good Senator knows, we have such coverage for all Members of the Senate. Federal employees have it, over 11 million have it, and other groups have that as well. We find that it is suitable for Members of Congress and for the administration, other Federal employees.

I underline that I do not think we have health insurance worth its name if it doesn't meet the standard that the Senator from New Mexico has outlined here. I think it is basic and fundamental. There may have been troubles with the Clinton health insurance program, but the President has recently announced that he will issue an executive order to provide mental health parity.

I say to the good Senator, my friend—I have heard him speak eloquently, as well as our friend Senator WELLSTONE, and others speak on this issue—I pledge to him that I look forward to working with him. I think it is enormously important. I commend the Senator for what was initiated previously when we were dealing with this issue in related form on the Kassebaum-Kennedy legislation a few years ago. We want to see that and other legislation actually implemented. I commend him and look forward to working with him.

Finally, I would like to state my support for the efforts of my good friend and colleague from Nevada, Senator REID, who has long been a champion of the need for better and more comprehensive approaches to suicide prevention. Suicide claims over 30,000 lives each year in this country; it is the eighth leading cause of death overall and the third major cause of death amongst teenagers from 15–19. It is an issue clearly associated with mental health parity. If better access to mental health services were available for all persons who have psychiatric conditions, the suicide rate would be dramatically reduced. It is time to provide mental health parity and to prevent these unnecessary family tragedies.

I thank the Senator.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, even though this is the energy and water

bill, I am glad we are going to have this conversation this afternoon about mental health.

An area I have worked on that is now receiving more attention is suicide. Thirty-one thousand people each year in the United States kill themselves. What if 31,000 people were killed in some other manner? We would focus a lot of attention on it.

There are almost as many people killed in car wrecks every year. We have airbags and we have speed limits. We do all kinds of things to prevent people from being killed in automobile accidents. We have even done a much better job in recent years trying to stop people from driving under the influence of alcohol.

Suicide is a very difficult problem in America today. During the time we have been on this bill—it is now 3:30 eastern time; we started at 1—about 12 people in the United States have killed themselves. So it is an issue I hope we will spend more time on.

For the first time in the history of the country we are spending money to find out why people commit suicide. We don't know why. An interesting fact is that the 10 leading States in the United States for suicide are western United States, States west of the Mississippi. We don't know why this is, but it is now being studied by the Centers for Disease Control. We appropriated money last year to try to focus on this.

Not only is this, of course, terrible for the person who dies, but what it does to the victims, the people who are the survivors.

I am happy to hear the discussion this afternoon about mental health generally. I want to talk about suicide specifically. It is an area that we really have to focus some attention on and get Members of the Congress to agree that we have to do something about this. It is an issue that is crying for an answer. I hope that in the years to come we can do much more than we have done in the past, which wouldn't take very much, but it is an area in which we need to do much more. I hope we can do that.

Madam President, I suggest the absence of a quorum.

Mr. DOMENICI. Will the Senator withhold?

Mr. REID. I will withhold.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I say to my good friend, the ranking member on this subcommittee, we have a good, bipartisan bill. I hope we can make the point that we worked together to make it bipartisan, because I think that is the way we get a bill that we can get through here and can sustain.

Commenting on your last statement and your efforts with reference to suicide, that is not unrelated to what I was discussing at all.

Mr. REID. That is right.

Mr. DOMENICI. I don't know the numbers, but I am going to guess that 60 to 70 percent of the suicides are probably found to be caused by a mental illness, most of them by severe depression. Frankly, one of the reasons we have so many suicides is because we have not created a culture among our medical people and among those who help our medical people of properly diagnosing such things as depression.

One of the reasons we don't have a culture that does the diagnosis right is because it is not covered by insurance. As a consequence, there are not enough resources put in at the grassroots where doctors are getting paid for this and universities can do research on it, because it is worthwhile to the doctors to become experts in this. We are doing a little more than we did in the past but not enough from the standpoint of real mass involvement.

Young people in particular are the majority victims of the suicide numbers, which is such a shame. Many of those 21,000 are kids; right?

Mr. REID. Thirty-one thousand.

Mr. DOMENICI. Teenagers, 31,000; they are not in the senior citizen numbers. There is a small percentage, but the big percentage are in the absolute throes of starting a great life. If we could do a better job with diagnosing depression, we would have medication and therapy preventing many of those 31,000.

Mr. REID. Will the Senator yield?

Mr. DOMENICI. Yes, indeed.

Mr. REID. I think one of the reasons we have made more progress on suicide and other mental health problems in recent years is because people who have problems with depression, people who are survivors of suicides are willing to talk about it. It wasn't many years ago——

Mr. DOMENICI. That is true.

Mr. REID.—For example, my father, who committed suicide, wouldn't have been able to be buried in the cemetery. My father would have to have been buried someplace else because suicide was considered sinful, wrong.

Mr. DOMENICI. Right.

Mr. REID. So I believe clearly that the Senator is absolutely right. The Senator and I, as an example, are willing to talk about some of our experiences with mental health problems. As a result of that, it is not something people tend to hide as much as they used to. We recognize that depression is a medical condition.

Mr. DOMENICI. You have it.

Mr. REID. It is no different than if you have pneumonia. Depression is like pneumonia. We are learning how to cure depression. We learned some time ago how to cure pneumonia. So the more that we talk about this, the more people are willing to say: I think I am just depressed. I need some help. Is there somebody who can help me.

The fact of the matter is, as the Senator said, we did some hearings on depression and suicide. With suicide, they had really an interesting program in the State of Washington where one city developed an outreach program with mail carriers. When someone would go to deliver mail, especially in areas where there were senior citizens—sometimes the only contact a senior would have was with the mail carrier—the mail carrier was trained to recognize symptoms of depression and, consequently, suicide and saved a lot of people.

I remember a hearing we had in the Aging Committee; a woman who wrote poems came in. She showed us a poem she wrote when she was depressed and when she wanted to kill herself and a poem she wrote afterwards. I can't remember the poem—I am not like Senator BYRD—but I can remember parts of it where she talked about the snow was like diamonds in her hair.

If we could do a better job of recognizing depression, talk about that one, mental illness, depression, think of the money we would save. We would have a much more productive society. The workforce would be more productive. The gross national product would go up as a result of that.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mr. WELLSTONE. I thank the Chair.

Madam President, having just returned from Minnesota, I want to speak on the floor for a few short minutes, first of all, in support of the amendment that my colleague, Senator KENNEDY, introduced, which is really the Work Incentives Improvement Act, S.331, which he has done so much work on, along with Senator JEFFORDS.

My understanding is—it could be that my colleague, Senator REID of Nevada, spoke about this—Senator KENNEDY came to the floor and said: ''Listen, we want some action on this bill.'' We do want action on this. We have 78 Senators who are cosponsors of the Work Incentives Improvement

Seventy-eight consponsors means, by definition, that this is a strong bipartisan effort.

The reason for this bill, with all of its support, is really all about dignity. For Senators who talk about self-sufficiency and self-reliance and people being able to live lives with dignity, that is what this is about.

I am sure the Chair has experienced this, when you are back home and you talk to people in the disabilities community over and over again, you hear people telling you that they are ready to go to work if only they could be sure they wouldn't lose their health insurance—insurance they literally need to live. I don't know, but I think the unemployment rate among people with disabilities is well above 50 percent; the poverty rate is also above 50 percent. The problem is, when people in the disabilities community work, they

lose the medical assistance they have now.

What this piece of legislation says is that we want people to be able to live at home in as near a normal circumstance as possible, with dignity. That is what the Work Incentives Improvement Act is all about.

I come to the floor to say to my colleague, Senator KENNEDY, that if he wants to force the issue on this bill that we have before us, the Energy and Water Appropriations bill, I am all for that. If we can get some kind of a commitment from Senators as to whether we can bring this piece of legislation up freestanding, have an up-or-down vote—78 Senators are cosponsors—then I am for that.

Those of us who feel strongly about this issue and have met with people back home and heard their pleas really want to respond to the concerns and circumstances of their lives. It is very moving to meet with people in the disabilities community, to have people say to you: If you could do this, it would help us so much.

We are running out of patience; we really are. For colleagues who are blocking this and getting in the way of our being able to bring this to the floor and having a vote on this, be it unanimous consent, or be it 78 to 22, or 99 to 1 or whatever the case might be, so be it. I do not mind the 1; I have been on the losing end of a couple 99 to 1 votes in the last two months. If a Senator feels strongly about that, and it is his or her honest opinion that this legislation shouldn't pass, fine. He or she has the right to speak out, to try to persuade others and to vote his or her conscience. What I don't like is the way in which this piece of legislation has been held up so that it is not possible to debate it and vote on it at all. That, I think, is unconscionable.

Mr. REID. Will the Senator yield?

Mr. WELLSTONE. I will be pleased to yield.

Mr. REID. As the Senator was traveling here from Minnesota by air, Senator KENNEDY gave a very moving presentation about the necessity for this legislation, which, when he finished, caused the two managers of this legislation to talk about some of the work you and Senator KENNEDY and Senator DOMENICI and this Senator joined in, dealing with mental health parity. It was a very good discussion, stimulated by Senator KENNEDY's presentation on this legislation, which is so badly needed.

Senator KENNEDY has indicated that he filed this amendment on this legislation in the hope of focusing attention on this issue. If we have so much support—we have almost 80 Senators supporting this legislation—it would seem that we should figure out a way to pay for it. That is the problem. I think that will come to be, as Senator KENNEDY has talked to the majority leader and other people who recognize that they control the ebb and flow of legislation on this floor. In short, I say to the Senator, I think Senator KENNEDY did the right thing in filing this amendment on this legislation, or any other legislation. If it doesn't work out on this bill, he might have to do it on the next bill, but I support the efforts of the Senator from Minnesota.

Mr. WELLSTONE. Madam President, again, I appreciate the comments of Senator REID of Nevada. I think all of us feel strongly about this and are prepared to fight it out. We have waited long enough for the men and women, the young people and the elderly people with disabilities who want to work and who will lose health care coverage. We ought to pass this legislation, and the sooner the better.

I will yield the floor in a moment. I wasn't here for the colloquy or the suggestion about our mental health parity legislation. I am looking forward to this journey with Senators DOMENICI, REID, and KENNEDY—and maybe I am really being presumptuous, but I hope Senator COLLINS and others as well, because I think the time has come for this idea. I think you can make a pretty strong case there that there is entirely too much discrimination when it comes to coverage for those struggling with mental illness. This cuts across a broad section of the population.

I am extremely hopeful that we will be able to pass this legislation, which would make a huge positive difference in the lives of so many people. I want to say on the floor that I am also committed to trying to do more when it comes to substance abuse treatment. We have the same problem there, where people have pretty good coverage for physical illnesses, but for somebody struggling with alcoholism, it is a detox center 2 or 3 days each time a year, and that is it. You know, a lot of these diseases are brain diseases with biochemical connections and neurological connections and people's health insurance should cover the disease of addiction just like it covers heart disease or diabetes.

Our policy is way behind; it is outdated and discriminatory. The tragedy of it is that so many people in the recovery community can talk about the ways in which, when they received treatment, they have been able to rebuild their lives and contribute at their place of work, to their families, and to their communities. This is nonsensical. So these will be separate pieces of legislation on the Senate side. But I am very excited about this effort with Senator DOMENICI, Senator REID, Senator KENNEDY, and others as well. I believe we can pass this mental health parity legislation. I think what we did in 1996 was a small step forward. Now I think we have to do something that will really provide people with much more coverage.

Having said that, let me just make one other point. When we talk about this whole issue of parity and trying to end discrimination in health insurance coverage, one issue we still don't deal with is what happens if people have no coverage at all. When we are saying you ought to treat these illnesses the same way we treat physical illnesses, what we are not doing is dealing with those that have no coverage whatsoever. I still think that a front-burner issue in American politics is universal health care coverage and comprehensive health care reform.

I have introduced legislation called the Healthy Americans Act. Sometime I would like to bring it out on the floor and have an up-or-down vote on it. I think we ought to be talking about universal coverage. The insurance industry took it off the table a few years ago; I think we should put it back on the table and I am going to work as hard as I can to do that.

But right now, I wanted to come to the floor and support Senator KENNEDY's effort. Hopefully, we will soon have an up-or-down vote on the Work Incentives Improvement Act. I hope we don't have to keep bringing it out as an amendment on other bills so it gets the attention it needs. This is a piece of legislation that deserves an up-or-down vote now.

Finally, also in the spirit of amendments, I will keep bringing back the welfare tracking amendment, because the more I look at the studies that are coming out and the more I talk to people in the field, the more strongly I feel that as policymakers we ought to at least have some evaluation of what we have done. I think it is a terrible mistake not to do so. My amendment lost by one vote last time. I will bring it back, and I hope to get a couple more votes. It does nothing more than just say to Health and Human Services let's get from the States data every year so we know what is happening to the women and children, so we can have a sense of what kind of jobs they have, at what wages, and whether there is child care for children. We need to do that. It is a terrible mistake not to have that knowledge.

I want to mention to colleagues that I will be bringing this amendment out within the next week—if not this week, next week—and I am hoping this time to somehow get a majority vote for it. I think it is reasonable and we should do it. I don't think we should turn away from this. It is important to know, especially because in the next couple of years, by 2002, in every State in the country, benefit reductions will have been fully felt. I think we ought to know how we are doing before that happens.

I yield the floor.

Mr. DOMENICI. I thank the Senator.

Mr. WELLSTONE. I say to Senator DOMENICI, I look forward to this work on the Mental Health Equitable Treatment Act.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2000

The Senate continued with the consideration of the bill.