STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI:

S. 2218. A bill to direct the Secretary of the Interior to establish a rural water supply program in the Reclamation States for the purpose of providing a clean, safe, affordable, and reliable water supply to rural residents and for other purposes, to authorize the Secretary to conduct appraisal and feasibility studies for rural water projects, and to establish the guidelines for any projects authorized under this program; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI. Mr. President, I am introduing the Reclamation Rural Water Supply Act of 2004 as a courtesy to the administration.

By Mrs. HUTCHISON:

S. 2220. A bill to amend the Internal Revenue Code of 1986 to encourage a strong community-based banking system; to the Committee on Finance.

Mrs. HUTCHISON. Mr. President, today I am pleased to introduce the Community Savings and Investment Act of 2004. This will create jobs, expand economic activity, and help to revitalize distressed urban and rural communities. It will accomplish this by providing tax relief for community-focused banks and helping to generate financial opportunities in low-income areas.

As we address the challenges many of our communities face and search for ways to help those looking to improve their standard of living, we must properly leverage the tax laws to encourage economic development. Most people and communities do not want handouts. They want the chance to find solutions and make it on their own. However, to do this they need financial resources.

The lifeblood of any economic development is capital. Too often it is difficult for people, especially those in distressed areas, to access financial resources and other banking services. Providing community banking will lead to much-needed investments in communities, allowing people to purchase homes, start new businesses, and revitalize their neighborhoods.

The Community Savings and Investment Act will improve access to banking services by lowering taxes for community banks. It also provides incentives for banks to serve distressed communities by excluding any resulting income from taxation. By lowering the costs for banks to operate in communities, we can unleash powerful new forces for economic development.

This initiative will make a significant difference in the lives of thousands of families and communities across this Nation. As we seek ways to further strengthen our economy, I urge the Senate to pass this common-sense approach.

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

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

S. 2220

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Community Savings and Investment Act of 2004''.

SEC. 2. INCOME TAX ON QUALIFIED COMMUNITY LENDERS.

(a) IN GENERAL.—Section 11 of the Internal Revenue Code of 1986 (relating to tax imposed on corporations) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following:

''(d) QUALIFIED COMMUNITY LENDERS.—

''(1) IN GENERAL.—In the case of a qualified community lender, in lieu of the amount of tax under subsection (b), the amount of tax imposed by subsection (a) for a taxable year shall be the sum of—

''(A) 15 percent of so much of the taxable income as exceeds $250,000 but does not exceed $1,000,000, and

''(B) the highest rate of tax imposed by subsection (b) multiplied by so much of the taxable income as exceeds $1,000,000.

''(2) QUALIFIED COMMUNITY LENDER.—For purposes of paragraph (1), the term 'qualified community lender' means a bank—

''(A) which achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of such bank under the Community Reinvestment Act of 1977,

''(B) the outstanding local community loans of which at all times during the taxable year comprised not less than 60 percent of the total outstanding loans of that bank,

''(C) meets the ownership requirements of paragraph (3), and

''(D) at all times during the taxable year has total assets of not more than $1,000,000,000.

''(3) OWNERSHIP REQUIREMENTS.—

''(A) IN GENERAL.—The ownership requirements of this paragraph are met with respect to any bank if—

''(i) no shares of, or other ownership interests in, the bank are publicly traded, or

''(ii) in the case of a bank the shares of which or ownership interests in which are publicly traded, the last known address of the holders of at least ⅔ of all such shares or interests, including persons for whose benefit such shares or interests are held by another, is in the home State of the bank or a State contiguous to such home State.

''(B) HOME STATE DEFINED.—For purposes of subparagraph (A), the term 'home State' means—

''(i) with respect to a national bank or Federal savings association, the State in which the main office of the bank or savings association is located, and

''(ii) with respect to a State bank or State savings association, the State by which the bank or savings association is chartered.

''(4) OTHER DEFINITIONS.—For purposes of this subsection—

''(A) BANK.—The term 'bank'—

''(i) has the meaning given to such term in section 581, and

''(ii) includes any bank—

''(I) in which at least 80 percent of the shares of, or other ownership interests in, the bank are owned by other qualified community lenders, and

''(II) the sole purpose of which is to serve the banking needs of such lenders.

''(B) LOCAL COMMUNITY LOAN.—The term 'local community loan' means—

''(i) any loan originated by a bank to any person, other than a related person with respect to the bank, who is a resident of a community in which the bank is chartered or in which it operates an office at which deposits are accepted, and

''(ii) any loan originated by a bank to any person, other than a related person with respect to the bank, who is engaged in a trade or business in any such community, to the extent that all or substantially all of the proceeds of such loan are expended in connection with the trade or business of such person in any such community.

''(C) RELATED PERSON.—The term 'related person' means, with respect to any bank, any affiliate of the bank, any person who is a director, officer, or principal shareholder of the bank, and any member of the immediate family of any such person.''.

(b) S CORPORATION INCOME.—Section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) is amended by adding at the end the following:

''(j) COMMUNITY LENDER INCOME FROM S CORPORATION.—

''(1) IN GENERAL.—If a taxpayer has community lender income from a S corporation for any taxable year, the tax imposed by this section for such taxable year shall be the sum of—

''(A) the tax computed at the rates and in the same manner as if this subsection had not been enacted on the greater of—

''(i) taxable income reduced by community lender income, or

''(ii) the lesser of—

''(I) the amount of taxable income taxed at a rate below 25 percent, or

''(II) taxable income reduced by community lender income, and

''(B) a tax on community lender income computed at—

''(i) a rate of zero on zero-rate community lender income,

''(ii) a rate of 15 percent on 15 percent community lender income, and

''(iii) the highest rate in effect under this section with respect to the taxpayer on the excess of community lender income on which a tax is determined under clause (i) or (ii).

''(2) COMMUNITY LENDER INCOME.—For purposes of paragraph (1)—

''(A) IN GENERAL.—The term 'qualified community lender income' means taxable income (if any) of a qualified community lender (as defined in section 11(d)(2)) that is an S corporation, determined at the entity level.

''(B) ZERO-RATE COMMUNITY LENDER INCOME.—The term 'zero-rate community lender income' means the taxpayer's pro rata share of so much of community lender income as does not exceed $250,000.

''(C) 15 PERCENT COMMUNITY LENDER INCOME.—The term '15 percent community lender income' means the taxpayer's pro rata share of so much of community lender income as exceeds $250,000 but does not exceed $1,000,000.

''(D) SPECIAL RULES.—

''(i) For purposes of this paragraph, the taxpayer's pro rata share of community lender income shall be determined under part II of subchapter S.

''(ii) This subsection shall be applied after the application of subsection (h).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 3. EXCLUSION FROM INCOME TAXATION FOR INCOME DERIVED FROM BANKING SERVICES WITHIN DISTRESSED COMMUNITIES.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by inserting after section 140A the following new section:

''SEC. 140B. BANKING SERVICES WITHIN DISTRESSED COMMUNITIES.

''(a) IN GENERAL.—At the election of the taxpayer, gross income shall not include distressed community banking income.

''(b) DISTRESSED COMMUNITY BANKING INCOME.—For purposes of subsection (a), the term 'distressed community banking income' means net income of a qualified depository institution which is derived from the active conduct of a banking business in a distressed community.

''(c) QUALIFIED DEPOSITORY INSTITUTION.—For purposes of this section, an institution is a qualified depository institution if—

''(1) such institution is an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)),

''(2) such institution is located in, or has a branch located in, a qualified distressed community, and

''(3) as of the last day of the taxable year, at least 85 percent of its loans from its location within the qualified distressed community are local community loans (as defined in section 11(d)(4)(B)).

''(d) DISTRESSED COMMUNITY.—For purposes of this section, the term 'distressed community' has the meaning given the term 'qualified distressed community' by section 233 of the Bank Enterprise Act of 1991 (12 U.S.C. 1834a(b)).''.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 140A the following:

''Sec. 140B. Banking services within distressed communities.''.

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

By Mr. BAUCUS (for himself and Mr. ROCKEFELLER):

S. 2222. A bill to amend titles XIX and XXI of the Social Security Act to clarify and ensure that the authority granted to the Secretary of Health and Human Services under section 1115 of that Act is used solely to promote the objectives of the medicaid and State children's health insurance programs, and for other purposes; to the Committee on Finance.

Mr. BAUCUS. Mr. President, I rise today to introduce the Medicaid and CHIP Safety Net Preservation Act, a bill to clarify existing law and to preserve the core elements of Medicaid, the State Children's Health Insurance Program, (CHIP), and our health care safety net, which provide needed health services to more than sixty million Americans. These programs, which are so critical to the health of our children, our parents and grandparents, and to our communities, have been threatened in recent years by waivers that undermine the very foundations of these programs. I am introducing this bill with my colleague, good friend, and the Ranking Member of the Finance Committee's Subcommittee on Health, Senator ROCKEFELLER.

I have long been concerned about the inappropriate use of the so-called ''Section 1115'' waiver authority with respect to Medicaid and CHIP. Section 1115 of the Social Security Act permits the Secretary of HHS to waive provisions of the Medicaid and CHIP statutes at the request of a state if the waiver is determined to ''promote the Objectives'' of the program, and if it meets certain other criteria established in statute. The waiver authority has existed since before Medicaid's inception, and it is designed to allow states before Medicaid's inception, and it is designed to allow states to experiment and engage in pilot and demonstration programs in a variety of Social Security Act programs. It has long been used to allow States to try innovative approaches to deliver or finance healthcare for some of our most vulnerable citizens—poor children, pregnant women and parents, individuals with disabilities, and the elderly, including many in nursing homes.

But in recent years, the waiver authority has been used increasingly aggressively and, in my view, irresponsibly. I first became concerned about these waivers when I learned that waiver programs, which now affect millions of people and tens of billions of dollars annually, were being negotiated and approved in the dark. In some cases, Medicaid enrollees literally could not find what the operative Medicaid rules were in their state, because laws and rules had been waived and the new program requirements were not published in a place accessible to the public. In 2001, I and my colleague, Chairman CHUCK GRASSLEY, wrote to Secretary Thompson with our concerns that the waiver process was not adequately transparent, and that there could be no accountability without transparency.

After many months and much correspondence with Secretary Thompson, I noticed some improvement in the posting of approved waiver applications. By that time, the General Accounting Office had reported that there were serious problems with 1115 waivers. Waivers were being approved without adequate public input; waivers were being approved that used funds set aside by Congress for children's health care on childless adults; and waiver applications were being negotiated and approved with different standards applied, depending on the identity of the state applicant. Finally, and most disturbing, the GAO noted that HHS was applying a condition to one type of waiver that imposed a hard cap on Federal spending for a state's elderly Medicaid enrollees over a five-year period.

Most recently, I was deeply disturbed to read press reports indicating that HHS was inviting states to prepare new more comprehensive waiver applications that would impose enforceable, global caps on state Medicaid programs. One of the crucial elements of the Medicaid program is its unique state-federal financing structure, which requires every state dollar expended on Medicaid to be matched by at least one Federal dollar. This guaranteed matching structure provides financial stability and an incentive for states to maintain levels of health care spending in good and bad economic times. The matching structure has, over time, allowed a swift response to economic recessions, high rates of uninsurance, epidemics, disasters like 9/11, and innovative treatment advances, like the advent of expensive protease inhibitors to threat AIDS. The law does not, and it should not, allow a Secretarial waiver of such a core element of Medicaid.

Another press report indicated that one governor intended to seek a waiver to the Medicaid entitlement in exchange for accepting a hard cap on Federal Medicaid spending. In the absence of the individual entitlement, a state could turn away eligible applicants; impose waiting lists; or terminate a health care benefit in the middle of treatment for a serious illness or a stay in a nursing home. For the poor, for children, for individuals with disabilities, such as ''innovation'' in Medicaid could be devastating.

I also heard reported an instance where HHS announced in court, for the very first time, that the Secretary has waived the essential ''EPSDT'' benefit for children in one state. Beneficiaries did not even know that they were no longer entitled to the comprehensive benefit for children until they were in litigation with the State over inadequacies in the state's Medicaid program.

And finally, I am concerned about efforts to undermine Medicaid financing for Community Health Clinics and Rural Health Clinics through the use of the 1115 waiver authority. These clinics provide desperately needed care for Medicaid and CHIP enrollees as well as millions of uninsured Americans. Without fair payment from Medicaid, CHCs and RHCs have reduced capacity to see the patients who rely on them for care.

There are some features of the Medicaid program that are so fundamental to the program that they should never be waived with the stroke of the pen of one person. And I am pleased to quote the new Administrator of the Centers on Medicare and Medicaid Services, Mark McClellan, who agreed at his nomination hearing that, and I quote from a news article citing his testimony, ''federally imposed caps on spending are not envisioned as part of Medicaid's structure.'' He also said that core Medicaid principles, such as the program's state and federal funding partnership and citizens' entitlement to benefits, should not be waived.

I am hopeful that, one day in the not too distant future, the Congress can have a meaningful debate on how to improve the Medicaid program that is now a healthcare lifeline for more than 50 million people, and how to improve CHIP and expand coverage to the uninsured. But in the meantime, we must ensure that efforts to innovate through waivers are made publicly and openly, with an opportunity for stakeholder

input at every level of decision making, and with a promise that innovation will ''do no harm'' to the foundational principles of these safety net programs. I urge my colleagues to cosponsor this bill, which will improve the integrity of Medicaid and CHIP and ensure that they remain available and responsive to the needs of so many Americans.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 2222

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Medicaid and CHIP Safety Net Preservation Act of 2004''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. FINDINGS; PURPOSES; RULE OF CONSTRUCTION.

(a) FINDINGS.—Congress makes the following findings:

(1) Certain requirements of titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.) are central to the overall objectives of the medicaid and State children's health insurance programs and are not properly subject to waiver, modification, or disregard under the authority of section 1115 of the Social Security Act (42 U.S.C. 1315).

(2) Some of the requirements of titles XIX and XXI of the Social Security Act that promote the overall objectives of the medicaid and State children's health insurance programs have been waived, modified, or otherwise disregarded by the Secretary of Health and Human Services under such section 1115, despite the explicit requirement in that section that certain requirements of the medicaid and State children's health insurance programs only may be waived, modified, or disregarded for the purpose of approving an experimental, pilot, or demonstration project if the waiver, modification, or disregard ''is likely to assist in promoting the objectives'' of those programs.

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

(1) To clarify that certain requirements of titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.), which are among those critical to achieving the objectives of the medicaid and State children's health insurance programs, may not be waived, modified, or otherwise disregarded by the Secretary of Health and Human Services under the authority of section 1115 of the Social Security Act (42 U.S.C. 1315).

(2) To ensure that the authority granted to the Secretary of Health and Human Services under section 1115 of the Social Security Act (42 U.S.C. 1315) with respect to the medicaid and State children's health insurance programs for the purpose of approving experimental, pilot, or demonstration projects is not used inappropriately.

(c) RULE OF CONSTRUCTION.—Nothing in this Act or the amendments made by this Act shall be construed to—

(1) authorize the waiver, modification, or other disregard of any provision of title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.); or

(2) imply congressional approval of any demonstration project affecting the medicaid program under title XIX of the Social Security Act or the State children's health insurance program under title XXI of such Act that has been approved by the Secretary of Health and Human Services as of the date of enactment of this Act.

SEC. 3. CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT A CAP ON FEDERAL FINANCIAL PARTICIPATION.

Title XIX of the Social Security Act is amended by inserting after section 1925 the following:

''CLARIFICATIONS OF AUTHORITY UNDER SECTION 1115

''SEC. 1926. (a) CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT A CAP ON FEDERAL FINANCIAL PARTICIPATION.—The Secretary may not impose or approve under the authority of section 1115 a cap, limitation, or other restriction on payment under section 1903(a) to a State for amounts expended as medical assistance in accordance with the requirements of this title.''.

SEC. 4. CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OF, OR MODIFICATION LIMITING, INDIVIDUAL ENTITLEMENT.

Section 1926 of the Social Security Act, as added by section 3, is amended by adding at the end the following:

''(b) CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OF, OR MODIFICATION LIMITING, INDIVIDUAL ENTITLEMENT.—The Secretary may not approve or impose under the authority of section 1115 an elimination of, or modification limiting, the entitlement (established under section 1902(a), 1905(a), or otherwise) of an individual to receive any medical assistance for which Federal financial participation is claimed under this title.''.

SEC. 5. CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OR MODIFICATION OF REQUIREMENTS RELATING TO EPSDT SERVICES.

Section 1926 of the Social Security Act, as added by section 3 and amended by section 4, is amended by adding at the end the following:

''(c) CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OR MODIFICATION OF REQUIREMENTS RELATING TO EPSDT SERVICES.—The Secretary may not impose or approve under the authority of section 1115 an elimination or modification of the amount, duration, or scope of the services described in section 1905(a)(4)(B) (relating to early and periodic screening, diagnostic, and treatment services (as defined in section 1905(r))) or of the requirements of subparagraphs (A) through (C) of section 1902(a)(43).''.

SEC. 6. CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OR MODIFICATION OF REQUIREMENTS RELATING TO CERTAIN SAFETY-NET SERVICES.

Section 1926 of the Social Security Act, as added by section 3 and amended by sections 4 and 5, is amended by adding at the end the following:

''(d) CLARIFICATION THAT SECTION 1115 AUTHORITY DOES NOT PERMIT ELIMINATION OR MODIFICATION OF REQUIREMENTS RELATING TO CERTAIN SAFETY-NET SERVICES.—The Secretary may not impose or approve under the authority of section 1115 an elimination or modification of the amount, duration, or scope of the services described in subparagraphs (B) and (C) of section 1905(a)(2) (relating to services provided by a rural health clinic (as defined in section 1905(l)(1)) and services provided by a Federally-qualified health center (as defined in section 1905(l)(2))) or of the requirements of section 1902(bb) (relating to payment for such services).''.

SEC. 7. PROHIBITION ON USE OF CHIP FUNDS FOR HEALTH BENEFITS COVERAGE FOR CHILDLESS ADULTS.

(a) IN GENERAL.—Section 2107 of the Social Security Act (42 U.S.C. 1397gg) is amended by adding at the end the following:''

''(f) LIMITATION OF WAIVER AUTHORITY.—Notwithstanding subsection (e)(2)(A) and section 1115(a), on and after the date of enactment of this subsection, the Secretary may not approve a waiver, experimental, pilot, or demonstration project, or an amendment to such a project, that would allow funds made available under this title to be used to provide child health assistance or other health benefits coverage to a nonpregnant childless adult. For purposes of the preceding sentence, a caretaker relative (as such term is defined for purposes of carrying out section 1931) shall not be considered a childless adult.''.

(b) CONFORMING AMENDMENTS.—Section 2105(c)(1) of such Act (42 U.S.C. 1397ee(c)(1)) is amended—

(1) by inserting ''and may not include coverage of a nonpregnant childless adult'' after ''section 2101)''; and

(2) by adding at the end the following: ''For purposes of the preceding sentence, a caretaker relative (as such term is defined for purposes of carrying out section 1931) shall not be considered a childless adult.''.

SEC. 8. IMPROVEMENT OF THE PROCESS FOR THE DEVELOPMENT AND APPROVAL OF MEDICAID AND CHIP DEMONSTRATION PROJECTS.

Section 1115 of the Social Security Act (42 U.S.C. 1315) is amended by inserting after subsection (c) the following:

''(d) In the case of any experimental, pilot, or demonstration project under subsection (a) to assist in promoting the objectives of title XIX or XXI in a State that would result in a substantive change in eligibility, enrollment, benefits, financing, or cost-sharing (to the extent permitted under section 1916(f)) with respect to a State program under title XIX or XXI (in this subsection referred to as a 'demonstration project') the following shall apply:

''(1) The Secretary may not approve a proposal for a demonstration project, or for an amendment of a demonstration project, submitted by a State on or after the date of enactment of this subsection, unless the State requesting approval certifies that the State provided reasonable public notice and a reasonable opportunity for receipt and consideration of public comment on the proposal

prior to submission of the proposal to the Secretary. Such notice shall include—

''(A) the proposal;

''(B) the methodologies underlying the proposal;

''(C) the justifications for the proposal;

''(D) the State's projections regarding the likely effect and impact of the proposal on individuals eligible for assistance and providers or suppliers of items or services under title XIX or XXI (including under any demonstration project conducted in conjunction with either of those titles); and

''(E) the State's assumptions on which the projections described in subparagraph (D) are based.

''(2) With respect to any proposal for a demonstration project, or for an amendment or extension of a demonstration project, which has not been approved or disapproved by the Secretary as of the date of enactment of this subsection, the Secretary shall—

''(A) provide public notice in the Federal Register and on the Internet website of the Centers for Medicare & Medicaid Services of the proposal, any revisions of the proposal, and any conditions for the financing or approval of the proposal;

''(B) provide adequate opportunity for public comment on the proposal, any revisions of the proposal, and any such conditions;

''(C) approve such proposal, any revisions of the proposal, and any such conditions only if, after consideration of the public comments received, the Secretary determines that the proposal, any revisions of the proposal, and any such conditions are likely to assist in promoting the objectives of title XIX or XXI and identifies in writing the basis for such determination; and

''(D) publish on such website all documentation relating to the proposal (including the written determination required under subparagraph (C)), any revisions of the proposal, and any such conditions, including if the proposal, any revisions of the proposal, and any such conditions are approved—

''(i) the final terms and conditions for the demonstration project; and

''(ii) a list identifying each provision of title XIX or XXI, and each regulation relating to either such title, with which compliance is waived, modified, or otherwise disregarded or for which costs that would otherwise not be permitted under such title will be allowed.''.

SEC. 9. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by sections 3 through 6 shall apply to the approval on or after the date of enactment of this Act of—

(1) a waiver, experimental, pilot, or demonstration project under section 1115 of the Social Security Act (42 U.S.C. 1315); and

(2) an amendment or extension of such a project.

(b) EXCEPTION.—The amendment made by section 5 shall not apply with respect to any extension of approval of a waiver, experimental, pilot, or demonstration project with respect to title XIX of the Social Security Act that was first approved before 1994 and that provides a comprehensive and preventive child health program under such project that includes screening, diagnosis, and treatment of children who have not attained age 21.

Mr. ROCKEFELLER. Mr. President, I rise today to join the distinguished ranking member from Montana, Mr. BAUCUS, in introducing the Medicaid and CHIP Safety Net Preservation Act of 2004. Medicaid and the Children's Health Insurance Program (CHIP) provide health insurance coverage to more than 50 million vulnerable Americans, including pregnant women, kids, people with disabilities, and seniors in nursing homes. Preserving the integrity of each of these programs should be one of our top priorities. The bill that we are introducing today would ensure that Section 1115 of the Social Security Act—the so-called ''1115 waiver authority''—does not erode the core objectives of Medicaid and CHIP.

Medicaid and CHIP form the foundation of our Nation's health care safety net. Without them, many more Americans would be uninsured. Unfortunately, the central objectives of these entitlement programs have been threatened in recent years by shortsighted proposals to cap Federal funding, questionable administrative rules and regulations, and inappropriate waivers that essentially waive the requirements of Federal law. The Medicaid and CHIP Safety Net Preservation Act would address each of these issues by reaffirming the core requirements of Medicaid and SCHIP.

Congress created Medicaid in 1965 as Federal-State partnership to provide health insurance coverage to low-income families on welfare. Over the years, Medicaid has evolved into a multi-faceted health insurance program that serves working families, the disabled, and the elderly. Throughout the evolution of Medicaid, two aspects of the program have remained the same: Federal guidelines for program administration and shared Federal and State responsibility for financing. This structure has served the Medicaid program well. It maintains the national health care safety net, while also allowing Federal and State policymakers to tailor the program to meet local needs.

In 1997, I was joined by Senator CHAFEE in introducing the Children's Health Insurance Program as part of the Balanced Budget Act. The purpose of this program has always been to help the children of families that do not qualify for Medicaid. At the time that CHIP was enacted, 10 million children were uninsured. Today, over 5 million children have coverage through CHIP; this includes nearly 23,000 children in the State of West Virginia. While we still have a long way to go in order to provide every child with health insurance, I believe the families touched by the CHIP program thus far would agree it serves its purpose well.

The legislation that Senator BAUCUS and I are introducing today is designed to make it very clear that certain requirements under Medicaid and CHIP are central to the overall objectives of these programs and are not subject to waiver. Specifically, this legislation would ensure that 1115 waivers are not used to impose global caps on Federal payments to Medicaid. It would protect the Federal guarantee of Medicaid for any eligible individual. Children would continue to have access to comprehensive health benefits under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program. Money intended for the care of children under CHIP would be used for that purpose. Finally, the process for reviewing and approving 1115 waivers would be more transparent, allowing greater opportunities for public notice and comment.

The Medicaid and CHIP Safety Net Preservation Act is a good first step toward preserving these critical health insurance programs. However, in order to strengthen Medicaid and CHIP for the future, we must also enact legislation that gives States the resources they need to cover eligible Medicaid beneficiaries, restores funding for the CHIP program, and allows states greater flexibility within the guidelines of the law. I urge my colleagues to support all of these important measures.

By Mr. ALLARD (for himself, Mr. BROWNBACK, Mr. ENZI, Mr. INHOFE, Mr. MILLER, Mr. LOTT, Mr. SANTORUM, Mr. SESSIONS, and Mr. SHELBY):

S.J. Res. 30. A joint resolution proposing an amendment to the Constitution of the United States relating to marriage; to the Committee on the Judiciary.

S.J. RES. 30

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

''ARTICLE—

''SECTION 1. SHORT TITLE.

''This Article may be cited as the 'Federal Marriage Amendment'.

''SECTION 2. MARRIAGE AMENDMENT.

''Marriage in the United States shall consist only of the union of a man and a woman. Neither this Constitution, nor the constitution of any State, shall be construed to require that marriage or the legal incidents thereof be conferred upon any union other than the union of a man and a woman.''.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 322—DESIGNATING AUGUST 16, 2004, AS ''NATIONAL AIRBORNE DAY''

Mr. HAGEL submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 322

Whereas the airborne forces of the United States Armed Forces have a long and honorable history as units of adventuresome, hardy, and fierce warriors who, for the national security of the United States and the defense of freedom and peace, project the effective ground combat power of the United States by Air Force air transport to the far reaches of the battle area and, indeed, to the far corners of the world;

Whereas August 16, 2004, marks the anniversary of the first official validation of the innovative concept of inserting United States ground combat forces behind the battle line by means of a parachute;

Whereas the United States experiment of airborne infantry attack began on June 25,